

International Business News

India's export growth at 18-month low

ANN/THE STATESMAN

Weakening global economies have dampened India's export growth to its slowest rate since April 2007, clocking a growth of 10.4 per cent in September while imports continued to rise by a robust 43 per cent.

Outward shipments, which rose by 27 per cent in August, saw growth plunging to 10.4 per cent in September as the world bought less of Indian goods. Exports for September totalled US\$13.74 billion, according to official data.

India's imports during September 2008 were valued at \$24.38 billion representing an increase of 43.3 per cent over the level of imports valued at \$17 billion in September 2007.

In rupee terms, imports increased by 61.9 per cent. Cumulative value of imports for the period April-September 2008 was 6.61 trillion rupees as against 4.56 trillion rupees registering a growth of 38.6 per cent in dollar terms and 44.9 per cent in rupee terms over the corresponding period last year.

Oil imports during September 2008 were valued at \$9.09 billion, which was 57.1 per cent higher than oil imports valued at \$5.79 billion in the corresponding period last year. Oil imports during April-September 2008 were valued at \$55.06 billion, which was 59.2 per cent higher than the oil imports of \$34.59 billion in the corresponding period last year.

Malaysia cuts growth forecast, announces spending plan

AFP, Kuala Lumpur

Malaysia on Tuesday slashed its 2009 growth forecast and announced a two billion dollar spending programme in a bid to boost the economy.

The government cut its 2009 growth forecast from 5.4 percent to 3.5 percent, warning that Malaysia would not be immune from the effects of the global financial crisis.

"Although Malaysia is not as yet facing a financial crisis and has sound financial fundamentals, we are aware that Malaysia will not be exempt or be protected from global risks," said deputy premier Najib Razak.

Najib, who is slated to succeed Prime Minister Abdullah Ahmad Badawi when he steps down next March, said that although the economy would expand by 5.7 percent this year, growth would slow substantially in 2009.

"Taking into account all global factors and the steps taken in the 2009 budget, I want to announce that our GDP has been revised for 2009 to 3.5 percent," he told a rowdy session of parliament during which he was continuously interrupted.



AFP

Filipino investors check latest story on the US presidential election between Democratic Party bet Barack Obama and Republican Party John McCain as they monitor share prices at the Philippine Stock Exchange in Manila's financial district OF Makati yesterday. Philippine share prices closed 1.1 percent lower as investors took profits after a four-day rally, dealers said.

Singapore Airlines to reduce fuel levy

AFP, Singapore

Singapore Airlines (SIA) said Tuesday it will cut its fuel surcharge on air tickets, but only for passengers travelling in economy and business class.

The fuel levy will be reduced by between four and 15 US dollars for flights from Singapore to Southeast Asia, Europe, South Africa, North America as well as other destinations including East Asia, Australia and New Zealand.

The carrier is also cutting the levy on flights between Dubai and Istanbul, Dubai and Moscow, and from Bangkok to Tokyo, it said in a statement.

First class passengers will continue to pay the same fuel surcharges of between 36 and 100 dollars.

On the policy to charge economy and business class passengers less, SIA said: "This is to fairly impute fuel related cost since the space occupied and weight utilised in each class is different."

Slammed by financial crisis, BMW drops full-year outlook

AFP, Frankfurt

BMW, the German luxury carmaker, said on Tuesday that it could no longer give a forecast for 2008 and was downbeat for next year too after getting hit head-on by the international financial crisis.

"Difficult business conditions and the volatile climate on the market mean that it is as good as impossible from today's perspective to make a reliable prediction of the earnings outcome for the financial year 2008," chairman Norbert Reithofer said.

"We are far from overcoming the financial crisis, in particular with respect to its consequences on the real economy in 2009," he added.

The Munich-based group said it would have to take additional charges of 1.3 billion euros (1.64 billion dollars) in the third quarter of 2008, and that it would cut production by an additional 40,000 units this year.

TECH

Mobile gets smarter

Inforev builds trouble-shooting software for Nokia

MD HASAN

The mobile phone, a statement of life-style, has completely taken over every sphere of daily life. Inforev Limited, a local value-added service provider, has developed software that will act like a guide, directing customers to the nearest customer care location, at times when the mobile set gives trouble.

Such an application will come free of cost and by default with any set by Nokia, globally renowned handset makers, and anyone can trace the nearest customer care location for availing services.

"If everything goes according to plan, the application will be launched by early next year in the Bangladeshi market," says Md Sharif Uddin, technical director of Inforev.

Say, for instance, you are at Farmgate and you are looking for Nokia's nearest customer care location. Customers can just go to their Nokia's application option and click on the 'Nokia Care Locator'. The care locator option directs customers to the nearest Nokia customer care centre, Sharif explains.

The programme is a J2ME (Java language) based application and it will be built into every Nokia handset, starting from the 60 series.

In Bangladesh, three out of four people are using a Nokia handset. The company has so far set up 28 care centres in Bangladesh, six of which are in Dhaka.

This is not the first project Inforev has conducted for Nokia. The company has previously provided several short message services by holding Nokia's short code number '5555'.

In the 2006-07 period, the company helped Nokia to replace the BL-5C model battery in Bangladesh. The global handset makers found that some decomposed BL-5C model batteries entered Bangladesh with different Nokia model sets.

Later, through a SMS service developed by Inforev, the global handset giant replaced all of its affected batteries and ensured customers services.

Established in 1999, Inforev became a private limited company in 2002. Other than some founder shareholders, the government of Bangladesh has share holding as equity participator of the company. The Central Bank of Bangladesh (EEF Venture Capital) funded the company as it proved to be a potential solution proving company.

A few young and enthusiastic entrepreneurs set up Inforev as a classical software solution provider. The company eventually diversified into a platform for telecom value added services, application, and content aggregation for the obvious essence of telecom convergence.

Nokia PTE Ltd Singapore has chosen Inforev Limited as their exclusive strategic SMS, MMS, GPRS, WAP and J2ME content and application solution provider, for their Nokia Bangladesh chapter.

"We have an agreement with Nokia. On behalf of Nokia, we are maintaining the Nokia Branded Short Code 5555 for all the operators," says Sharif.

It is not new that local firms work with global giants. The local software makers and content providers are now getting huge orders from the global market. But they are compelled to deny those due to money transfer issues.

Talking to The Daily Star, a leading content provider says: "We have received orders for providing SMS based services from neighbouring countries. But we have to deny them, as we are not allowed to share revenue outside the country."

Coming back to the 'care locator' application, Sharif says the application would be developed in both English and Bangla so that all customer groups can use it comfortably.

He says even an uneducated person

can use the application. The software can direct them through the map. The Nokia Care locator option will provide not only content-based directions, but the person can also find the service centre by the map.

The map that pinpoints the location is also accompanied by the care locator phone numbers, so that customers are assisted by all possible means, Sharif says.

He says a few teenage computer engineers developed the software within three months. The application is now under scrutiny by RelQ, a global software testing company.

It is not easy to work with a global market leader, Sharif says. "There are no compromises on quality."

Inforev signed a deal with Nokia Singapore to launch the service. After certified by RelQ, the care locator application will also be verified by Nokia's own lab in Finland. "If Nokia is satisfied with our application and is suitable for their handsets, the company will finally take our application," says Sharif.

Since 2003, Inforev has been providing various content services to the all six mobile operators. The company, which was primarily initiated for launching the e-commerce site in Bangladesh, later applied to become Nokia's global partner.

"Yes, it was tough to become Nokia's global partner. But what we have been developing for Nokia in the last few years will definitely help us reach our goals."

In terms of handset sales, Nokia has around 40 percent market share globally.

Asked how he feels working with the global giant, Sharif says: "We definitely feel proud as a local company to be providing services to a company like Nokia."

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The application built by Inforev Limited will come free of cost.

REAL ESTATE

Indian builders lure home buyers with gifts

AFP, New Delhi

Indian builders hit by slipping profits are offering free cars and gold to kickstart once-booming demand but experts warn the gimmicks may not keep the housing industry afloat.

The gifts range from Toyota four-wheel drives to gold coins and foreign vacations.

"The response has been great," said Rajesh Kaul, international sales head of Jaypee Greens developers, which is giving away luxury automobiles with bungalows priced above 30 million rupees (600,000 dollars).

In one novel buy-one-get-one-free scheme, estate agent Cosmos is throwing in one-bedroom apartments with each bungalow sold in Mumbai's suburbs.

Smaller gifts include 50-gram gold nuggets (worth about 1,200 dollars) offered by SVP Builders in Ghaziabad city, while industry officials say family vacations to Europe or club memberships are also being used to tempt customers.

India's housing market was worth 12 billion dollars in 2005 and had been forecast to grow to 90 billion dollars by 2015. But it has felt the pinch since last summer when demand began dropping.

The crisis has deepened this year with high interest rates on home loans and double-digit inflation reducing property purchases by 20 percent, according to official data.

And those who are still buying are on tight budgets.

"The 4.5 million to 7 million rupee housing segment was the most sought-after," Prashan Agarwal, of property portal allchecksdeal.com, told the Hindustan Times.

"Now queries are geared towards affordable housing in the 2.5 million and 4 million rupee segment."

Several builders are sitting out the lull on the sidelines.

Hindustan Construction Company, one of India's largest builders, has put on hold three planned townships in the hope interest rates will dip again and help bring down mortgage rates.

"One will have to wait and watch how the situation unfolds," chairman Ajit Gulabchand said.

"Lower interest rates, greater



An advertising board stands alongside an under-construction site in Gurgaon, some 30km south of New Delhi. Indian builders hit by slipping profits are offering free cars and gold to kick-start once-booming demand but experts warn the gimmicks may not keep the housing industry afloat.

liquidity and confidence-building measures are needed," he told reporters, as data showed the industry was weakening even before the global financial turmoil reached Indian shores.

Bluechip group Parsvnath developers posted a 17 percent rise in reve-

nues in the year ending March 2008 compared with staggering 135 percent growth the previous year.

Leading developer Unitech saw sales growth slip to 26 percent in the last fiscal year compared with 253 percent the previous year.

Parsvnath, which has said it is

planning to build cheaper apartments, warned imaginative sweeteners were not a long-term solution.

"The present conditions will lead to a slowdown in implementation of projects and instead of selling at losses, developers would delay projects," Parsvnath managing

director Pradeep Jain told the Times of India.

Jaypee's marketing head Kaul warned that gimmicks would not protect builders, and only those with deep pockets were likely to survive shrinking demand and razor-sharp competition.

AFP