

International Business News

Top Indian property firm sees Q3 net profit fall 68.7pc

AFP, Mumbai

India's top listed property firm DLF on Monday said consolidated net profit for the third quarter fell 68.7 percent, hit by a liquidity crunch and a slowdown in large construction projects.

The New Delhi-based company said net profit for the three months to December fell to 6.7 billion rupees (136 million dollars) from 21.45 billion rupees a year earlier.

Revenues fell 58 percent to 15.02 billion rupees for the quarter, the company said in a statement to the Mumbai stock exchange.

Shares of DLF were down 22.55 rupees or 12.73 percent to 154.65 rupees in late afternoon trade.

The company, whose slogan is "Building India," in June 2007 raised 2.24 billion dollars in what was then India's biggest initial public share offer.

DLF's core businesses are homes, offices and shopping malls along with hotels, infrastructure and special economic zones.

Property stocks have been battered over the past year, amid an economic slowdown and foreign fund outflows, as growth in Asia's third-largest economy dips.

Mattel profit falls by nearly half

AP, El Segundo, Calif.

US toy maker Mattel Inc said Monday that fourth-quarter profit fell 46 percent, hurt by the stronger dollar and the weakest holiday season in decades.

The maker of Barbie and Hot Wheels said quarterly profit fell to \$176.4 million, or 49 cents per share, from \$328.5 million, or 89 cents per share, a year earlier.

Revenue fell 11 percent to \$1.94 billion from \$2.19 billion, including a 6 percent decline in the U.S. and a 20 percent drop internationally. The impact from currency exchange rates lowered sales by 5 percentage points.

Analysts polled by Thomson Reuters, on average, predicted a profit of 72 cents per share on revenue of \$2.2 billion.

Barbie sales fell 21 percent and Hot Wheels sales fell 22 percent.

"Our business wasn't immune from the deteriorating economic environment of 2008," said Robert A. Eckert, chairman and chief executive, in a statement.

He said the El Segundo, Calif.-based company's focus in 2009 will be "cost and spending reductions."

For the year, profit fell 37 percent to \$379.6 million, or \$1.05 per share, from \$600 million, or \$1.54 per share, a year earlier. Revenue edged down less than 1 percent to \$5.92 billion from \$5.97 billion.



Fanta Brand Ambassador and Actress Genelia D'Souza poses with a bottle of Fanta Apple during its national launch in New Delhi yesterday. Coca-Cola in India announced the national launch of its apple flavoured "Fanta Apple" under the Fanta brand umbrella which will be available in a range of pack sizes 200ml, 300ml and 600ml at price of 8, 10 and 22 rupees respectively.

Philippines fears 800,000 job losses this year

AFP, Manila

Some 800,000 Filipinos are in danger of losing their jobs this year as the global economic slowdown hits the export sector, Economic Planning Secretary Ralph Recto said Monday.

"Roughly 800,000 are vulnerable to the global crisis," he told a news briefing at the presidential palace.

He said workers in the export sector, including in the key electronics industry, as well as Filipinos working in export-driven economies abroad, were most at risk.

Recto's figures are nearly triple initial projections made by Labour Secretary Mariano Roque last week, when he warned that 300,000 jobs could be lost in the Philippines amid the global crisis this year.

More than 15,000 workers have been laid off in the past two months, mostly in the electronics and garments sectors, while 19,000 others saw their work weeks shortened as exports plunged, according to government data.

More British workers walk out over foreign labour

AFP, Immingham, England

Wildcat strikes against foreign workers resumed Monday at nuclear facilities, oil refineries and power plants across Britain, fuelled by fears of rising job cuts amid the global slowdown.

Some 600 contractors at the Sellafield and Heysham nuclear plants in northwest England were among the latest wave of workers to join the protests which first flared last week.

They and others came out against the use of around 100 Italian and Portuguese contractors on a 200 million pound (222 million euro, 286 million dollar) building project at the Lindsey oil refinery, owned by French oil giant Total, in eastern England.

The action has yet to hit energy supplies but with much of Britain waking up to the worst snowfall in 20 years the action has stirred memories of the 1978-79 "winter of discontent", when industrial action crippled everything from rubbish collection to grave digging.

GLOBAL SLOWDOWN

Brakes on Asian auto sector

AFP, Kuala Lumpur

Asia's auto industry faces a dramatic slowdown in 2009 as the global financial crisis puts the brakes on sales, with Japan and Korea hit hard by weakening demand in the United States and Europe.

The region's car industry has boomed in recent years as the newly affluent middle-classes snapped up vehicles that have clogged the streets of capitals from Bangkok to New Delhi.

But the threat of recession, together with plummeting consumer confidence and the global credit crunch, which has made it difficult to obtain new vehicle loans, has seen gloomy forecasts posted for 2009.

"The industry is in crisis mode across the world," said Ashvin Chotai, managing director of Intelligence Automotive Asia.

"I'm expecting about an 11.8 percent decline in 2009 in all Asia for light vehicle sales. That is an incredible decline, probably on a scale worse than the sort seen during the Asian crisis."

Chotai said that during the 1997-98 regional financial meltdown, China and India -- which are now huge car markets -- were not substantially affected.

"But this year what is incredible is there's hardly any country in the world that's going to grow in auto sales," he said.

While domestic sales are down right across the region, the major exporting nations will bear a double burden.

"The maximum impact will be on Japan and Korea because they export a large number of cars to the US and Europe," said Vivek Vaidya, automotive analyst at consulting firm Frost & Sullivan.

Japan's production plunged a record 25.2 percent in December, the steepest decline since records began in 1967. New vehicle sales slumped to the lowest level in three decades in 2008 with a 6.5 percent drop to 3.2 million units.

"It is a very serious situation,"



Technicians work at Japan's auto giant Toyota Motor workers on a LEXUS car assembly line at the company's Kyushu plant in Miyata City in Fukuoka prefecture, Japan. Asia's auto industry faces a dramatic slowdown in 2009 as the global financial crisis puts the brakes on sales.

said Takeshi Fushimi, director of the Japan Automobile Dealers Association. "In the throes of a kind of economic slump that occurs once in a century, consumers' sentiment has rapidly cooled."

The association predicted domestic sales would keep slipping, with a 2009 target of slightly more than three million units, as young people continue to shun cars due to low wages, high fuel costs and good public transport.

Japanese carmakers went into the crisis in better shape than their US rivals, but have nevertheless been forced to slash production.

Toyota overtook General Motors to become the world's top automaker last year, but only because the Detroit giant's sales fell faster than its own. It has forecast its first-ever operating loss for the financial year to March.

In Korea, domestic sales fell 5.3 percent in 2008 and exports were down 5.7 percent. For 2009, the Korea Automobile Manufacturers' Association expects exports to fall

5.6 percent and domestic sales to drop 8.7 percent.

To offset the decline, automakers have cut production, delayed new investment to secure cash reserves and launched cost-saving drives.

In December, automakers shut down factories for up to three weeks to reduce inventories. Chinese-owned Ssangyong Motor applied for receivership to avoid bankruptcy and closed its plant indefinitely.

The outlook for Japanese production is pretty bad... Korea is a big exporter and also very vulnerable," said Chotai. "We expect further huge cuts in production in both these countries."

-- Car sales down across Asia-Pacific --

Australia is braced for a 13 percent decline in new vehicle sales for 2009, after a 3.6 percent drop last year. Local manufacturers were worst hit, with sales down 14.5 percent to their lowest level since 1980.

As layoffs mounted, the govern-

ment last November announced a stimulus package aimed at making the industry more economically and environmentally sustainable.

"I don't believe that car-making is yesterday's business or something better left to the Germans or Japanese," said Prime Minister Kevin Rudd at the time, insisting that "we believe this industry has a future."

Indian car sales posted their biggest annual fall in eight years in November, highlighting the downturn in Asia's third-biggest economy which has seen automakers race to cut prices to lure buyers.

"This year there will be a decline in sales, fiscal '09 has been a bad year," said a Mumbai auto analyst.

The industry also took a hit last October when Tata Group abandoned a plant in West Bengal that was meant to produce the world's cheapest car, the Nano, after violent protests by farmers whose land had been seized.

In China, authorities in January

issued a stimulus package for the nation's auto sector, including a tax cut, after growth in the industry slowed to 6.7 percent last year, the lowest level in a decade.

But analysts are pessimistic about the prospects of quickly reviving the sector to a pace set in previous years, which saw expansion of 21.8 percent in 2007.

In Malaysia, Southeast Asia's biggest passenger car market and home to the Proton national car, vehicle sales are tipped to fall 12.4 percent in 2009 after 12.5 percent growth in 2008.

In Thailand, domestic auto sales are expected to dip more than 15 percent in 2009 while exports could slump by 26.6 percent. Toyota, Honda and General Motors have factories in the kingdom, and the industry accounts for about 16 percent of GDP.

-- Recovery tipped for 2010, potential for silver lining --

Despite the gloom, the worst of the fallout is expected to be over by the end of the year, when the players who have survived the crisis can expect to begin a modest recovery.

"Motor ownership levels in most of the emerging Asian countries are low so there is still some scope for seeing growth resuming in 2010," said Intelligence Automotive Asia's Chotai.

"I'm expecting just over 5.3 percent growth in all Asian demand in 2010, but that is still way below 2007 levels."

Vaidya, from Frost & Sullivan, said that low-cost and increasingly high-quality manufacturers in China, India and Southeast Asia could benefit as auto-making shifts away from high-cost centres.

"In the long term, production is moving towards Asia and that will accelerate in the economic downturn because companies in the US and Europe will be forced to close down factories there but will need production anyway."

"There are clouds but there is a thick silver lining around it... Asian players will actually benefit," he said.

ME KABIR

Need for industrial intelligence

Recent business news shows industrial and business espionage, for that matter intelligence, has increased across the world where countries are experiencing recession. Industrial espionage has been present in the developed countries for a long time now. The extent has increased these days. Over the years, industrial or business or corporate espionage has proven to be a very useful tool for finding new businesses and maximising profit.

Industrial espionage or corporate espionage is conducted for commercial purposes instead of national security purposes. The term is distinct from legal and ethical activities such as examining corporate publications, websites, patent filings, and the like to determine the activities of a corporation and this is normally referred to competitive intelligence. Theoretically, the difference between espionage and legal information gathering is clear. In practice, it is quite difficult to sometimes tell the difference between legal and illegal methods.

Especially if one starts to consider the ethical side of information gathering, the border becomes even more blurred and elusive of definition.

Industrial espionage describes activities such as theft of trade secrets, bribery, blackmail, and technological surveillance. As well as spying on commercial organisations, governments can also be targets of commercial espionage, for example, to determine the terms of a tender for a government contract that another tenderer can underbid.

Industrial espionage is most commonly associated with technology-heavy industries, particularly the computer and automobile sectors. In recent years, corporate espionage has taken on an expanded definition. For instance, attempts to sabotage a corporation may be considered corporate espionage; in this sense, the term takes on the wider connotations of its parent word.

For example, the government of France once was alleged to have conducted ongoing industrial espionage against American aerodynamics and satellite companies and vice versa. The Clinton administration has been accused of shifting US intelligence assets from terrorism targets and towards economic targets to "level the playing field" for US companies competing abroad.

There is also risk in this business. In 2001 Proctor and Gamble admitted spying on rival Unilever for information on its shampoos. Boeing was punished by the US Air Force in 2003 for resorting to espionage in order to better its defence rival Lockheed Martin.

There's another aspect of business intelligence. Business intelligence represents a collection of processes, tools and technologies helpful in achieving more profit by considerably improving the productivity, sales and service of an enterprise. By applying these methods, corporate data can be organised, analysed in a better way and then converted into a useful knowledge of information needed to initiate a profitable business action. Thus it is about turning a raw, collected data into intelligent information by analysing and rearranging the data according to the relationships between the data items by knowing what data to collect and manage and in what context.

Why do companies or countries need business intelligence? A company's collected raw data is an important asset where one can find solutions to many of an organisation's critical questions like 'what was the net profit for a particular product last year and what will be sales this year

and what are the key factors to be focused this year in order to increase the sales?'. So there arises a necessity of a well-planned intelligence system, which can lead to a greater profitability by reducing the operating costs, increasing the sales and thereby improving the customer satisfaction for an enterprise. With the help of a business intelligence system, a company may improve its business or rule over its competitors by exploring and exploiting its data to know the customer preferences, nature of customers, supply chains, geographical influences, pricing and how to increase its overall business efficiency.

Bangladesh possibly would never go for bribery, theft or blackmail, but it can easily acquire information from the open sources across the world. Let's look at a few examples where Bangladesh needs immediate attention.

Exporting labourers could be a prime wage earner activity for Bangladesh. Remittances by expatriate Bangladeshis are always praised in the media by all the governments. But do we know about the possible markets for our labourers? Does anyone in Bangladeshi missions do any research on this? Do we know who might be our possible competitors, say, in the Malaysian labour market?

Talking about Malaysia, the media back in Bangladesh comes to know first than our mission if any Bangladeshi workers are hiding in Malaysian forests to avoid detention. Is not it the responsibility of our mission to look after the state of the affairs in a certain country? Foreign embassies in Dhaka should provide perfect picture about how a mission should operate. Korean embassy, for example, in Dhaka has the information about each Korean residing in Bangladesh. Well, if you ask any one of our mission abroad about any information on Bangladeshi, they surely would be found to be at a loss.

Take Bangladeshi restaurant business in Britain as a test case. The new British immigration policy has restricted unskilled labourers to go there and work. The British Bangladeshi are talking to the government in UK about easing this law. No one from Bangladesh mission, for that matter, the foreign ministry, has taken any initiative for talking to the British government. As if it is the responsibility of the restaurant owners only. If our mission cannot talk to the British government, they can at least look for the sectors where Bangladeshi unskilled labourers could be accommodated in UK. Since restaurant business in UK has shown success, is it possible for Bangladeshi businessmen to dominate in the catering sector, is it possible to set up this business in other countries such as USA, Canada, Australia? Who would actually research on this? We don't have anyone or any organisation.

Bangladesh did run a few researches. I had once asked CPD (Centre for Policy Dialogue) for running a research whether Bangladesh's textile sector is capable of feeding the readymade garments sector. CPD did that study and it was quite beneficial to the government.

Let's have a look at our neighbour India. Bangladesh seems an easy market for Indian products. When we become a foreign market, our own industry would never develop. Isn't it possible to watch Indian industries when they are coming up with new products? When India is launching a product, can we easily judge what it has in mind? Do we want Bangladesh to be a perpetual market for Indian commodities?

Bangladesh does not have to go for hardcore espionage



for this purpose. We need to engage methods of business intelligence for maximising profits for the country. This is simple. Engage the press attachés in Bangladesh missions abroad. They could easily monitor those countries' business news and send a weekly report back to Bangladesh about the state of their business and commerce, their needs. The reports would be researched by a cell back at home for finding out new markets, destinations for Bangladeshi products and labourers. For this purpose, a research cell could be set up by combining foreign, commerce, industries and finance ministries.

The prime objective of this cell would be to issue advisories to the respective decision-makers as well as business houses in Bangladesh. A simple media monitoring in the countries where we have our mission would go a long way in achieving industrial espionage as well as business intelligence. It has been proven that countries that have media monitoring across the world do very well in international affairs as well as in business and commerce.

The author is a freelancer.