

International Business News

India's fraud-hit Satyam names new CEO

AFP, Mumbai

Fraud-hit Indian information technology giant Satyam announced Thursday a new chief executive for the fraud-hit company and said it had lined up funds to help tide it over a cash crunch.

The announcement followed a two-day meeting of the government-appointed board in the southern city of Hyderabad where Satyam Computer Services is based.

The board named senior Satyam executive A.S. Murty to the top job, ending a leadership hole created when Satyam founder and former boss Ramalinga Raju confessed to the billion-dollar fraud that shook corporate India.

"Murty is a Satyam veteran of 15 years... who brings to play a deep understanding of the organisation," the board said in an emailed statement.

"I have no misgivings about the enormity of the task in front of us, but together with my colleagues, I am confident we can accomplish the impossible," Murty said in the statement.

The board also said it had received "bank sanctions for a total sum of six billion rupees (130 million dollars) as a planned fund infusion towards working capital requirements."

"This funding, along with healthy collections (from clients), is expected to help the company tide over its financial challenges," the board said.

Deutsche Bank posts historic loss, rejects state aid

AFP, Frankfurt

Germany's biggest bank, Deutsche Bank, on Thursday posted its first annual loss since World War II after a terrible fourth quarter but vowed to survive the financial downturn without state aid.

Chairman Josef Ackermann told reporters the bank did not require official assistance would pull out of the banking crisis on its own.

A Deutsche Bank statement said it had made a net loss of 3.9 billion euros (5.0 billion dollars) in 2008, a figure that reached 4.8 billion in the fourth quarter alone.

In 2007, Deutsche Bank had reported a record profit of 6.5 billion euros.

While other major German banks have benefited from a government rescue plan for the sector, Ackermann told a press conference: "We want Deutsche (Bank) to succeed in pulling out of this crisis by itself."

Ackermann added that he saw no "dramatic" risks in the bank's accounts.

The statement had quoted him earlier as saying that "operating conditions in the (fourth) quarter were completely unprecedented and exposed some weaknesses in our business model."



AFP

A woman displays cash she received from Bailout Bill at the "Bailout Booth" on Times Square in New York on Wednesday. A mystery benefactor, known only as Bailout Bill, sat behind a counter in the heart of Times Square giving money to hundreds of people waiting in line. All people were asked to tell their problems in front of a camera, while Bailout Bill listened to their stories, prior to handing everyone at least 50 dollars, sometimes a lot more.

Lenovo returns to Chinese management after Q3 loss

AFP, Hong Kong

Computer giant Lenovo said Thursday it was replacing its American chief executive and switching back to a Chinese-dominated management team as it reported dismal third quarter results.

Yang Yuanqing, the Chinese firm's chairman, will return to the role of chief executive officer, after William Amelio, a US national who has run the firm since 2005, did not have his contract renewed, the company said.

"Lenovo has grown successfully on the international stage but, at this important time, we want to pay particular attention to our China business as it represents the foundation of our global business and growth strategy," new chairman Liu Chuanzhi said in a statement.

The firm said it recorded a net loss of 97 million US dollars for the third quarter ending December, as global demand slumped.

Liu, who helped start the company 25 years ago, returns as chairman after being in the position until 2005.

He said the appointment of Yang to CEO was of "particular benefit... since he built our Chinese business. We believe he is the right person to lead Lenovo for the next several years."

Sanyo posts quarterly loss

AFP, Tokyo

Japan's Sanyo Electric Co. reported Thursday a quarterly loss but said it expected to avoid ending the year in the red, unlike many rivals, thanks to brisk sales of rechargeable batteries.

The company logged a net loss of 14.3 billion yen (160 million dollars) for the three months to December, against a year-earlier profit of 12.8 billion yen. Revenue slid 22.4 percent to 427.5 billion yen.

"The rapid deterioration of the economy has resulted in sharp falls (in earnings) at our semiconductor and electronic parts businesses," executive vice president Koilchi Maeda told reporters.

"Thankfully we booked an operating profit because of the strong footing we have in the batteries market," he said.

The company, which is being bought by its bigger rival Panasonic Corp., maintained its forecast to break even in the financial year to March.

RICE FARMING

Hope beyond salinity

SOHEL PARVEZ and ABU AHMED

For years, Israil Mallick kept his low-lying salinity-prone land fallow during the boro season, missing out on tons of opportunities. The 46-year-old never imagined growing rice on his piece of land in the southwestern coastal district of Bangladesh.

Today, Mallick opts for a new high-yielding variety (HYV) of rice, BRRI Dhan-47, known for its strength to withstand even brackish water during the boro season.

"This variety is a wise choice for cultivation on salty land. I planted seedlings of this rice inside my shrimp enclosures," said Mallick.

He lives in Sharabdiapur, a village of Satkhira, a southwestern coastal district. Increasing salinity is one of the most significant environmental problems this region facing.

"I cultivated this variety of rice on one-acre low-lying land inside my shrimp farming area," he says. Mallick successfully collected seeds of the BRRI Dhan 47.

He is one of the hundreds of farmers in the southwestern belt who are now interested to cultivate this new saline tolerant variety of rice. This is of utmost importance at a time when food security issue mounts and concerns all quarters of people.

Traditionally, people of this region depend mainly on Aman crop to ensure their supply of staples. But rising sea levels in the Bay of Bengal is encroaching on vast flat agricultural lands, causing a rise in soil salinity and shrinking crop yields. Salinity is the presence of soluble salts in soils or waters.

Cultivation of the staple food rice has suffered the most, while the production of wheat, pulses, mustard seeds and coconut has also been affected, according to a report by IRIN, the humanitarian news and analysis service of the UN Office for the Coordination of Humanitarian Affairs.

Coupled with the effects of climate change and a sharp rise in shrimp cultivation, the problem with salinity in the region has become everlasting.

Over the past three decades, thousands of shrimp farms sprang up in the coastal districts Khulna, Satkhira and Bagerhat backed by exports to the EU and the US. Shrimp is now the country's second biggest foreign currency



earner after ready-made garments.

To cope with the situation, many farmers in the southwestern region are now growing rice such as BRRI Dhan-28 during boro, the biggest crop season.

"Aman yield is not only poor but it is also falling," says Mallick. He cultivates about 15 acres of land in the boro season.

Agronomists said the BRRI Dhan-47, developed by scientists from the Bangladesh Rice Research Institute (BRRI), appears to be a boon for farmers in the southern region.

Released in January 2007, the rice variety has a potential yield capacity of 6.0-6.5 tonnes of paddy per hectare with salt tolerance strength of 6 deci-siemens per meter at the flowering stage.

Salt tolerance capacities of other conventional high-yielding rice varieties are below 4 deci-siemens per meter, according to agro-scientists at the BRRI.

"It was disheartening when many of my mates had a good harvest of BRRI-47 last year. But I could not because of a scarcity of seeds," said Mallick. "I failed to collect seeds last year. Had I been able to manage seeds, I too would have got a good yield," he said.

Zakir Hossain, another farmer at Kaliganj in Satkhira, was able to

collect some seeds in the last boro season. He cultivated rice on about one and half bighas of land.

He says, "I got about 30 maund of paddy per bigha last boro season. All in all, a good harvest season." He sold almost the entirety of the seeds he cultivated last year after preserving the amount he would require to cultivate on two acres of his land for this year.

"I mostly sold to other farmers," he informs.

Like Hossain, many other farmers also dispersed the saline tolerant variety of seeds, along with dissemination efforts by BRRI, Bangladesh Agriculture Development Corporation (BADC) and a few private firms.

As a result, the cultivation of this new variety surged substantially in the southwestern coastal district, mainly in Satkhira and Khulna. Its cultivation also expanded to other districts Bagerhat, Patuakhali, Barguna and Barisal.

According to district level officials of the Department of Agricultural Extension (DAE), cultivation of BRRI Dhan-47 soared more than six times, to about 1,500 hectares this boro season from about 230 hectares in the 2007-08 boro season.

Of the total cultivation area for BRRI Dhan-47 this year, Satkhira's

Shyamnagar upazila recorded the highest plantation at 733.33 hectares. This area is affected by saline due to its proximity to the mangrove forest, the Sundarbans and the Bay of Bengal.

"Farmers are highly interested in this variety because it can stand salinity and also offer good crop," says Dr Tahmid Hossain Ansari, senior scientific officer and head of BRRI, Satkhira region.

The high prices of rice in both local and international markets until mid last year also encouraged farmers in the region to cultivate rice, the official observes.

Cultivation of BRRI Dhan-47 on about 1,500 hectares of land could be insignificant, if the total target of boro cultivation is taken into account.

In the 2008-09 boro season, the government targets cultivating paddy on 46.75 lakh hectares of land to produce 18 million tonnes of rice, which is more than half of the total food grain production target.

But Uttam Kumar Deb, head of research for the Centre for Policy Dialogue, a local research body, said the new HYV rice would bring encouraging outcome for the overall food production.

"Previously there was no scope for cultivating rice on the salty southern belt. But the new variety

has created new openings," he says.

"The prospects for profit has also inspired farmers," says Deb. Net-profit per hectare of rice hovers between Tk 15,000 and Tk 20,000.

The saline tolerant variety however suffers from some drawbacks, such as a fall of paddy from sheaf at the mature stage. While production costs remains almost the same as other HYV rice like BRRI Dhan-28.

Agronomist Dr Mahabub Hossain, also executive director of Brac, a non-governmental organisation, stressed the faster dispersion of seeds among farmers.

"Now the main constraint is making seeds available. To overcome this, institutional arrangement is needed," he says.

While climate change, which causes a rise in sea level and soil salinity, warrants more salt-tolerant rice varieties in the coming days to downsize the risks of a fall in agricultural output.

"Considering the threats of rising salinity, we are working on developing more saline tolerant varieties," says Dr Abdus Salam. He led the team of scientists who developed the BRRI Dhan-47 after six years of research.

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FINANCIAL CRISIS

Business booming for Asia's debt collectors

AFP, Singapore

With his close-cropped salt-and-pepper hair and stern, weathered face, Simon Lim looks like a Triad gang leader straight out of a Hong Kong movie.

But Lim is no underworld kingpin -- he is the operations manager of Asian Debts Collection Services, a Singapore government-registered firm whose employees use tact rather than violence to persuade debtors to pay up.

Lim and other debt collectors in Asia say the pickings are good in these bleak economic times.

His company pursues corporate and personal debts and gets a cut of the money it successfully recovers.

Debt collectors across the region said they have seen a spike in business compared with a year ago -- and the global economic slowdown is a major factor boosting business.

Most of the debtors had companies which were in dire straits, Lim said.

"(They) lost what they invest, and they cannot pay," he said, gesturing to a long row of files which spanned two tabletops and contained debtors' details.

Lim said his customer base has increased 30-40 percent from 2007, while the average monthly amount he needs to collect has jumped significantly from the previous range of 200,000-300,000 dollars (133,000-200,000 US).

"Now, we have to collect 500,000 (Singapore dollars)," he said.

Another local debt collection agency, Kimberly Masters and Partners, said it had seen a 25 percent rise in the size of debts needing collection.

"This has been an increasing trend ever since late 2008 when the economic crisis actually struck," said Mark Tilakadaf, operations manager of the company.

The situation is similar in Australia, where the nation's larg-



Simon Lim, operations manager of Asian Debts Collection Services, leaves his office in Singapore. With his close-cropped salt-and-pepper hair and stern, weathered face, Simon Lim looks the part of a triad leader, straight out of a Hong Kong gangster movie. Accompanied by a band of tough-looking men, Simon hunts down his targets with precision, his appearance often striking them with fear.

est debt collection agency Dun and Bradstreet said it had experienced a significant rise in the number of debts referred to it, particularly in the last eight months.

"Not only have we seen an increase in the number (of referrals), we have also seen (clients) referring their debts to us a lot earlier than they used to," said Christine Christian, the agency's chief executive officer.

In Japan, the global financial crisis has transformed the type of people struggling to repay loans.

While loan sharks once pursued lower-income consumers, nowadays debt collectors are looking at business owners who borrowed from banks.

"Compared with a year ago, I have received only about half the number of people who struggle with repaying high-interest consumer loans," said Hirofumi Yoshikawa, a finance management consultant in Tokyo.

"Instead, I have seen 50 percent more people, mostly business owners or employees of companies once considered to be solidly

financed, come to me because they cannot repay loans taken out of banks," Yoshikawa said.

Trying to collect the debts can be a challenge.

Christian, in Australia, said the collection of the owed monies had "definitely" become more difficult.

Lim said he faces debtors who "play hide-and-seek" by constantly changing their phone numbers and addresses, while others call the police and accuse him of assault and harassment. Some take him to court, he said.

"In debt collection, we are being accused of a lot of things, people use all ways and means to evade debts," the Singaporean says.

He is unruffled, and even encourages the debtors to take legal action against him, saying: "When the judge finds out we have not done anything wrong, he will ask them to pay us the debts too, which is good for us."

As for the stubborn cases who "are obviously filthy rich" yet who refuse to pay even after repeated visits to their offices, Lim resorts to unorthodox measures.

These include wearing his "uniform," a T-shirt emblazoned with the words "BAD debts... collection," and stationing his staff outside their offices in full view of the public.

For the Lunar New Year, which this year passed on January 26, he has a special trick.

"If they don't pay up, I will visit their house on New Year's Day, and wish them a happy new year in front of their family."

Lim stresses that these measures are only for recalcitrants.

For those genuinely facing financial difficulty, the company is flexible with debt payment, he says.

Credit Counselling Singapore, a non-profit society, saw a 39 percent increase in people seeking counselling in the second half of 2008 when the economic crisis intensified, compared with the first half, said the organisation's assistant director, Tan Huey Min.

"I suppose the economic crisis is one potential reason. Things have not been going well (for the debtors)," said Tan, whose charity was formed to advise debtors and help them develop a repayment plan.

But Simon says creditors are victims too, because many are cheated by debtors who make off with their profits and who bully them "because of our clients' kindness."