

International Business News

Malaysia to discuss re-pegging of ringgit

AFP, Kuala Lumpur
Malaysia's finance minister will decide after a briefing on Monday if the ringgit will be re-pegged, to reduce the impact of the weakening US dollar on the currency, a top minister said Sunday.

Second Finance Minister Nor Mohamed Yakcop said the issue will be raised at a briefing with the newly appointed Finance Minister Najib Razak, state Bernama news agency reported.

"Various issues would be presented at the briefing including the economic situation, finance and the challenges faced in Malaysia and in the international arena," Nor Mohamed said, according to Bernama.

Former premier Mahathir Mohamad had called for the ringgit to be re-pegged, saying stabilising the exchange rate could cushion the impact of the global economic slowdown on the country, the Star newspaper quoted him as saying on Sunday.

"We shouldn't float the currency. The country would lose money if the currency is vulnerable to external forces," he said.

Malaysia banned offshore trading of the ringgit and pegged the currency at 3.80 to the US dollar in 1998, during Mahathir's tenure, to restrict currency speculation during the financial crisis which ravaged East Asian economies.

India's Reliance vows to boost national energy security

AFP, Mumbai
Indian fuel giant Reliance said on Sunday it would boost domestic oil and gas output by 40 percent over the next 18 months, calling the move a "quantum leap" toward national energy self-sufficiency.

Fuel-hungry India, which imports 70 percent of its oil needs, has been racing to discover new sources of energy to power its fast growing economy.

Reliance chairman Mukesh Ambani announced the first flow of crude from the company's deep-sea oil and gas field in the Bay of Bengal, calling it a "major victory in the battle for energy security."

Oil production was launched last week in the D6 sector of the Krishna Godavari basin with an initial flow of 5,000 barrels a day.

That figure will rise to the equivalent of 550,000 barrels per day over the next 18 months as gas production also comes on stream, Ambani, India's richest man, told reporters.

The move would elevate Reliance from a leading petrochemical and refining player to one of the world's top 20 energy companies, he added.



Indian pedestrians walk past the Metro Cash & Carry outlet, which was to open in Kolkata yesterday. German wholesale giant Metro Cash & Carry has hit a political roadblock prior to opening its first outlet in Kolkata, India, with opposition from the Left Front.

Australia's Qantas says A380 arrival heralds new era

AFP, Sydney
Qantas landed its first A380 superjumbo here on Sunday, hopeful that its arrival will boost the Australian carrier, which has recently faced a series of mechanical problems including a mid-air blast.

The arrival in Australia of the first of the giant Airbus A380s, the world's largest passenger jet, comes as Qantas also battles rising fuel costs and global financial uncertainty.

"We are witnessing an exciting new era for Qantas but also for Australian aviation," executive general manager John Borghetti said after the plane landed at Sydney airport cheered by hundreds of Qantas staff and their families.

Borghetti said the A380s, which run on four Rolls-Royce engines and have a wingspan of about 80 metres (264 feet), were quieter and more fuel-efficient than other planes while the interiors would redefine the customer experience.

"It's so exciting. It gives the whole industry a boost, particularly so given the economic climate that we are in," Borghetti told AFP.

Japanese firm pulls five products made in China

ANN/THE YOMIURI SHIMBUN
Marudai Food Co announced Saturday a voluntary recall of five Chinese-made products marketed in this country, saying they may contain the toxin melamine.

According to the company, milk produced by a Chinese dairy firm that was confirmed to have contained the chemical, was used in the five Marudai products. It is the first time in Japan that food products have been recalled over melamine contamination. Several babies in China have died recently from drinking melamine-laced powder milk.

The health, labour and welfare ministry instructed Japanese firms that have imported processed foods from China to confirm the safety of their products, while the agriculture, forestry and fisheries ministry asked bakery and confectionery industries in Japan to conduct urgent safety checks of their products.

ANALYSIS

US crisis may delay capital market reforms in Asia

AFP, Washington
The American financial crisis is expected to delay capital market reforms in China and other developing Asian economies stunned by the colossal damage unleashed by complex financial contracts on the United States, experts say.

Flush with cash reserves, many developing Asian nations have been prodded by Western financial institutions to deepen their capital markets by introducing sophisticated financial derivatives to hedge against various risks.

But as derivatives tied to housing mortgages-backed securities were blamed for the American turmoil whose losses could reach one trillion dollars, Asian economies would tread more cautiously in adopting complex financial trading contracts, the experts said.

"I think that is going to be the takeaway by the bank regulator in China, for example," Asian expert Nicholas Lardy of the Washington-based Peterson Institute for International Economics told AFP.

"I think they are going to say to themselves, 'We were right to resist the opening up of our financial system to Western financial institutions that wanted to add in supposedly more sophisticated products into our market,'" he said.

China has not introduced any of the risk-carrying exotic derivative products, such as the unregulated credit default swap contracts, which are at the centre of the current American financial chaos.

These private contracts allow companies to trade bets on whether a borrower will default.

A top new player in the swaps game was troubled American insurance giant AIG, bailed out last week by the central bank following a similar rescue of two debt ridden mortgage giants Freddie Mac and Fannie Mae.

Top investment house Lehman Brothers however filed for bankruptcy in the biggest corporate debt default in history, sending global markets reeling.

"The sudden downfall of several prominent global institutions has authorities concerned about ripple effects and is prompting a reassess-



Businessmen walk by a Porsche sign at the Motorexpo, a luxury car show, at the World Financial Centre in New York City. With the fall of the Dow Jones industrial average and layoffs endemic in the banking and finance industries, a further slowdown in spending on luxury goods is expected.

ment of the pace of China's financial sector reforms," Jing Ulrich, chairman of China equities at JP Morgan, wrote in a report last week, according to the Washington Post. The reforms were meant to give market forces more sway.

Asian economies were alerted to the risks of derivative trading way back in 1995 when a British trader's wrong bets in Japanese stock futures in Singapore led to the high-profile collapse of British bank Barings.

Two years later, the region plunged into a severe financial crisis resulting from a currency meltdown blamed by some on hedge funds.

The US crisis has exposed systemic missteps by banking overseers, securities regulators, the US Congress and corporate executives -- all of whom underestimated the risks of leveraging and now are paying the price, the Washington Post quoted securities officials as saying.

"What is unique is that during that time, there was a sense that a well regulated financial system, like the US, would never experience a kind of trouble that Asia experienced in the 1990s and unfortunately that has proven to be the case," Brad Setser, a former US Treasury official, told AFP.

"Maybe the US system wasn't as well regulated as many thought and certainly it has taken on an enormous amount of risk and sees enough in ways that have uncomfortable parallels to the Asian crisis," said Setser, now with the Council on Foreign Relations, a US think tank.

The Asian crisis roiled banks which took enormous risks by financing high level of investments often using foreign currency denominated loans. It forced governments to take over the institutions by injecting public money to keep the banking system from completely collapsing.

Rather than venturing into complicated financial products with hidden risks, Asian nations should give priority to adopting key financial reforms vital to fueling their rapidly growing economies, experts said.

In China, for example, financial reforms such as interest rate liberalization, a more market determined exchange rate and a more developed "plain vanilla" domestic bond market are critical, Lardy said.

"I think the main lesson for everybody is leverage is risky," he said. "People had forgotten that, especially with the low cost of money in the last few years."

COLUMN

SARWAR AHMED

Culture of gratefulness in corporate world

When was the last time you gazed up to exclaim, "What a beautiful blue sky!" And as you gaze, you notice the hue of blue changing from deep to light as your eyes rest on the horizon. The vastness of the sky gives you a sense of peace, a sense of being part of a greater canvas of life. As we pass through life, we seldom find time to appreciate the beauty around us. The stress of our job does not give us the option to look around and value those simple things in life, which surprisingly can impact us so much.

When was it you said 'thank you' and meant it, and not the usual perfunctory mutter as an acknowledgement of a task done. We do find it difficult to appreciate people for what they do for us and take them for granted. However, being genuinely grateful has its advantages. Gratitude in fact is your ticket to good health and consequently a good life.

Here are some aspects of gratitude I picked up from an article by Stephen Post, PhD, Professor of Bioethics at Case Western Reserve University's School of Medicine. Just 15 minutes a day focusing on the things you are grateful for will significantly increase your body's natural antibodies. Naturally grateful people are more focused mentally and measurably less vulnerable to clinical depression. A grateful state of mind induces a physiological state called resonance

that is associated with healthier blood pressure and heart rate. Caring for others is draining, but grateful caregivers are healthier and more capable than less grateful ones. Recipients of donated organs who have the most grateful attitudes heal faster.

Robert A Emmons, University of California and Davis Michael E McCullough, University of Miami, in their research, found that in an experiment, participants, who kept gratitude journals on a weekly basis exercised more regularly, reported fewer physical symptoms, felt better about their lives as a whole, and were more optimistic about the upcoming week compared to those who recorded hassles or neutral life events. Those who kept gratitude lists were more likely to have made progress toward important personal goals (academic, interpersonal and health-based) over a two-month period. A daily gratitude intervention resulted in higher reported levels of the positive states of alertness, enthusiasm, determination, attentiveness and energy.

What happens when we are bitter, complaining and nagging about the vagaries of life? I can assure you, you will land up with a whole list of diseases that will keep many hard to meet specialist doctors happy. I have come across people who take pills by the dozen and as you talk to them,



they begin their conversation with an unhappy, complaining story. They tend to fault everyone and everything and spread a vile bitterness, which is so depressing. Eventually, you learn to keep away from such people.

We need to cultivate a habit of gratefulness, of saying 'thank you'. Look around you. Whenever anyone does a wee bit of good, say a genuine 'thank you'. It will surprise people as they are not used to it, and it may

surprise you too. But do not slack off, keep up the good work of saying those magic words.

In our office, as an acknowledgement of a job done well, we offer a chocolate to the person who has done the task, as a way to force people to say 'thank you'. The chocolates are kept in a jar, open for all. There is a lot of fun as we slowly build up a culture of being grateful, albeit with a sweet token of appreciation. The person receiving the chocolate is told the reason for the celebration. Instead of finding blemishes, we now tend to find the good that is happening around. This has created an even more positive environment in the office, as people now tend to support colleagues in performing their work.

Let me thank you readers for the positive feedback that you have been giving me. I am really grateful to you, who find time to read and spare more time to call me up, send me an email, sms, or even sending me books to read (thank you, Wahid Sir). Your feedback is the inspiration, which is making me write with a regularity that even surprises me.

Isn't the sky so beautifully blue? "I can no other answer make but thanks, And thanks." (Twelfth Night, WShakespeare)

The writer is the managing director of Syngenta Bangladesh Ltd.