

International Business News

Opec chief predicts oil prices will continue to rise

AFP, Madrid
The price of oil will continue to climb, especially if there is no improvement in the outlook for the dollar, Opec president Chakib Khelil told Spain's national radio Monday.
"We are going to witness a price rise," especially if the economic situation in the United States persists and the dollar continues to decline, he said.
The US economy has been buffeted by a lingering housing market slump, a related credit crunch, increased job cuts and record high crude oil prices.
Oil rose in Asia on Monday and was trading at around 132 dollars per barrel, not far from the all-time high above 135 dollars hit last week amid concerns about inadequate output and robust demand.
Khelil blamed the soaring price of oil on speculators, geopolitical problems and the weakness of the dollar, all "factors beyond the control" of Opec.
"If Opec decides to raise production... these hikes will not really lower the price," said Khelil, who is also the Algerian energy minister.
A falling dollar makes commodities such as oil cheaper for those with stronger currencies and so in part encourages demand.

Toyota, Hino to help develop road-rail vehicle

AFP, Tokyo
Japan's Toyota Motor Corp. and its truck-making affiliate have joined a project to develop an environmentally friendly vehicle capable of moving both on roads and railways, an official said Monday.
Toyota and affiliate Hino Motors Ltd. will take part in the development of a new model of a road-rail vehicle originally created by railway operator JR Hokkaido, a Hino spokesman said.
The two auto companies are providing technology and materials to strengthen the front part of the "dual mode vehicle" so that it can carry up to 25 people.
The railway firm is already developing several prototypes of road-rail vehicles and has begun test drives.

Vietnam attracts record \$15.3b FDI so far this year

AFP, Hanoi
Vietnam has attracted more than 15 billion dollars in foreign direct investment (FDI) pledges for over 300 projects so far this year, a communist government official said Monday.
The committed amount is 2.6 times higher than for the January-May period last year, said Nguyen Thuy Huong of the Ministry of Planning and Investment.
Vietnam, which joined the World Trade Organisation in early 2007, has set itself a target of attracting at least 21 billion dollars of FDI this year, Huong said.
Companies up to May 15 have promised to invest 15.3 billion dollars -- including about 14.7 billion dollars for 324 new projects and 600 million dollars to expand over 130 existing projects, Huong said.



AFP
Taxi drivers wait for a job in the carpark of a luxury hotel in Dakar on May 23, 2008. The rise in petrol prices has seen a dramatic fall-off in business for taxi drivers as the spending power of the population has also diminished.

Indonesia courts foreign investors but concerns linger

AFP, Jakarta
Indonesia's President Susilo Bambang Yudhoyono opened Monday a forum seeking billions of dollars in foreign direct investment to boost employment and growth, amid unease about local barriers to business.
Yudhoyono said the Indonesian Regional Investment Forum aimed to boost the economy of the sprawling archipelago, the world's most populous Muslim-majority nation, as organisers said nearly 19 billion dollars of projects were on offer.
The president said the forum sought to achieve "higher growth through exports and investments, stimulating the real sector to create employment and promoting rural and agricultural development to reduce poverty."

Reform plan for South Korean state-run firms due early June

ANN/ THE KOREA HERALD
The South Korean government is set to unveil a blueprint for privatising some 320 state-owned corporations in early June at the earliest, sources said Sunday.
The framework for the massive sell-off of public corporations will include plans for 50 to 60 state-owned enterprises, consolidations of key functions at 20 to 30 entities and a drastic restructuring process for the remaining ones, they said.
Possible exclusions of resource corporations--KEPCO, Korea Water Resources Corp Korea National Oil Corp--and other politically important state-run enterprises could prompt the government to drastically scale down the original plan.

MIGRANT WORKERS

S'pore luring S Asia, Thai construction workers

AFP, Singapore
T. Junardhan is helping to install the plumbing at a luxury shopping and residential tower rising in Singapore's prime Orchard Road tourist belt. He can also balance your books if the need arises.
Junardhan, an Indian with a degree in accountancy, is one of almost 150,000 foreigners labouring in Singapore's booming construction sector.
Some complain of poor living conditions, over-work, homesickness and non-payment of wages.
But they say the risks and challenges are outweighed by one thing: the lure of money far greater than anything they could earn at home.
Junardhan, 23, of Andhra Pradesh state, said he has an accountancy degree from a college near his home town but low wages in that profession drove him to put down his pen and pick up his tools overseas.



An AFP file photo shows a construction site in Singapore.

Singapore's Ministry of Manpower says about 145,000 foreigners are employed in the construction sector, where two multi-billion-dollar casino developments, subway lines, residential and other projects have generated high demand for labourers.
The ministry did not provide a breakdown by nationality but many of the workers come from India as well as Bangladesh and Thailand.
The Thai embassy said 47,000 of its nationals are working in Singapore, mostly in construction, while the Bangladeshi embassy said about 40,000 of its citizens are construction workers.

"I could earn 259 Singapore dollars (190 US) a month as a new accountant in India. Here I earn four times that," Junardhan said.
His friend, R. Guna, told him it would be worth his while to leave his village for the Southeast Asian city-state of high-rise towers and expressways.
"I told him over the phone about the salary I got working in Singapore and managed to convince him," said Guna, 24.
Other Indian workers said they make 16-18 dollars a day,

also much more than they would get at home.
The salary is good -- when they get it.
Non-payment of wages is "the number one issue" that construction workers are seeking help with when they call the TWC2 (Transient Workers Count Too) migrant workers' advocacy group, said TWC2 president John Gee.
"It's usually one worker that calls in to seek help but he is usually part of a whole group that has been affected," Gee said, adding that many non-payment cases involved smaller contractors.
Guna complained he went through "torture" during his first stint as a construction worker five years ago, with long hours and sometimes no break.
He said his present employer is better and provides packaged meals.
Labourers complain that Singapore's rising inflation, which struck an annual 6.7 percent in March -- the highest in 26 years -- is eating into their wages.
"Singapore now is very expensive. I can spend up to

seven, eight dollars a day just on food alone," said R. Tamilmani, 22, who arrived two years ago from India's Tamil Nadu state with his childhood friend V. Muthukrishnan, 26.
As maintenance men at a construction site they each earn 16 dollars a day, a figure which has remained "more or less the same," Muthukrishnan said.
"Price of makan increase, price of Coke increase but my salary still the same," said Muthukrishnan, using the Singaporean Malay word

"makan" for "eat".
Junardhan remembers when he could find a five-kilogram (11-pound) bag of rice for four dollars.
"Now, it is six dollars or more. Even the beer is expensive now," he said.
Foreign labourers are a familiar sight on Singapore roads. While local motorists drive around sealed inside their air conditioned cars, overseas workers are transported to their jobs in the back of open trucks.
"It's inherently risky," said Gee. "We are trying to persuade the authorities to change the rules and use enclosed vans or buses as an alternative."
Gee said workers' accommodation is another major issue. Some labourers live on their work sites in quarters that leave them vulnerable to dust and pollution, he said, adding that employees should ideally be housed away from their workplace.
"It's human to need to get away from work," Gee said.
For Junardhan, home is a dormitory.
"We got no choice, so I have to stay in the dormitory. The room is too small and the kitchen gets very dirty and smelly," he said.
It is also full of mosquitoes, Junardhan said, quickly adding that the insects were a small price to pay for working in Singapore.
"I love that Singapore is very safe. You don't get this kind of feeling in India," he said.
Long hours on the job and a shortage of spare cash limit the workers' options for relaxation.

SURVEY

Money may buy happiness (or not): economists renew debate

AFP, Washington
The saying goes that money can't buy happiness. But inquiring economists have been working for decades trying to prove or disprove the notion.
Researchers at the University of Pennsylvania's Wharton School of Business released a study in April showing "a clear positive link" between wealth and "subjective well-being," based on global surveys.
While this may seem logical to some, the research flew in the face of a longstanding theory that happiness of a country's population does not rise with income, after certain basic needs are met.
This theory, dubbed the "Easterlin Paradox," was developed in 1974 by Richard Easterlin, an economist currently on the faculty at the University of Southern California.
Easterlin's research had drawn on surveys notably from Japan, where surveys had shown little or no increase in national happiness despite the country's post-World War II economic miracle.
Wharton economists Betsy Stevenson and Justin Wolfers contend in the new research that better data over the past three decades and a closer analysis suggests the Easterlin Paradox is flawed.
They found that the wealthiest countries in terms of gross domestic product (GDP) per

capita rank near the top of surveys on happiness, with the poorest at the bottom. More significantly, within each country, higher incomes translated to higher ratings of life satisfaction, they found.
"There appears to be a very strong relationship between subjective well-being and income, which holds for both rich and poor countries, falsifying earlier claims of a satiation point at which higher GDP is not associated with greater well-being," they said in a paper to be published by the Brookings Institution.
"The Easterlin Paradox says that what I care about is my relative ranking in society," Stevenson told AFP. "It says economic development doesn't matter at all -- that the United States is no better off in 2008 than it was in 1920."
The results have important implications for public policy. Stevenson and Wolfers note that economic growth might not be considered an important policy goal if it does little to raise well-being.
The Wharton researchers said multi-nation surveys such as the Gallup World Poll and the Pew Global Attitudes Survey reveal "quite powerful effects of income on happiness."
"There is no evidence of a satiation point," Wolfers told AFP. "Even as rich countries get richer they appear to get happier."
The researchers said they



Bangladeshi banknotes of various denominations

were not seeking to make any political point or support an ideology.
Although backers of the Easterlin theory say it argues against unbridled pro-growth capitalism, Stevenson said the new research could also be used to promote more distribution of wealth.
"A 10 percent increase in income for a poor person will give you the same gain (in happiness) as a 10 percent gain for a rich person but it would cost a lot less," she said.
Accordingly, she said redistributing income from the rich to the poor could increase a country's overall happiness

quotient.
Easterlin meanwhile stands by his research, updated several times since the 1970s.
In a 2004 paper, Easterlin said surveys continue to support his thesis.
"Contrary to what economic theory assumes, more money does not make people happier," he wrote.
"Most people could increase their happiness by devoting less time to making money, and more to nonpecuniary goals such as family life and health," Easterlin said.
"It's necessary to separate shorter term fluctuations in

which GDP and happiness are positively related from the long-term association between growth and happiness," Easterlin said in comments emailed to AFP.
"The conclusions of (the Wharton) paper appear to be based on the short-term association and do not contradict the findings regarding the longer term."
The new research meanwhile has set off a fierce debate among scholars.
Andrew Oswald, a self-described "happiness economist" at Britain's Warwick University and visiting fellow at Cornell University, called

the Wharton paper "interesting" but argued that "the bulk of the evidence is on Easterlin's side."
Oswald, who has studied the issue for 15 years, said, "There is extremely strong evidence that we are no happier than in the 1970s across the industrialized countries."
Oswald said Easterlin's research "is about 80 to 90 percent right."
"Economic growth buys only the most marginal amount of happiness for a country that is already rich. But in developing countries, there is very little dispute -- economic growth does make people happier."
Angus Deaton, a Princeton University economist, said Stevenson and Wolfers expanded on some of his research, and that "they are raising questions that are important" about the link between money and happiness.
But he added: "I think the question is far from settled. There may be some parts of the Easterlin Paradox that are still valid."
One problem, says Deaton, is that it is difficult for surveys to identify happiness and separate that from other measurements of well-being.
"These surveys ask people how happy you are," said Deaton. "The problem is you could think your life was great overall, but not be particularly happy."