

International Business News

India to ease external commercial borrowing norms

PALLAB BHATTACHARYA, New Delhi

Hit by tightening liquidity conditions in domestic market, India has decided to ease the external commercial borrowing norms for infrastructure companies and other corporate houses.

The government has raised the limit of overseas commercial borrowing by infrastructure companies from US\$20 million to US\$100 million in foreign currency for its Indian Rupee expenditure in India.

In case of other borrowers, the existing ceiling of US\$20 million for Rupee expenditure has been hiked to 50 million dollars.

The government has also raised the rate of interest limit up to that at which a borrower can raise funds in international markets.

The measures come as a big relief for the Indian industry, which grew merely three per cent in March this year--the slowest in six years--amidst a tight domestic monetary policy to contain inflation that has pushed up the interest rates, making domestic borrowing costlier.

Ford to build low-cost Fiesta car in Mexico

AFP, Detroit

Ford Motor Company said Friday it will build a new low-cost, small car for the North American market at its Mexican plant as part of a three billion dollar expansion.

The move comes as the company shrinks its US production in the face of declining truck and sport utility vehicle (SUV) sales and is a major blow to the United Auto Workers union, which had campaigned for nearly two years to get Ford to build a new small car in the United States.

"Ford is absolutely committed to leveraging our global assets to accelerate the shift to more fuel-efficient small cars and powertrain technologies that people really want and value," said Ford president and chief executive Alan Mulally, who was in Mexico for the announcement.

Sri Lanka's inflation hits 26.2 percent in May

AFP, Colombo

Annual inflation in Sri Lanka hit 26.2 percent in May, according to official data on Friday, driven by higher food, fuel and other prices.

The inflation rate was calculated using the new Colombo Consumer Price Index which tracks price movements since 2002, the statistics department said.

The level was a record high according to the index, which was released for the first time on Friday.

The statistics department said it was discontinuing the previous Colombo Consumer Price Index, which has been tracking price movements since 1952. Under the old index, inflation hit a decade-high of 29.9 percent in April.

"We will not release the old index any more," statistics chief Suranjana Vidyaratne said.

She declined to elaborate on the reasons for the decision but critics say the move is aimed at showing a lower inflation rate.



A Sri Lankan shop owner weighs rice potatoes at a grocery store in Colombo on May 30, 2008. Sri Lanka's official rate of inflation galloped to a record high of 26.2 percent in May, the Department of Census and Statistics said, led by higher gains in food, fuel, clothing, healthcare and education. The announcement comes as the World Bank said that they were considering Sri Lanka's request for a 100 million dollar crisis loan, to tackle runaway food prices.

Bear Stearns shareholders approve sale to JPMorgan

AFP, New York

Shareholders of Bear Stearns, the most high-profile victim of the US subprime property crisis, accepted a deal Thursday to sell the Wall Street firm to banking giant JPMorgan Chase.

The approval brings to a close the saga of Bear Stearns, whose meltdown shocked financial markets and led to a rescue effort led by the Federal Reserve.

Shareholders approved a deal that sells the former 85-year-old investment giant for a bargain-basement price of one billion dollars, concluding a deal engineered in March by the Fed to avert a collapse that some feared could create a financial tsunami.

A statement from the two companies said 84 percent of shares voted were in favor of the merger, to close at the end of the day on Friday. Bear Stearns shares will be converted to 0.21753 shares of JPMorgan Chase common stock and Bear Stearns will become a subsidiary of JPMorgan Chase.

TOURISM

High-end hip hotels fuel Thai design innovation

AFP, Cha-Am, Thailand

Duangrit Bunnag scans the murky white high-rises that sketch Bangkok's haphazard skyline, despairing of the drab view from his architecture firm's clean and minimalist office.

"The question I am always asked is which building do you like? And then I look around, and even though I live on the 28th floor, I look around and cannot find one building that I like. It is a very unfortunate thing," he says.

While other Asian metropolises such as Singapore, Kuala Lumpur, Hong Kong and Beijing all boast cutting-edge new buildings recognisable around the world, one would be pushed to name a famous modern building in Bangkok.

Duangrit blames this on what he calls the "old guard" of Thailand's architecture scene: inward looking, outdated, afraid to try anything new and kowtowing to unimaginative clients.

"There are many architects that are talented but again they have to fight a long way with the old guard," he said. "So it's a long fight, and it's a heavy fight for them. Maybe another 10 or 20 years you will see something good come up."

So in the meantime, the modish darling of the industry is turning his attention to Thailand's beaches, where his visions of distressed concrete and stone structures melding into their surroundings are being realised with the help of young and daring Thai and foreign developers.

One of his recently completed projects is the Alila Cha-Am resort on a beach south of Bangkok and near the resort town of Hua Hin.

Catering mostly to Asia's hip young middle class, the resort boasts geometric blocks of rooms, boxy villas, large open courtyards and dazzling marble surfaces.

A wall of thousands of loose stones lines a reflecting pool, beneath which a spa is bathed in distorted light and the shadows of the rippling water.

Inside, rough concrete walls contrast with Portuguese sandstone. "There is a growing trend to attract people with architecture," says general manager Urs Aebi. "Thailand has been renowned for good service and nice beaches forever. Now you have some quite funky places."

Aebi says he thought it was quite a leap of faith for the developers to choose Duangrit, but adds that slowly



General view of Alila Cha-Am resort in Hua Hin south of Bangkok on March 18, 2008. Alila Cha-Am resort decorated with wall of thousands of loose stones lines a reflecting pool, underneath which a spa is bathed in distorted light and the shadows of the rippling water.

Thailand is turning away from bland traditional Thai-style resorts and embracing the designer hotel.

"The young and well-educated Thais, having studied overseas, spent a few years abroad, travelled, they are coming back and they dare to do that," he says.

Boonthida Amatyakul, 30, is the managing director of Dune in Hua Hin, a sliver of a hotel with five rooms behind a grey, industrial-style exterior.

It is Latin American salsa beats, not Thai traditional music, that pump out on the wooden restaurant deck with a shimmering pool lined with metallic tiles.

"My inspiration is from Mexico. I went to Playa del Carmen and they had small hotels with different

styles," she says. Since Dune opened in December 2006, Boonthida has seen many more design resorts spring up.

Another that is winning plaudits is The Library on Samui island, where cool minimalist white and glass buildings and playful sculptures have attracted the attention of magazines including Wallpaper, Elle Decor and Harper's Bazaar.

Brian Mertens, co-author of "Architecture of Thailand: A Guide to Traditional and Contemporary Forms," says, however, that Thailand needs more than a boom in chic tourist resorts to fuel a strong architectural culture.

"Thailand has great potential, but architects here want to see a boost in enlightened public and private sector

patronage of new construction, together with conservation of heritage up through the 1970s," he says.

Duangrit, who studied in Thailand and has spent most of his working life here, says a government ban on non-Thais designing buildings in the kingdom means there is a lack of creative exchange.

He designs his buildings -- in particular a new chain called X2 -- to mimic the traditional Thai house by making use of the relationship between the outside and inside spaces and air flow.

He despairs of the overdone pseudo-Thai villas which seem to spring up on every stretch of available sand.

"The Thai culture has been used and misused. Not for the sake of the

culture, but for the sake of the marketing. It becomes like a tourist Disneyland," he says.

Mertens agrees that many modern buildings have tried unsuccessfully to mimic the elements of the past.

But he says attitudes to architecture will change as a younger generation more open to new ideas asserts itself.

"Perhaps 50 of the leading 500 Thai corporations and families are commissioning significant architecture. But the numbers will rise as the generation now in their 30s and 40s takes charge," he says.

And while not expecting a sea change any time soon, Duangrit also remains hopeful.

"I am always optimistic for the future, pessimistic for the present."

COLUMN

SARWAR AHMED

Fast forward pace

Have you felt the impatience of things not happening as fast as you want? Oh the bureaucracy, you must have exclaimed! It is all about the pace at which things happen in an organisation.

Why is pace, the velocity of getting things done, so important? It is interesting how Toyota has nearly become the world's number one auto manufacturer. One of the several reasons for their success is their pace of getting things done. A new vehicle takes a year to design in Toyota where competitors typically take two to three years.

So why do we need to have a fast paced organisation? The faster you are in getting products to market, the faster you respond to customers and the quicker you have the cash cycle working in your favour. Of all the car makers, Toyota has the biggest cash war chest and is the most profitable.

There are three aspects to being fast paced: one, leadership attitude, two, processes that drive the business, and three, the size of the organization. The leadership of the organization sets the pace. I was told by our Regional CFO Robert Weltevreden, who

joined us from Rubbermaid, that the first management principle is that the boss sets the pace. Just the other day, Sony's CEO Howard Stringer told his managers "to get mad", meaning, act quickly, be bold, energetic and imaginative.

Thus spoke Jack Welch at the Annual Shareowners Meeting of General Electric, April, 2001: "Speed is so important and we are getting faster by the day. I'm confident future pundits will be writing articles describing how relatively slow and even plodding the GE of today is compared with the lightning pace of the GE of tomorrow. And that love of change and that desire to seize it is what makes this company so vital, so dynamic, and so special and we'll never lose it."

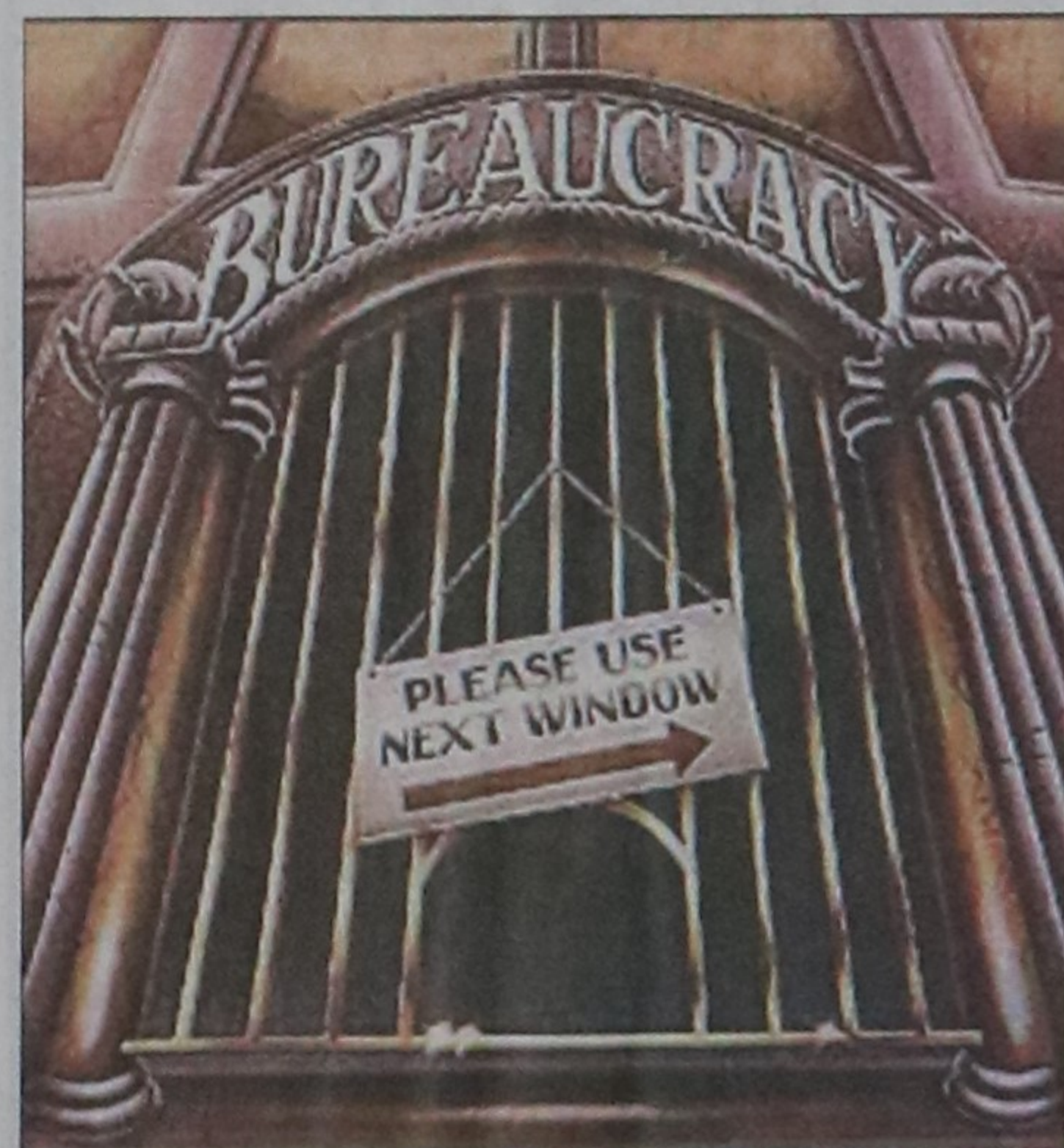
"Almost all of our shared values are inspiring, uplifting, positive. But one is not; our visceral hatred of bureaucracy stems from the evil and harm it wreaks on the spirit of a company, any institution, and its people, and its dilutive effect on every other value that we believe. Bureaucracy hates change, could not care less about the customer, loves complexity, is afraid of speed

and incapable of it, and inspires no one. This company is committed to keeping itself as bureaucracy-free as any big institution that has ever existed."

This is one of the most expressive leadership statements on the importance of pace and visceral hatred of its antithesis, bureaucracy. The starting point for a fast paced organisation is the leadership's commitment to change and clearing up the bureaucratic cobwebs that choke decision-making.

Processes develop over time. However, these processes tend to get burdened with technology or a new boss who adds his thoughts to the existing flow. And the processes, sometimes outdated, live on, making people do things that may have no relevance to the current reality.

What do we do then? Scrutinize each process and ask if there is any need of any of the steps that make up the process. It is always a surprise how we tend to overlook absolutely useless steps that we have been doing for years. Scrutiny to weed out unnecessary processes that delay deci-



The faster you are in getting products to market, the faster you respond to customers and the quicker you have the cash cycle working in your favour.

sion making must be embedded in company culture.

The size of the organization can be a factor in setting the pace of decision making. I

have a simple equation. Each person you add to the decision making layer, delays the decision by a factor of 10.

I was comparing notes with

our Regional Information Services Head Noel Low, who recently joined us from Nike. It was illuminating to hear him talk of pace, and how we are comparatively slower than the US companies he had worked in. He is an achiever, wants quick results, and his boss reminds him to slowdown because of how things work in the multinational environment of our global organization.

And I can feel the pinch too. Decisions we should have taken months ago and have not, now haunt our operations. We lose out to local competitors who are more nimble footed because they do not have multi-national decision making overheads. They simply do things while we need to go through endless processes that in the end, would make even the proverbial snail win the race. This is what size and its consequent layers can do to an organization.

Fast forward your organisation, get the pace up through visible leadership commitment, lean processes and a leaner organisation.

The writer is the managing director of Syngenta Bangladesh Ltd