

International Business News

Japan's Daiichi Sankyo to take control of India's top drug firm

OUR CORRESPONDENT, New Delhi

Japan's second largest branded drug manufacturer Daiichi Sankyo is set to snap up a controlling stake in India's largest pharmaceutical company Ranbaxy for 3.4 billion to 4.6 billion dollars.

Daiichi will not only acquire the entire 34.8 percent stake held by Ranbaxy's main promoters Malvinder Singh and his brother Shivinder Singh and their families for 2.4 billion dollars but also make an open offer for up to 20 percent of the Indian company's shares that is mandatory under rules set by Indian stock market regulator.

The Japanese company will pick up another 9.4 percent in Ranbaxy through a preferential share allotment, taking its total stake to 51 to 62 percent.

The deal values Ranbaxy at 8.5 billion dollars and will give Daiichi a firm footing not only in the huge generic drug market of India but also in several other countries where Ranbaxy supplies its products, the two companies said on Wednesday.

High rates, global slowdown blamed as Australia sheds jobs

AFP, Sydney

A sharp fall in employment in Australia showed that a series of interest rate rises and slower global growth were having an effect on the economy, Deputy Prime Minister Julia Gillard said Thursday.

Employment fell by a seasonally adjusted 19,700 jobs in May from April, the Australian Bureau of Statistics said earlier.

This was much weaker than economists' expectations of a 13,500 increase and the first monthly drop since October 2006. The unemployment rate was 4.3 percent, higher than the consensus expectation of 4.2 percent.

"Today's fall in employment is a sober reminder of the consequence of eight interest rate rises in a little over three years and slower global economic growth," said Gillard, who is also minister for employment.

Arroyo says Philippines has enough rice, vows self-sufficiency

AFP, Manila

Philippine President Gloria Arroyo on Thursday assured the public the country had adequate rice supplies and vowed to achieve self-sufficiency in the staple food in the coming years.

In a speech marking the 110th anniversary of Philippine independence from Spain, the president also said her government would work to develop indigenous energy sources to lessen the effects of rising oil prices.

"We have an adequate supply of rice today and we have a solid plan for self-sufficiency. This is important for our domestic and international audiences to appreciate," said Arroyo.

She told a crowd gathered in Manila for the independence day ceremonies that the Philippines was only importing rice for its emergency reserves, adding that "there will be enough food for every Filipino."



Farmers harvest rice on a field on the outskirts of Hanoi yesterday. Fast-industrialising Vietnam plans to protect at least 3.9 million hectares (9.6 million acres) of rice fields to ensure long-term national food security, according to state media.

Tokyo Asia's costliest city for expats

AFP, Singapore

Tokyo has supplanted Seoul as Asia's most expensive city for expatriates as the stronger yen pushed up living costs in the world's second largest economy, a survey by ECA International said Thursday.

Japan's second biggest city, Yokohama, placed second and Seoul slipped to third spot, the twice-yearly global survey by the human resources firm showed.

"Tokyo is the most expensive city in Asia, overtaking Seoul due, largely, to the appreciation of the yen against the US dollar over the past six months," ECA International said.

Globally, Tokyo maintained its rank of 13th. Luanda in Angola, and Oslo in Norway were the world's most expensive cities for expatriates, ECA said.

The firm, which provides data to international companies, compares in its survey a basket of 128 consumer items and services purchased by expatriates in more than 370 locations globally.

Pak deficit budget unveiled

AFP, Islamabad

Pakistan's government unveiled a deficit national budget on Wednesday, vowing to freeze defence expenditures, enhance agriculture and industrial output, and check poverty amid soaring food prices.

The budget for fiscal 2008-2009 starting from July 1, is the first by the fledgling coalition government, which says it inherited a weak economy ridden by crisis after eight years of military rule.

The growth rate in the current year slowed to 5.8 percent from 6.8 percent in the previous year, while inflation stood at around 11 percent, officials said.

LIVELIHOOD

It's tiffin time

SAYEDA AKTER

Minara Begum, a 37 year old widow starts her day in a tiny kitchen at 4 in the morning. She has to prepare lunch for 45 people, five days a week and has been working hard to manage everything including shopping and cooking all by herself.

On the menu today is ruhi fish curry, mixed vegetable, dal, rice and a slice of lemon. Once ready, Minara will pack the food into aluminum and plastic tiffin carriers and load it on to rickshaws to be dispatched to her customers at office desks throughout Motijheel, Paltan and Segunbagicha, Dhaka's commercial centre.

Minara is not alone. Across the city thousands of men and women get up in the early hours of the morning to prepare lunches for the city's growing band of hungry office workers. And while it may seem like the simplest of tasks, the ability to put tens of thousands of meals on the desks of individual customers every work day is a logistical achievement that has even gained the attention of business scholars in the west.

Minara started her business five years ago when her husband died, leaving her almost penniless with three daughters and her mother in law to support. "When he died I thought I would go under," she said.

After getting a job in her cousin's small restaurant as a cook she began to see the potential of providing a lunch service and eventually set off on her own.

Her first clients were former customers of the restaurant but the number soon grew as word got around. "Now I am serving people working in the Bangladesh Bank, Janata Bank and some private offices in Motijheel," she said.



A woman pushes a rickshaw van as a boy pulls it to carry home prepared lunches. Across Dhaka thousands of men and women get up in the early morning hours to prepare lunches for the city's growing band of hungry office workers.

She charges Tk 50 per lunch with a different meal five days a week, alternating between chicken, beef, eggs and fish. It's a competitive price and one of the reasons that the number of customers for the tiffin trade is growing.

"The price is very reasonable and as the food is homemade, it is fresh," said Mamun Elahi, an assistant director at Bangladesh Bank in Motijheel who has been one of Minara's clients for more than two years.

The alternative is to visit a restaurant, but with prices rising many office workers are reluctant to spend so much everyday on eating out. Moreover there remain concerns about food hygiene in the less personal environment of a large restaurant.

Another reason Elahi has stuck with Minara is the punctual arrival of his daily meal. Indeed this is one of the remarkable logistical achievements of the tiffin service. In the jam packed, potholed and

sometimes-flooded streets of the capital, the fleet of rickshaws is able to deliver fresh meals to an individual on time.

And customers are demanding. The tiffin must arrive before 1 pm in time for the official lunch break between 1.30 and 2.30. Failure means the customer will simply find another supplier. Not only that, once the lunch break has been completed, the carriers must return, collect the tiffin boxes and take them back for cleaning.

It is this feat that attracted scholarly research on the tiffin trade in Mumbai, where the carriers are called Dubbawallas. In Dhaka the trade is more concentrated to the commercial center, but the same logistical challenges exist.

Getting paid also takes some doing. The tiffin sellers do not have contracts with institutions or workplaces but with individual customers. In the larger offices, several tiffin sellers will be delivering. Each

customer has their own account and the bills are settled at the end of the month.

Jahangir Alam, another lunch provider in Motijheel, serves 70 customers per day and started the business in 2002.

"The number of offices and employees were limited at that time, but now there are several hundreds of offices and some thousands of employees, which is helping the business grow very fast in the area," he said.

Like Minara, Jahangir also prepares lunches at his home, with his wife as head cook and two of his sons and a nephew as helping hands.

"I have been serving lunch for the last six years and never been blamed for rotten or stale food served in offices," Jahangir said proudly.

Jahangir said one of the attractions of the business is that it does not need huge investments. However traders still face many problems.

Jumun Ali, another lunch provider in Ram Krishna Mission Road, said many times he provided lunch to private offices only to find them close down before he was paid.

"At a time of skyrocketing prices of essentials, customers are unwilling to pay more and most importantly they don't pay in advance, so we have to struggle to manage things on a very tight budget," he said.

"There is no association to protect our rights," he added.

Back in Minara's kitchen the thick aromas of cumin, turmeric and lemon are sometimes over powering, but Minara does not seem to mind. Putting lunch on the desks of the office workers in Motijheel is putting the food on the table for her family.

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ECONOMY

Social stability to help China economy grow at over 8pc for long

REZAUL KARIM, back from China

China's economy can maintain a steady growth above 8 percent for a relatively long period because of a stable society, a vast market and ample capital, officials said.

They said the economy can stay on the first developing track if they work hard and pay enough attention to the prevailing problems.

Social stability is crucial to economic development while China has a market of 1.3 billion people, which creates a huge consumption power. Meanwhile, China's foreign reserves have reached US \$ 1.68 trillion, and it has built up an ample capital pool.

China also beefed up its efforts to improve education and expand its coverage, which paved the way for sustainable economic development, officials said, but added that there were problems China could not afford to ignore.

One of them was the wide gap between the rich and the poor. The income of urban residents has tripled the rural households', while the purchasing power in cities was four times larger than that in rural areas, officials told a delegation of reporters from the Saarc countries.

This delegation travelled Beijing, Shenzhen, Shanghai and Kunming and had a series of interactions with

high government officials, including Chinese Assistant Foreign Minister He Yafei.

Some 21 print and electronic media people from Afghanistan, Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka visited China, including Olympic venues in Beijing and Shanghai at the invitation of the Ministry of Foreign Affairs of China from May 19-31.

Chinese officials said China faced increasing pressure to protect the environment and to secure raw materials and resources for its economy. It also lacks a large pool of senior professionals in finance and management.

For example, an official said, "We buy a lot of US treasury bonds. It means appointing them (US bond managers) to manage our assets and we only gained a little bit of interest." "We are trying to resolve such problems."

Officials estimated China's per capita GDP can reach US \$3,000 by 2010, US \$5,000 by 2020 and US \$10,000 by 2049, given its economic expansion and a stronger Yuan.

They said China can increase social and infrastructure spending to support its economic expansion if the global economy slows "more than expected."

The fiscal balance is healthy and the government is well placed to raise social spending and infrastructure investment, they said, adding that the government revenue also increased by 32 percent in 2007.

To cool price gains, they said, China has raised the proportion of deposits that lenders are required to set aside as reserves four times this year and allowed the Yuan to gain about 5 percent versus the US dollar.

Meanwhile, officials said China will strengthen monitoring of investment inflows and banks' foreign currency borrowing after the nation's current-account surplus grew 49 percent last year.

China has stepped up its efforts to reduce a surplus that has injected cash into the world's fastest-growing major economy and driven inflation to the fastest since 1996. The widest measure of trade and financial flows posted a surplus of US\$371.8 billion from US\$250 billion in 2006.

The surplus for the capital and financial account, a measure of investment flows, jumped more than sevenfold in 2007 to US\$73.5 billion from US\$10 billion a year earlier. China's merchandise exports rose 26 percent in 2007 and the trade surplus surged 48 percent. Foreign direct investment, including money going



A Chinese construction worker goes about his work on a platform hanging over a skyscraper building site in Wuhan. China's economy can maintain a steady growth above 8 percent for a relatively long period because of a stable society, a vast market and ample capital.

into the financial industry, increased 14 percent.

Consumer prices in China jumped 8.5 percent in April from a year earlier, near February's 8.7-percent gain, which was the most since May 1996.

Besides increasing the required reserve ratio for banks to a record 16.5 percent of deposits, China has also allowed the Yuan to gain more than 5 percent this year against the dollar to cool inflation.