

International Business News

Healthy profit for India's Infosys, but still caution

AFP, Bangalore

India's second-largest software exporter Infosys saw a healthy rise in profits Tuesday, beating market expectations and giving a rare boost to the country's battered IT sector.

The company posted a 33 percent rise in consolidated quarterly net profit ending December, but bosses were guarded about the full-year revenue outlook because of the uncertain global environment.

"By mid-February we expect to know the budgets for overseas clients and our assessment is that it will be slightly less or flat," chief executive S. Gopalkrishnan told a news conference at the firm's Bangalore headquarters.

But he said off-shoring opportunities would increase in the coming months and expected a revival in investor sentiment by early 2010.

The earnings news was a chink of light in an otherwise dark week for the Indian IT sector, after a fraud scandal erupted at Satyam Computers and the World Bank suspended dealings with Wipro and Megasoft on transparency issues.

Net profit for Nasdaq-listed Infosys rose to 16.41 billion rupees (338 million dollars) during the three months to December, up from 12.31 billion rupees a year earlier, it said in a statement.

China's exports fall for 2nd month amid crisis

AFP, Beijing

Chinese exports extended their decline into a second month in December as the global crisis continued to impact its heavily trade-dependent economy, state media reported Tuesday.

Imports dropped even more precipitously, leaving China with its second-largest trade surplus ever, according to customs figures published in the China Daily.

Exports from the world's fourth-largest economy dropped 2.8 percent in December from a year earlier to 111.2 billion dollars, the paper said.

This followed a decline of 2.2 percent in November, which was the first time in seven years that Chinese exports had fallen.

Imports in December were down by an even steeper 21.3 percent to 72.2 billion dollars, the paper said, suggesting a rapid contraction in domestic economic activity.

The World Bank has warned that China's economy will expand by just 7.5 percent in 2009, the lowest level since 1990.



A crowd of onlookers, journalists and Indian police gathers outside the Hyderabad office of PricewaterhouseCoopers, the auditing firm for scandal-hit Satyam Computers, in Hyderabad yesterday, as investigating police officials work inside the premises. The disgraced former chairman of Satyam was sent to prison after he admitted to a one-billion dollar fraud.

Cathay passenger, cargo figures drop again in Dec

AFP, Hong Kong

Cathay Pacific suffered a 0.3 percent year-on-year drop in passengers in December, company figures released Tuesday showed, as the global slowdown piled further pressure on the Hong Kong carrier.

Combined figures for Cathay and Dragonair fell to 2.11 million in the final month of 2008, following a 2.2 percent year-on-year drop in November.

Airlines have been particularly hit by a cut in business and first class travel during the ongoing slowdown.

The two airlines carried a total of 115,232 tonnes of cargo and mail in December, down 23.9 percent compared with December 2007.

For the year as a whole, passenger numbers increased 7.3 percent while cargo and mail fell 1.6 percent.

Cathay Pacific's revenue manager Tom Owen said the apparently reasonable performance in passenger numbers in December had followed aggressive measures to boost ticket sales.

Study finds people still spending on beauty

AFP, Singapore

That dream holiday may have been shelved by the economic downturn, but consumers worldwide say they will still be spending on some things that count more -- beauty and health-care products.

An international survey by market research firm Synovate showed spending on cosmetics and health care appears resilient in the face of the downturn, which has altered consumer attitudes worldwide.

It found 41 percent of people plan to spend the same amount on cosmetics as they did before the downturn began, while only 27 percent said they would cut down.

For health-care products, 55 percent said they would spend the same amount, while only 17 percent would spend less.

The survey questioned 11,500 people in more than a dozen countries including Brazil, Greece, Mexico, the Netherlands, Russia, Turkey, Britain and the United States.

FARMING

Strawberry flavours export dream

ANWAR ALI, Rajshahi

The Quantum Foundation authorities in Rajshahi bought over 1,000 strawberry plants for Tk 20,000 a month ago. They spent a further Tk 13,000 cultivating a fallow eight decimal pieces of land in Shilal Kazipur area. They are now waiting to cash nearly Tk 2 lakh, six times the amount they invested, by selling 250kg of the lip-smacking fruit, in just 10 days.

"Strawberry cultivation is relatively new in the country, but it is not difficult. It spins money," said Muzahidul Islam Zahid, an official of the foundation.

"For the first time I have cultivated the fruit."

Major Hafizur Rahman Mollah, deputy inspector general of prisons for the Rajshahi division, cultivated some 2,500 strawberry plants at the Rajshahi Central Jail property, six months ago.

The jail authorities have spent over Tk 50,000 on the cultivation and now sell 1,000 saplings for Tk 70,000. Also, they are set to sell around 600kg of the fruit at an expected Tk 4.20 lakh.

"Attracted by the economic viability of the fruit, I made necessary arrangements on the jail premises, so that jail inmates can learn the tricks of the trade and adopt them later in their lives," Major Hafiz told The Daily Star.

M Shahidullah, a local agent of Holcim Ltd, has also cultivated strawberries recently. Strawberries are also being farmed by at least 25 other individuals in Rajshahi -- for the first time this season.

By cultivating 1.5 tonnes of strawberries on a leased plot at Rajshahi University, botany teacher Dr M Manzur Hossain is expected to sell 10 tonnes of strawberries, worth around Tk 70 lakh, by March.

Strawberry farming is already in motion in 30 districts in the country. With the average price of a kilogram of the fruit standing at Tk 700, the commercially viable fruit presents great export potentials and ushers in economic prospects for those who wish to get high and fast returns from limited land resources, according to pioneers in the field.

Originating in the US, the crop is usually grown in Europe and Australia. It gained popularity in parts of Japan and tropical India. Each year, a global production of about 30 lakh tonnes of strawberries on two lakh hectares of land was recorded in the



View of a strawberry garden in Rajshahi.

FAOSTAT Database.

The country has demand for 50 tonnes of strawberries per season, which local traders import from different countries including the US, Thailand and Australia. Strawberries are usually eaten raw or used in preparing ice creams, jams, jellies, pickles, chocolates, biscuits, cakes and milk shakes.

The strawberry, a nutritious and delicious foreign fruit, is now adapted to the Bangladeshi climate. It was registered with the National Seed Board recently, following its successful experimental cultivation at Rajshahi and the Bangladesh Agriculture Research Institute in Joydevpur, said Dr Shafikul Islam, senior scientific officer of Rajshahi Fruit Research Centre.

The government experiments started in 2006 and three years later, Manzur developed several new varieties adapted to the local climate. Another horticulturist, Quamruzzaman of Natore, experimented with the fruits' field results and successfully took it to market.

Many visitors from different parts of the country are now thronging to their strawberry fields. Over 150 people from 30 districts started cultivating the fruit. The Bangladesh Strawberry Association (BAS) was formed with Manzur as its chairman, to

fuel the growth of the cultivation.

Strawberry cultivation was successful in the hilly Matiranga Army Zone in Cox's Bazar last year. This year, many fresh initiatives were taken to develop the trade in Panchagarh, Dinajpur, Tangail, Rangpur, Kurigram, Mymensingh, Noakhali, Laxmipur, Jessore, Magura, Faridpur, Madaripur and many areas around Dhaka.

In the early 1990s, Dr Manzur was in Japan, pursuing his PhD, when Quamruzzaman joined him in a one-year training session. They together planned the cultivation of the fruit in the country.

Returning home in 1996, Manzur brought along eight varieties of saplings and Quamruzzaman collected six varieties from Japan and America. But none of them sustained.

A breakthrough occurred when Manzur developed some new varieties through tissue cultures at his Botany department's Plant Breeding and Gene Engineering Laboratory, while Quamruzzaman did the same in Natore.

In 2003, after five years of research, three varieties yielded encouraging results. Out of the three, the 'RU-3' and 'Modern-3' variety proved to be very impressive in all aspects of size, taste, and flavour, with each fruit weighing from 20 to 25 grams. At present,

the methods are now more developed, following successful cultivation over the last five years.

Strawberry cultivation is no difficult from growing potatoes or brinjals. Saplings are sown into prepared beds of matted rows in November and December. Pioneers also inform that organic fertiliser is best for the fruit.

Strawberry plants begin to flower within a month of plantation and fruits can be collected till March. Saplings can be collected from nurseries run by Dr Manzur and Quamruzzaman in Natore. Different NGOs are also producing strawberry saplings.

Each plant bears around 250 to 300 grams of fruits and some 6000 plants can be grown on a bigha of land, they say. A farmer can spend Tk 20,000 to yield 2000 kg fruit on a bigha of land. "Even if strawberries sell at Tk 100 a kg, a farmer can easily earn Tk 2 lakh," said Manzur.

"I experimented at first by selling 35 kg of strawberries at Tk 300 a kg in 2006. In 2007, he sold 87 kg at Tk 550 per kg, gradually increasing the business in this manner," Manzur said. This year he expects 1.5 tonnes of strawberries from some 6000 plants.

With great export potential, the sweet and attractive fruit will open new horizons for farmers, he told The Daily Star.

Local fruit importers and foreigners, who visited Manzur's strawberry field, comment that the produce was better in size, colour and taste than those found in many other countries.

Quamruzzaman hopes some 8,000 strawberry plants in his nursery will yield more than two tonnes of produce. He even sold good quality strawberries at Tk 2,000 per kg in Dhaka last year.

"I recently planted two new varieties from America Camarosa and Festival. Each fruit of the export quality varieties would weigh about 50 grams," he says. Other strawberry varieties usually weigh around 25 grams.

However, strawberry cultivation is still lacking government initiatives, which resists expansion, although the trade was registered in the country last year.

"The fruit will no doubt be a profitable crop for farmers. If it is grown on a large scale, the highly nutritious fruit will come within the reach of the common people. There will be no need for imports," said Manzur.

"Once it is popularised, the fruit can play a role in alleviating poverty and help overcome problems associated with malnourishment," said Quamruzzaman.

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AUTOMOBILE

Automakers put on brave face at Detroit show

AFP, Detroit, Michigan

Automakers put on a brave face Monday as they introduced new models at the Detroit auto show amid a collapse of industry sales that could lead to the disappearance of iconic brands.

A financial crisis, credit crunch and deepening recession pushed 2008 US sales down 18 percent in the steepest decline in 29 years and to the lowest level since 1992.

This year is expected to be even worse and the trouble has spread to Europe, Asia and the rest of the Americas.

"We're seeing the impact and ferocity of deep recessionary trends in the US," General Motors chief operating officer Fritz Henderson told reporters Monday.

"It's really rippling throughout all of the globe. In the month of December there were only two markets that were up versus December of '07: Poland and China."

Global auto sales are forecast to fall by more than four million units with the bulk of the losses occurring in the United States, according to IHS Global Insight.

Both GM and Ford were fielding questions about the futures of their Swedish marks Saab and Volvo, which are currently under review for a potential sale and are awaiting a bailout package of loans from the European investment bank.

But more pressing was the future of the Detroit Three themselves.

Privately held Chrysler, which saw US sales drop 30 percent last year, was considered to be most at risk.

Chrysler's chief executive offi-



The Toyota EV electric car on display at the North American International Auto Show in Detroit, Michigan on Monday.

cer insisted that the company was on track for long-term viability and would be able to repay a four-billion-dollar emergency loan it obtained earlier this month from the US government.

But getting through the next year will be "very challenging," Bob Nardelli said, given that Chrysler expects US auto sales to fall to between 10.5 and 11.1 million vehicles from 13.5 million in 2008 and an average of 16.5 million in recent years.

Both GM and Chrysler must present viability plans to the US Treasury on February 17 and both

hope to obtain a second batch of government-backed loans.

GM's Henderson said the plan will contain "no surprises" but there will be "even more aggressive" cost cuts to come.

Ford, which had initially asked for a government loan but then said it had sufficient resources to get through the downturn, said Sunday it was "in good shape in the financing of our plan."

But on Monday, chief executive Allan Mullaly told Bloomberg TV that it may need to access government loans if US auto sales worsen.

The Detroit Three focused most of their product launches at the Detroit auto show on hybrids and small cars set to soon hit the US market and prototypes of electric cars they hope to introduce in the coming years.

Ford entered the electric fray with a promise to bring a collection of electric vehicles to market by 2012 and introduced two new, production-ready hybrids.

On Monday, it unveiled updated crossover sport utility vehicle and sedans for its Lincoln and Mercury brands outfitted with EcoBoost engines

to increase fuel economy.

GM promised to bring a mini car, the Spark, to the US market by 2011, and unveiled a prototype of a Cadillac extended range, plug-in hybrid.

Chrysler unveiled three plug-in, gas-electric, hybrid prototypes -- a sedan, a Jeep and a sports car -- which it said "clearly demonstrates that we are well on our way to bringing electric vehicles to our consumers' garages."

Refusing to be upstaged, Toyota unveiled a revamped version of its popular Prius that can now get 50 miles to the gallon (21 kilometers per liter).

The car is "superior to anything we have ever built," said Toyota vice-president of sales Bob Carter, and production is to be ramped up to 400,000 cars annually as sales are expanded to a total of 80 countries.

Toyota also announced plans to launch a two-seater electric car by 2012, and introduced a new dedicated hybrid for its luxury Lexus brand on Sunday.

China's BYD Auto, which was the first automaker to bring a plug-in hybrid to market last month, announced plans to bring its extended electric and plug-in hybrids to the United States in 2011.

It would likely be the first Chinese automaker to enter the highly-competitive US market and beat many established automakers in offering an extended-range electric vehicle to US consumers.

The North American International Auto show opens to the public January 17 and some 700,000 people are expected to attend by the time it closes on January 25.