

International Business News

Malaysian inflation hits a new 26-year high in July

AFP, Kuala Lumpur

Malaysia's inflation rate rose to a new 26-year high of 8.5 percent in July, driven higher by the escalating cost of fuel and electricity, according to official data released Friday.

The result was substantially higher than expected, and increased pressure on the central Bank Negara to raise official interest rates, said Wan Suhaimi Saidi, an economist with Kenanga Investment Bank.

"Definitely it is way above expectations. The consensus among economists was that inflation in July will hit 7.8 percent," he told AFP. "It is the highest since November 1981."

"This gives the monetary authorities more reasons to push for a rate hike," he added.

The Department of Statistics said that the cost of food and non-alcoholic drinks rose 11.2 percent in July compared to a year ago -- an outcome that illustrates the burden high inflation is putting on Malaysian consumers.

"Among the contributing factors for (July's inflation) were the substantial rise in the electricity tariff announced by the government... and the knock-on effect from the price increase of petrol and diesel," it said in a statement.

The July data showed escalating prices in most categories, including transport which jumped 22.7 percent, and restaurants and hotels which rose 6.7 percent.

WTO, US trade chiefs in bid to revive Doha Round

AFP, Washington

World Trade Organization chief Pascal Lamy and US trade negotiator Susan Schwab held talks in Washington Friday in an effort to breathe life into the moribund Doha Round of negotiations.

Lamy's visit to the US capital comes on the heels of his trip to India last week as he tries to broker compromise after Geneva talks collapsed last month mainly over a US-India impasse on a special agricultural protection.

The Indian government told the WTO director general it would return to global trade talks if the US signals it believes the deadlock can be broken.

Schwab, the US trade representative, said she and Lamy had "covered a fair amount of substance and process" in talks over a private dinner late Thursday and for about two and a half hours this morning.

They were "talking about the way forward, talking about concerns we have about how we have seen and are seeing a deterioration in the package, in what was on the table in July," she said.



A worker of PT Pertamina fills a truck with gasoline in Jakarta on Friday. World oil prices were higher again in Asian trade Friday after soaring overnight as a crisis deepened between Russia and the West over the invasion of Georgia, analysts said.

British economy faces recession after zero growth

AFP, London

Britain faced the threat of a recession on Friday after official figures showed the economy stuttered to a halt in the second quarter with its weakest performance for 16 years.

The news is a major blow to British Prime Minister Gordon Brown whose governing Labour Party faces a hammering in the opinion polls and who had prided himself on his record of economic prudence when finance minister.

In reaction, the British pound dropped close to two-year lows against the dollar but stocks got a boost on the view the Bank of England is now more likely to cut interest rates in an effort to boost the slowing economy.

Prior to the three months to June, the British economy had enjoyed 63 consecutive quarters of expansion, much of which had been under Brown's tenure as chancellor of the exchequer between 1997 and 2007.

The 15-nation eurozone economy, of which Britain is not a member, also slumped towards recession in the second quarter as it shrunk for the first time in its short history, adding to the uncertain outlook.

Fed chief says economic storm 'has not yet subsided'

AFP, Washington

Federal Reserve chairman Ben Bernanke said Friday the financial storm that began last year "has not yet subsided," creating "one of the most challenging" economic environments in memory.

In comments to the Fed's annual symposium in Jackson Hole, Wyoming, Bernanke said economic conditions remain soft as unemployment is rising and inflation pressures remain hot.

The mix has created "one of the most challenging economic and policy environments in memory," Bernanke said, according to a text of his remarks released by the central bank.

Bernanke said the Fed is been working on three fronts in an effort to maintain economic stability -- keeping interest rates low to prevent a collapse of economic activity, offering extra liquidity to banks and brokerages facing a credit squeeze, and revamping the regulatory structure to prevent a recurrence of the housing boom-bust cycle.

TECHNOLOGY

Cubicles now 'home'

ANN/THE STRAITS TIMES

It sounds like the ultimate solution for the low-cost traveller looking for a place for the night: a cubicle featuring a computer to surf the Internet plus a reclining chair to sleep in, though with barely enough room to stretch one's tired legs.

But for only 1,500 yen (US\$13) a night in high-cost Tokyo and shower facilities thrown in, who

paltry 100,700 yen (\$98) a month, just over half the typical starting pay of a high school graduate.

Without a permanent job, they are unlikely to persuade most landlords to rent them a room, which incidentally is likely to cost more than half their income.

The only link Internet café refugees have with the world is their mobile phone, through which they receive calls from brokers or job placement agencies.

The so-called 'netto kafe nanmin', or Internet café refugees in English are part of a much larger group of economically disadvantaged Japanese, numbering in the millions, collectively referred to as the 'working poor'.

can really complain?

I know of young Singaporeans who have tried it to save some money and also just for kicks. But for thousands of Japanese, both young and old, such cubicles are 'home'.

These people are the so-called 'netto kafe nanmin', or Internet café refugees in English.

They are part of a much larger group of economically disadvantaged Japanese, numbering in the millions, collectively referred to as the 'working poor'.

Internet café refugees are Japan's new 'unseen homeless'. According to a government survey last year, there are some 5,400 of these people around the country, nearly half of them in Tokyo. A quarter of such people are in their 20s, another quarter in their 50s.

Their average income is a

cies when work is available, or which they use to scour Internet classifieds for the next opening.

Incredibly, until about 20 years ago, Japan was a workers' paradise. Jobs were for keeps and employment security was a social given.

Employers at companies with a reputation to watch could not routinely sack under-performing workers as public opinion just would not allow it.

Neither could employers adopt a hire-and-fire policy in bad economic times either. An employer and his staff were supposed to ride out a business downturn together.

In the earlier part of this decade, with the economy in the doldrums, Japanese companies sought desperately to trim their manpower bills so as to compete internationally. The reform-minded Koizumi administration of the day

was there till retirement. Neither do employers feel obliged to keep a worker till he gets to draw his pension.

But despite a much more volatile job market these days, the attitude of most Japanese employers remains unchanged.

A person who has been through a string of temporary positions often finds himself ineligible for full-time work because employers still prefer to hire fresh graduates as they are cheaper and considered easier to train.

These days, one out of every three Japanese is a part-time worker. For people aged 24 years or under, it is one in two.

No more can young Japanese join a company upon graduation and assume they

would be there till retirement. Neither do employers feel obliged to keep a worker till he gets to draw his pension.

In typically obtuse Japanese fashion, employers started to talk about 'restructuring'. The word suggested the reorganisation of a company, but was in fact a euphemism for the widespread dismissal of unwanted workers, often replacing them with cheaper part-time alternatives.

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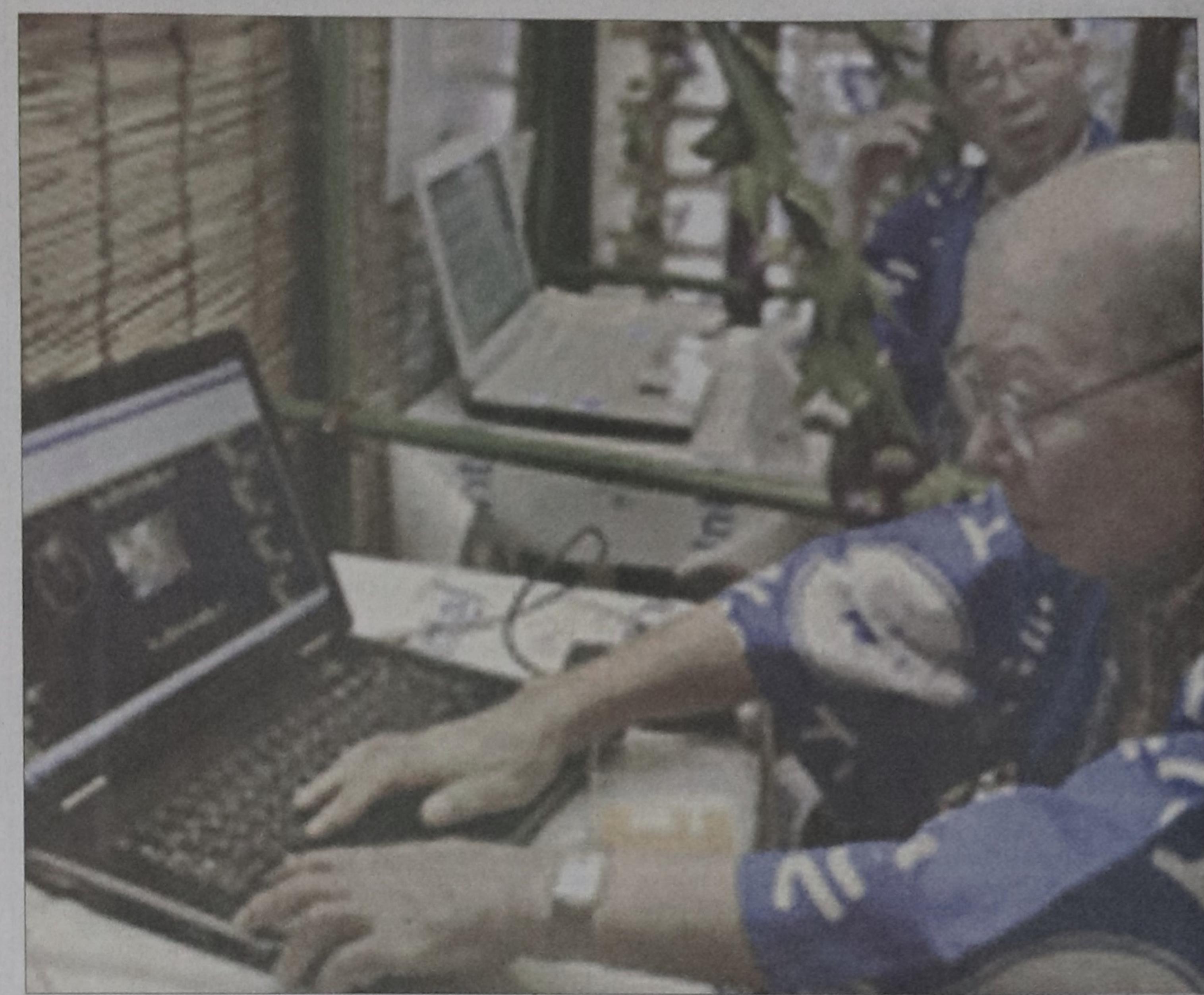
No more can young Japanese join a company upon graduation and assume they

prospects of improving their lot.

Yet at the same time, older Japanese who reach retirement age now receive generous pensions for as long as they live. The younger generation, however, cannot reasonably expect the same when their turn comes to call it a day.

In the face of soaring prices of crude oil and other commodities and prospects of a recession in the US, which is a huge market for Japanese products, Japanese economists are now saying that the bad times are back.

Most of the 'netto kafe nanmin' and millions of other 'working poor' probably did not even know that the good times were here.



One of the two people browse the Internet at a cyber café, while the other is busy on the phone.

THE STRAITS TIMES

COLUMN

Last 100 days

I'm sure you've heard of people getting to leadership positions and coming up with a first 100 day plan of action, going through brisk activities to get things done, thus setting the tone of their leadership style. However, the book, 'Chasing Daylight' is about the last 100 days of Eugene O'Kelly's life. This is his story; at the pinnacle of his life at 53 years, chairman and chief executive officer of KPMG (US), he discovers he has brain cancer and has only 3 months to live.

The book describes Gene's plans as he prepares for the final reality of death. In this last discovery, Gene realises that plans do not always work and you accept reality for what it is, that living in the present, not in the past or the future, is what matters, and that family, friends, colleagues are priceless.

Having crossed the 50s, I am now in my sunset years - the last couple of years before retirement. Lately, working late hours is not a priority anymore. I want to be home with my family as soon as I can, not prolonging my stay in office beyond time and taking care of what is absolutely necessary. We have been blessed with a son, our

fifth child, who is ten months now. Nothing gives me more contentment than the pleasure of having him in my arms, his smiling face, his soft small arms around my neck, holding on to me. This is bliss at its best.

I still remember those early years of my career, working late, getting things done, never home until 8 or 9 night, and a patient wife waiting with our first, infant son. And of course too tired to listen to her endless banters of how our son had done this or that during the day. Yes, in the pursuit of a career, I had missed out the enjoyment of being with our eldest son.

Why am I writing this? It is all about finding a balance between the demands of work and life. We usually tend to weigh heavily on the work side. Maman Rashid, Country Head of Citibank NA suggested the idea during a recent meeting, that today's young professionals are bent on achieving results and that they tend to side-track their personal life.

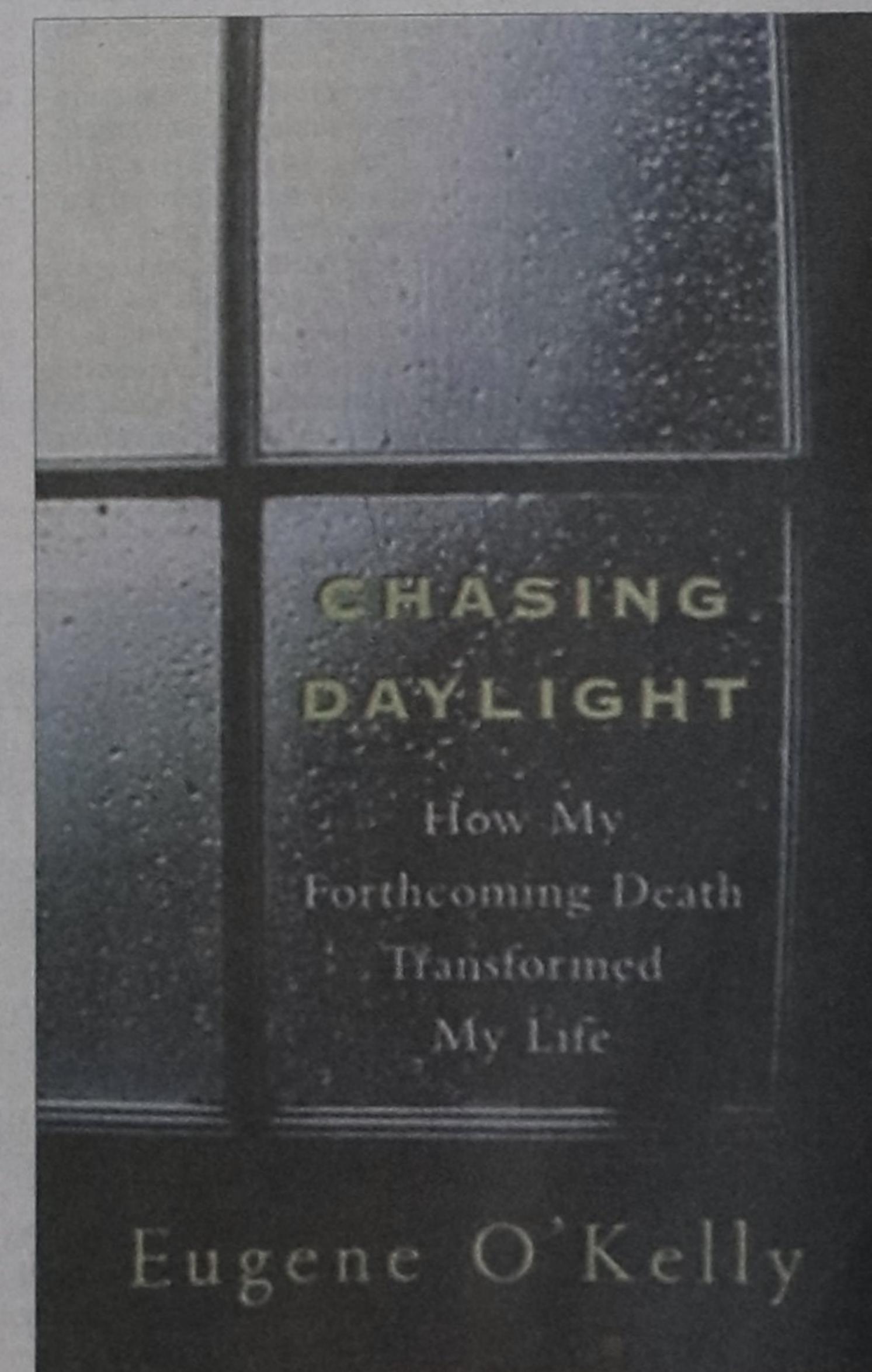
What is happiness or contentment? Is this an elusive pursuit? I was interviewing a sales colleague for a promotion and I asked him to relate

a success story during the course of his career. I was taken aback at the maturity of his answer. He said that success has different meaning to different people. Normally sales people will talk about success in terms of achieving their targets. For him success was different and he went on to narrate an experience that was profound in its achievement, and had nothing to do with sales.

Happiness and contentment too have different meanings for us, individually. However, we need to build up our awareness of our existence, and to be grateful of what we have. We need to live our life day by day and enjoy the gift of living. How would you spend your time if you were told, like Gene, that instead of the 10,000 days of expected life, you had only 100 left?

You would then realise how precious each second is, and try to seek contentment in each of the seconds that tick by. It wouldn't be worldly possessions you will seek, you will seek your close and dear ones, to be with them, to share those moments of your life. Why do we need a rude awakening to realise what is truly important in life when it

SARWAR AHMED



Eugene O'Kelly

The writer is the managing director of Syngenta Bangladesh Ltd.