

International Business News

Bank of Japan chief eyes action on strong yen

AFP, Tokyo

Japan's central bank chief warned Sunday that the soaring yen was hurting Asia's largest economy and said he was looking at measures to cope with it.

The yen recently hit a 13-year high against the dollar after the US Federal Reserve cut interest rates to virtually zero. A strong yen makes Japanese exports less competitive and cuts into repatriated earnings.

"Amid the rapid downturn of the global economy, a strong yen has a negative impact on the (Japanese) economy," Bank of Japan governor Masaaki Shirakawa told public broadcaster NHK.

"The impact is big. So we, the central bank, would like to keep thinking of ways to cope with it, including through monetary policy," he said.

Shirakawa said the central bank will keep studying how it can lower private banks' lending rates and make it easier for companies to procure the money they need for investment.

But the bank has little room left to cut benchmark interest rates. On December 19, it slashed its key rate to 0.1 percent to cope with the worsening global slowdown.

The government has repeatedly hinted it could order the bank to intervene on the market to bring down the yen. Japan has not intervened on the foreign exchange market for nearly five years.

EU countries see gas supplies cut by Ukraine-Russia row

AFP, Bucharest

A handful of eastern European countries reported cuts in Russian gas supplies of up to 30 percent Saturday since the start of the dispute over payment between Russia and Ukraine.

Normally Romania imports about 10 million cubic metres a day but on Friday supplies amounted to only seven million cubic metres, according to Ioan Rus, director of the gas pipeline operator Transgaz.

"Romania has adequate stocks to meet this drop and customers are being supplied in the normal way," he told Romanian television.

Russia halted delivery of natural gas to Ukraine on New Year's Day after negotiators from the two sides failed to reach agreement on a payment dispute and a new contract, and gas shortages were reported in several EU states.

"On Friday at 6:00 pm (1600 GMT), (Russian gas giant) Gazprom's dispatching station for the Balkans, based in Sofia, told us supplies will drop 30 percent," Rus told AFP.

Supplies Saturday continued to be 30 percent below their normal amount. Economy Minister Adrian Videanu called a meeting of officials working in the gas industry to discuss the fall in supplies.



AFP

Dragon dance performers cross a street at a shopping district of Hong Kong island yesterday. Hong Kong retail sales rose 1.1 percent year-on-year in November as the impact of the global credit crisis was softened by Christmas shopping and tourism. Retail sales were worth HK\$20.5 billion (US\$2.63 billion) in November.

Richest German families lose billions in crisis

AFP, Berlin

Germany's 20 wealthiest families have lost about 40 billion euros (55 billion dollars) in the economic crisis in share values alone, the financial magazine WirtschaftsWoche reported Saturday.

The richest families have lost "30 percent on average" of their fortunes since the summer of 2007, leading asset manager Joachim Paul Schaefer, told the magazine.

"It is clear now that the present crisis has inflicted much deeper wounds on big family fortunes than the last four or five recessions combined," he said.

"Some fortunes which have grown over the generations are as threatened as much as they were in the hyperinflation of the 1920s or during the (1930s) depression."

The value of the shares held by the Quandt industrial dynasty, which owns half the capital of carmaker BMW, has halved in a year, according to WirtschaftsWoche.

The magazine Manager-Magazin claimed in October that 122 German individuals or families were worth at least a billion euros (1.38 billion dollars).

Cadillac unveils sleeker SRX before Detroit show

AP, Detroit

General Motors Corp is counting on the 2010 Cadillac SRX crossover vehicle to lure luxury car buyers with new design and performance features.

The redesigned vehicle was unveiled Sunday and is set to go on display at the 2009 North American International Auto Show in Detroit later this month. It replaces the SRX model first launched in 2004.

To help compete with better-selling rivals like the Lexus RX, Acura MDX, and the BMW X3 and X5, the SRX's designers took elements from the other Cadillac models and melded them into this one. The new SRX looks faster than its boxy predecessor, with a curving roofline and a more rounded nose that still retains an aggressive look.

Cadillac put more energy into improving the interior quality and exterior design of the car, Dean said. A 3-liter direct-injection V-6 engine comes standard, with the option for a 2.8-liter turbocharged V-6. Although fuel economy testing wasn't complete, GM estimates highway miles per gallon will fall in the mid-20s.

ENTREPRENEURSHIP

Parboiled rice gains popularity

MAHTABI ZAMAN

Mohammed Tara Mia, owner of a rice mill at Kaliakoir in Gazipur, has achieved a milestone by increasing his work efficiency and productivity. He now boasts cutting work cycle times by half, decreasing fuel and manpower requirements and being environment-friendly.

He owes his success to the use of the rice parboiling system in his mill.

The traditional boiling system took Tara Mia eight hours to boil 450 maunds of rice, whereas the improved system takes five hours to boil the same amount. Husking of the same amount through the traditional system costs him about Tk 4,000, but the latest adoption cuts the costs to Tk 2,000.

Parboiled rice is rice that has been boiled in the husk. It makes rice easier to process by hand, improves its nutritional profile and changes its texture. Today, it is the preferred rice for many in South Asia.

Polishing rice by hand, that is, removing the bran layer, is easier if the rice has been parboiled. It is, however, somewhat more difficult to process mechanically. The bran of parboiled rice is somewhat oily, and tends to clog machinery. Most parboiled rice is milled in the same way as white rice.

Parboiling rice drives nutrients, especially thiamine, from the bran into the grain, so that parboiled white rice is 80 percent nutritionally similar to brown rice.

The starches in parboiled rice become gelatinised, making it harder and glassier than other rice. Parboiled rice takes less time to cook, and the cooked rice is firmer and less sticky.

Parboiling is a hydrothermal treatment of paddy. Parboiled rice is 'partially boiled', that is partially cooked rice. In other words, parboiling means precooking of rice within the husk. Paddy is first hydrated, then heated to cook the rice and finally dried.

The improved system was introduced by Bangladesh Rice Research Institute (BRRI) and German Technical Corporation (GTZ) in a combined effort.

Tara Mia, owner of Messer Russell Auto Dryer Rice Mill, said: "The main features of this developed technology are that it requires less fuel, creates less pollution, has inbuilt safety measures with safety bulb, and has pressure gauge and water level glass."

"Besides comprising indigenous equipment, it is economically viable."

Tara Mia has been using this improved parboiling system over the past year. It was a pilot project of the Sustainable Energy Development (SED) programme of GTZ.

A GTZ official said: "Although the new system is clearly more expensive (around Tk 3.5 lakh) than his previous system, the payback period of the new system is less than six months."

"If 50,000 traditional parboiling systems



GTZ

A worker mans a rice-parboiling machine at Kaliakoir in Gazipur.

-- often risky -- can be successfully replaced with the new technology, it will help prevent hundreds of deaths and injuries. It will also lead to a significant increase in energy resources in a country with one of the lowest per capita energy consumption levels in the world," said Engineer Khurshed-ul-Islam, senior adviser for the SED programme.

Similar to this project, GTZ has been implementing some more SED programmes in Khulna, with financial support of KfW, a German bank, and a few other nongovernmental organisations.

Other GTZ projects Improved cook stoves (ICS) constitute a major SED programme in Bangladesh. Manob Sheba O Shamajik Unnayan Shangstha (MSSUS) is working with GTZ and has introduced 2,000 especially designed stoves in Khulna.

Shirin Alam, a housewife in Khulna town, uses this new stove, which helps her save cooking time. "Previously I spent four hours cooking but now I can finish cooking with in two hours," she says. The traditional stove consumed five mounds of fuel, over two

months. Now, she now consumes the same amount of fuel over three months, and to top that, it emits no black smoke.

The underlying difference between the two technologies is that the new stove has separate passages for fuel and air to enter. It also utilises coal better, because the coal burns to ashes. The improved technology also has a chimney to emit black smoke out side the home.

Around one lakh ICSs have been dispersed by SED in the last one and a half years. Bangladesh has a huge market, around 2.5 crores, for this improved stoves, said Khurshed-ul-Islam.

Germany has extended a grant of 8.6 million euros to disseminate domestic biogas units in Bangladesh. The Infrastructure Development Company Ltd (IDCOL) will install 60,000 units by 2012, with 30 of their partner organisations, under KfW funding. The cost of one system varies between Tk 20,000 to Tk 38,500, depending on the actual size of the plant.

Morshed Chowdhury uses biogas for cooking, at price tag of Tk 25,000, in the

company of four other households in his five-storey building at Hazi Mohsin Road, Khulna. Cow dung from eight cows is used to produce this biogas.

Bricks and cement mortar are used in constructing such an underground biogas unit. This fixed dome biogas unit is less susceptible to change due to weather than the floating dome type. It has low operation and maintenance costs and the quality of gas from the unit is similar to that of natural gas.

Saiful Islam, an alternative energy user, employs a solar energy system at his home near Muktedpur in Gopalganj, to light 11 bulbs and a fan. He spent Tk 72,000 on the solar energy system and has been using this system for the past three months. "I am bearing the investment cost by paying Tk 2,500 a month -- in installments."

The German government has extended a grant of 16.5 million euros to disseminate 3.80 lakh solar systems by 2012. IDCOL is implementing this project with its 15 partner organisations in Bangladesh and 1.20 lakh systems have already been installed.

GLOBAL CRISIS

Dubai dream sours as job losses mount

AFP, Dubai

Dubai's rapid expansion in recent years provided jobs for millions. But the global financial meltdown has abruptly ended the dream for many people as more and more firms sack staff to cut costs.

Spectacular economic growth, spurred by a robust construction sector, lured people from far and wide to the booming city on the shores of the Gulf, tempted by high pay, low tax and -- for many Europeans -- the year-round sunshine.

Foreigners form most of the population in Dubai and with residency permits linked to employment many of the people who are losing their jobs face the added upheaval of leaving the country.

"I don't feel that I was wronged. This is business... But I would have preferred a cut in my salary rather than being sacked," said an Arab man who was let go by government-controlled property group Nakheel.

Another former Nakheel employee: "Only four days before we were given the termination letter, our director told us in a meeting that the situation was very difficult and that the budget for our project had been cut by nearly three quarters."

"It was too quick," said the 30-year-old employee who was sacked at the end of November as one of 500 employees -- 15 percent of the workforce -- who lost their jobs.

Nakheel has its fingerprints on most of Dubai's iconic projects, including three palm-shaped artificial islands and a cluster of islands in the shape of a world map.

It unveiled in early October another gigantic project to erect a one kilometre high tower, which, if ever built, would dwarf the unfinished Burj Dubai, currently stand-



The Burj Al Arab, a luxury hotel and landmark in Dubai.

ing around 700 metres (765 yards) high.

"We have the responsibility to adjust our short term business plans to accommodate the current global environment," said a Nakheel statement announcing the redundancies, which it described as "regrettable, but a necessity dictated by operational requirements."

Property sold like hot cakes for the past few years but demand has slumped amid the global credit crunch as panicking investors and creditors fled the market.

All of sudden, the viability of the grandiose property projects has become questionable.

Nakheel's job cuts programme is one of the largest so far in the United Arab Emirates, but is far

from the only one.

Damac Properties, Dubai's largest private property developer, cut 200 jobs, or 2.5 percent of its workforce, in October.

"We'd been growing in sales by 100 percent a year, but it is not the same now. If the market gets worse, we will have to let more people go," Damac chairman Hussein Sajwani said this month.

Al-Shafar General Contracting said a few days ago it was laying off up to 1,000 workers as its order book has dropped by three billion dirhams (817 million dollars) since September.

Emaar, the other local property giant, said recently that it was revising its recruitment strategy and reportedly laid off 100 workers last month.

Omnihat has shed 69 jobs out a 350-strong workforce and Tameer has reportedly notified 180 employees that December 31 will be their last working day.

The job losses have spread beyond property jobs to the financial sector. Shuaa Capital investment bank, for instance, has cut 21 jobs, or nine percent of its manpower.

Companies in Dubai and the rest of the United Arab Emirates were until recently on a hiring spree. Some 640,000 work permits for foreigners were issued in the first quarter of this year, 306,000 in Dubai alone, according to a study published last week.

The study put the population of the UAE at 6.4 million by December 2007, among them 5.5

million foreigners. Over three million were registered with the ministry of labour, i.e. were workers.

Ex-patriate people who lose their jobs in Dubai or other Gulf countries have to pack up and leave within one month, a potential life wrecker for many families.

Employers are supposed to notify the banks of their sacked employees about their contract termination, potentially prompting the banks to demand repayment of any loans before the employee leaves the country.

Nakheel has taken this into consideration by keeping fired employees on its payroll for three months, enabling them to stay until the end of February.

"Our banks will be informed by February 1," said one of the Nakheel former employees, who added that he was lucky not to have loans to pay, unlike many others in the UAE who took advantage of easy credit over the past few years.

Many Nakheel employees have invested their savings in property being developed by the company and people who are sacked face losing that money.

"We've invested in Badrah, in the Waterfront project. What will happen to our investment and how are we going to pay the coming instalments?" wondered another of the Nakheel employees facing redundancy.

The whole of the ambitious Waterfront development appears in doubt as Nakheel has scaled back work on the project, as well as on other schemes.

However, at least one entrepreneur is seeking to turn the job losses to advantage.

A three-star hotel in a city has offered free meals for diners with redundancy letters. Very few have reportedly taken up the offer, but the hotel has elicited significant publicity.