

International Business News

Bird flu situation around the world improving: UN

AFP, United Nations

Although bird flu remains entrenched in Bangladesh, Egypt, India, Indonesia and Vietnam, the situation is improving in the rest of the world due to measures taken by governments, the UN coordinator for the disease said Tuesday.

"If we look at the rest of the world, I can continue to report that the situation is really improving," David Nabarro told reporters here.

"Countries generally have invested massively in improving the functioning of their veterinary services and also the biosecurity around which poultry are reared has generally improved."

"It doesn't mean that we can say that the situation globally is completely under control ... but it does mean that in the rest of the world, there is a great deal of vigilance and action under way," he added.

Nabarro however warned that the world community had to remain on high alert for the possible mutation of the virus into one communicable between humans.

He highlighted intensive action by South Korea and Britain to bring outbreaks under control, as well as financial sector exercises in Australia and the United States to prepare for the impact of potential avian influenza crises.

OECD ministers agree to make internet safer, more widely used

AFP, Seoul

Ministers and officials from leading industrial nations agreed Wednesday to make the Internet safer and more accessible, to strengthen its role as a driving force in the global economy.

The Organisation for Economic Cooperation and Development (OECD) ministerial meeting adopted a "Seoul declaration" after a two-day forum on the future of the Internet economy.

"We agree that our challenges are...to expand Internet access and use worldwide... (and) ensure the protection of personal information in the online environment," it said.

"We declare that, to contribute to the development of the Internet economy, we will...strengthen confidence and security."

The declaration cites the need to strengthen security, reduce malicious activity online and protect personal data as well as privacy.

It also promises to use the medium to address challenges such as global warming, declaring: "We will work to use the tools of the Internet economy to address global challenges, such as climate change."



People walk past a cut out model of the International Finance Complex (IFC) in Phnom Penh yesterday. The 52-story tower slated to become the "landmark" of the low-rise capital Phnom Penh.

Japan, China strike landmark gas-sharing deal

AFP, Tokyo

Japan said Wednesday it had struck a landmark deal with China to jointly develop a gas field in the East China Sea, resolving a spat that has been a thorn in ties between the two major energy importers.

The deal could pave the way for further cooperation between Asia's two largest economies, which have been increasingly competing around the world for badly needed oil and gas resources.

But the two sides continue to dispute other gas fields in the energy rich East China Sea and, in a sign that the deal is controversial, Chinese nationalists held a rare protest Wednesday in Beijing outside the Japanese embassy.

Japan's private sector will take part in China's ongoing development of the Chunxiao gas field, which Japan calls Shirakaba, a Japanese foreign ministry statement said.

Vietnam footwear makers oppose EU plan for higher tariffs

AFP, Hanoi

Vietnam's footwear makers said Tuesday an EU plan to scrap their preferential market access would cost them over 100 million dollars and harm workers already suffering from double-digit inflation.

Industry group the Vietnam Leather and Footwear Association (Lefaso) asked the European Union to reconsider a plan announced last week to end the granting of lower than usual tariffs for Vietnamese-made products.

The sector would suffer "a huge impact" if Vietnam was removed from the list of benefiting countries under the EU's Generalised System of Preferences (GSP), said Lefaso deputy chairwoman Nguyen Thi Tong.

"Since the start of the year, footwear enterprises in Vietnam have already suffered the pressure of high prices for input materials," she told AFP. "The lives of workers have also become difficult due to high inflation."

ANALYSIS

Nokia, Samsung fight back

AFP, Singapore

The world's leading mobile phone makers, Nokia and Samsung, are fighting back against the popular email-enabled BlackBerry smartphones and their iPhone rivals, analysts say.

With the unveiling of their own new smartphone models in Singapore this week, Finland's Nokia and South Korea's Samsung appear to have taken up the challenge, they say.

Nokia, the world's number one mobile phone maker, rolled out two new email-capable devices targeted at business professionals who want easy and instant access to their messages.

Nokia's E71 and E66 come pre-loaded with Microsoft's popular email programmes and also support email accounts from key Internet service providers such as Yahoo! and Google's Gmail, the firm said.

Analysts say Nokia's move is likely pitched at the business-user segment dominated by Canada's Research In Motion (RIM), maker of the wildly popular BlackBerry smartphone.

The BlackBerry, which combines a mobile phone and personal digital assistant, allows users to browse the Internet, use e-mail and make calls. It has proven a big hit with business executives worldwide.

"They (Nokia) really see it as a significant selling point," said Nathan Burley, an analyst with Ovum telecommunications consultancy. "People want their emails mobilised... that has been the success of BlackBerry and the killer application for BlackBerry success," he said.

With the E71 and E66, Nokia also has its eyes set on the nearly one quarter of the

world's population it says have email accounts.

"We want to serve people who are passionate about their work," said Chris Carr, Nokia's vice president for regional sales, at a launch in Singapore late Monday.

"You know today there is an enormous amount of people, I think it's 1.5 billion people, who are connected with email devices or connected with email accounts," said Carr.

Nokia also says the world will have four billion mobile users by the end of 2009.

South Korea's Samsung this week unveiled its Omnia device, a smart phone that comes with a touch-sensitive screen, email functions, a five megapixel camera and GPS navigation function.

It also has access to Microsoft office programmes such as PowerPoint, Excel and Word.

"When you look at the timing and some of the features that Samsung is talking about, it is positioned directly against the iPhone," said Aloysius Choong, a research manager with industry research group IDC.

The Omnia capitalises on the buzz for smartphones created by the iPhone, and will offer an alternative choice for consumers, he said.

"This is an important tactical move," said Choong.

Josh Delgado, Samsung's director for telecommunications in Australia, said the Omnia "is more than just a phone."

It is pitched at consumers who "are not satisfied with the all-in-one touch devices" available in the market he said, adding that Omnia is not completely aimed at Apple's iPhone.

Last week Apple unveiled its touch-screen-activated 3G iPhone built for high-speed wireless networks, with faster



Visitors check out Samsung's smart phone, the Omnia, at the CommunicAsia 2008 exhibition in Singapore on Tuesday. The world's leading mobile phone makers, Nokia and Samsung, are fighting back against the popular email-enabled BlackBerry smartphones and their iPhone rivals.

Internet access and more features for users than its previous iPhone released last year.

Delgado says Samsung has "a tremendous opportunity" among customers looking for alternatives.

"There is a lot of hype around iPhone but there are carriers, customers who don't have iPhones," he said.

The Samsung and Nokia launches came on the eve of CommunicAsia, billed as the region's leading information

and communications technology trade event. It began Tuesday in Singapore.

In its own bid to expand the customer base, Sony Ericsson, the Swedish-Japanese mobile phone maker, rolled out a Wi-like phone that can be used as a motion sensor when playing games.

With the F305, users can control games with the swing of an arm or flick of a wrist just like Nintendo's best-selling Wii console, known for its

innovative motion-sensitive controller.

"The idea for putting motion gaming into a phone is something that we thought of a while ago and we are now able to deliver that in a package," said Howard Lewis, vice president and head of the product business unit.

Sony Ericsson also unveiled a mobile phone with a high resolution 8.1 megapixel built-in camera, which company executives say is a first for a

wireless handset.

Data from IDC showed Nokia as the runaway leader in the mobile phone industry with almost 40 percent of the market in the first quarter, having sold more than 115 million handsets during the period.

Samsung was a distant second with market share of 15.9 percent in the March quarter while Sony Ericsson placed fifth at 7.6 percent, the figures showed.

COLUMN

IFTY ISLAM

Can Bangladesh be Asia's next technology destination?

Bangladesh has yet to benefit from its proximity to India in the field of IT and Outsourcing. Software exports also remain insignificant at just \$ 30 million. So why is it that the country has not been able to jump onto the ICT train?

I think there are five major constraints on the growth of a sizeable ICT/ITES industry in Bangladesh.

Firstly there is a lack of skilled labour, secondly high internet costs, that have been slow to fall even after the opening of the submarine cable in 2006, and thirdly the country's poor image, associated with political instability, natural disasters and poverty.

Fourthly there is a lack of credible domestic tech players, with too many small companies (more than 300 companies in a \$ 30mn export sector) and none with the ability to meet the demands of the major global multinational outsourcing contracts.

Finally there is ineffective marketing, especially in key client markets such as Silicon Valley.

Given the lack of progress in the IT sector, any reasonable potential investor may question if this reflects an intrinsic inability of Bangladesh to compete in the technology and outsourcing business. Is a sizeable ICT industry mission impossible?

I believe that a number of changes in the global competitive landscape argue that ICT is not just a "thrust sector" by name, but in Bangladesh, it is genuinely a sector at a tipping point with prospects for explosive growth.

Firstly, Bangladesh can benefit from the rapid increases in wage costs

NETWORKED READINESS INDEX		
Year	Countries Ranked	Bangladesh
2007-2008	127	124
2006-2007	122	118
2005	115	110
2004	104	100
2003	102	93
2002	82	77

in India's IT sector coupled with the appreciation of the Indian Rupee against the USD, a trend that has reduced India's comparative cost advantage. There is also a growing shortage of skilled labour in cities like Bangalore, along with staff retention problems.

Secondly, Bangladesh can take advantage of the increasing concern among leading companies about their heavy dependence on India and their desire to diversify their outsourcing requirements. In the same way that Vietnam benefited from a "China+one strategy", other Asian countries can position themselves as "India+one" technology providers.

Thirdly, by developing its IT talent pool and breadth of capabilities, Bangladesh can position itself to benefit from "secondary outsourcing" from Indian companies who need an additional supply of

labour. Indian IT companies are also looking to expand to a rapidly growing domestic market of 150 million people.

Finally, and perhaps most significantly, Bangladesh has barely tapped the intellectual and commercial capital of the relatively large numbers of Non-Resident Bangladeshis (NRB) working in the technology sector in the US.

I have little doubt that the Bangladeshi diaspora can have the same transformational impact on the domestic IT sector that Non-Resident Indians (NRI) had on India in the 1990s. A large number of NRBs are keen to use their knowledge and business experience to start up more new tech ventures in Bangladesh. Others remain in the US and use their contacts and credible interface with global tech companies to partner with Bangladeshi corporates to market and source deals. What we need is

an effective interface and platform for such NRBs to engage in the Bangladeshi technology.

In the past week I attended the BDI/Harvard Conference on Bangladesh Scholars in Boston as well as the American Association of Bangladeshi Engineers and Architects (AABEA) in New Jersey. What resonated with me again was the wealth of NRB intellectual and commercial capital, which if properly harnessed, could have a transformational effect on the growth prospects and trajectory of the Bangladeshi economy.

The problems faced by Bangladesh is not due to the Government not knowing the appropriate steps to create the right environment for a multi-billion dollar IT/Outsourcing sector. Rather it has been a lack of execution, prioritisation and focus.

As an intermediate step to

Given the lack of progress in the IT sector, any potential investor may question if this reflects an intrinsic inability of Bangladesh to compete in the IT business. Is a sizeable ICT industry mission impossible? I believe that changes in the global competitive landscape argue that ICT is not just a 'thrust sector' in name, but genuinely a sector at a tipping point with prospects for explosive growth.

cheapen broadband access for the nation via Wimax technology, the government needs to establish a number of regional technology parks that will offer not just cheap telecommunications, but shared marketing and management support, a tech expertise/training centre and also genuine business incubators. NRBs can return and create new tech business in partnership with existing local tech companies.

In addition, in the spirit of the latest 'trans-national thinking' on leveraging diaspora, NRBs in the US should set up marketing 'front ends' with the right compensation and incentives to market specific Bangladeshi outsourcing/ITES capabilities. This would provide both greater contractual confidence for US and European companies as well as better project management and feedback on customer requirements along with knowledge and technology transfers.

There is nothing inevitable about Bangladesh's emergence as a major technology destination in Asia. But I remain of the view that with the necessary reforms in terms of a focused vocational training programme for IT workers, lower internet costs and more effective leverage of the tech diaspora, net software and ITES export revenues have the potential to move from around \$ 30 million currently to in excess of \$ 1bn in a 5 year period.

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