

International Business News

Wary banks, weak demand curb eurozone loans

AFP, Frankfurt

Growth in eurozone private sector loans dropped sharply in February, European Central Bank data showed Thursday, with analysts underscoring weaker demand and tighter conditions imposed by cautious commercial banks.

The rate of lending to companies and individuals compared with a year earlier fell in February to 4.2 percent from 5.0 percent in January, an ECB spokesman said.

Economists said a eurozone recession had both tightened credit conditions and made businesses and households less inclined to borrow, raising pressure on the central bank to unveil unorthodox stimulus measures.

"The very marked slowing trend in loans to the private sector reinforces concern that tight credit conditions are increasingly hitting economic activity across the eurozone," said IHS Global Insight chief economist Howard Archer.

Commerzbank chief economist Michael Schubert said a weak growth outlook "is leading companies and households to demand fewer loans, but is also influencing commercial banks' assessment of borrowers' risk profiles and hence the credit conditions they are offering."

On March 9, EU Economic Affairs Commissioner Joaquin Almunia warned that a eurozone economic recovery would take hold in 2010, and not later this year as previously expected.

Toyota to sell 2 Prius models in hot hybrid battle

AP, Tokyo

Toyota will continue to sell the current Prius when the revamped version goes on sale in May in an unusual move likely to help the top-selling hybrid ride out a threat from rival Honda.

Toyota Motor Corp. President Katsuaki Watanabe said Thursday there is demand in the Japanese market for both the third-generation Prius and the smaller model that's already on sale.

He declined to give details, including overseas plans. But his comment is the first from Toyota confirming recent Japanese media reports that the current Prius gas-electric hybrid will continue to be on sale, partly to match the cheap price of Honda Motor Co's new Insight hybrid.

Prius faces an unprecedented challenge from the Insight, which starts at 1.89 million yen (\$19,000) in Japan, and \$19,800 in the US. The Prius now sells for \$22,000 in the US and 2.3 million yen (\$23,000) in Japan.

Watanabe said Toyota has been slashing costs on hybrids to almost a fourth of the early costs. He declined to give details on pricing, adding Toyota will give an explanation when the new model is unveiled, expected in May.



A Kashmiri woman walks through a mustard field in full bloom near Awantipora, some 40kms south of Srinagar yesterday. According to the details available from the Directorate of Agriculture of the state government of Jammu and Kashmir, the Kashmir valley comprising six districts has an estimated area of 65 thousand hectares of paddy land under mustard cultivation, which is about 40 percent of the total area under paddy.

Hutchison Whampoa profits drop 42pc

AFP, Hong Kong

Hong Kong's richest man Li Ka-shing warned Thursday that Hutchison Whampoa faced its toughest trading conditions in recent times, after announcing profits at his flagship firm fell 42 percent in 2008.

Li, nicknamed "Superman" for his long-running business success, said the global economic crisis would put unprecedented pressure on the firm.

But he insisted that Hutchison, a bellwether conglomerate with holdings in ports, retail, property, energy, infrastructure and telecoms across the world, would remain profitable.

"In 2009, the group is facing the most challenging environment in recent times with growth slowing in most markets and many of the world's major economies in recession," Li, the firm's chairman, said in a statement.

"Looking ahead, although the unprecedented economic environment will have differing adverse effects on the group's various businesses around the world, overall the group's established businesses are still expected to continue to perform satisfactorily," he added.

Singapore says visitors down 15.2pc in Feb

AFP, Singapore

Singapore said Thursday that visitor arrivals fell 15.2 percent in February from a year ago as the global economic slump weighed on tourism.

The monthly report from the Singapore Tourism Board showed 689,000 visitors last month, which is also less than the 771,000 recorded in January.

Of Singapore's top 15 markets, there was an increase in arrivals only from Vietnam and the Philippines in February, the tourism board said.

"This decline reflects the impact of the current global economic downturn on consumer sentiments and discretionary spending," it said in the report.

Arrivals fell by 34 percent from China, by 33 percent from South Korea, 28 percent from Hong Kong, 29 percent from Taiwan and 19 percent from the United States, the report showed.

LEATHER INDUSTRY

Tannery relocation in limbo

ABONTI MEHTAZ, Star Online

The much-hyped relocation of the tanneries from Hazaribagh in the capital to the proposed 'leather estate' at Savar is still stuck in the ruts, with tannery owners blaming bureaucratic tangles for the unusual delay in the relocation process.

The tannery owners are also bargaining hard with the government for compensation and other facilities.

There are at least 149 tanneries at Hazaribagh and they pour thousands of litres of untreated and highly toxic liquid wastage into the Buriganga river everyday, posing a serious threat to human and animal health.

Bangladesh exported leather and leather goods worth \$413.05 million in FY07 -- \$266.08 million leather, \$135.94 million footwear and \$11.03 million leather goods.

In view of the environmental and health hazards, the government undertook a project in 2003 to relocate the tanneries to Savar on the city's outskirts.

As compensation for the relocation, tannery owners are demanding that the government should give them 7-8 percent of the relocation costs -- Tk5,400 crore -- as grants and loans. They want half the amount as grants.

Their demands also include making the 'leather estate' a special economic zone with all the facilities enjoyed by the export processing zones (EPZs), provision for easy exit of the 'weak' tanneries from the leather industries and special loan rescheduling facilities for other viable factories.

Defending the tannery owners' demand for the compensation, Tipu Sultan, former chairman of Bangladesh Finished Leather Goods Industry Association, said, "The total shift of the tanneries will require an investment of Tk5,400 crore. But with the existing set-up at Hazaribagh, we will be able to cover 25 percent to 40 percent of



Red tape is to blame for a long delay in the relocation of tanneries from Hazaribagh in the capital to the proposed "leather estate" at Savar. The government had promised to build a common effluent treatment plant at Savar by 2010, but no steps have yet been taken.

the required investment."

Earlier the government gave us Tk125 crore for making roads, earthwork and electrification in the proposed area at Savar. We still fall short of Tk2,500 crore. We will definitely need government help.

If the government denies us financial support, it will not be possible for us to make the 'leather estate' a special economic zone," Sultan said.

The tannery owners have placed their demands with the government through a report jointly prepared by Bangladesh

Finished Leather and Leather Goods Exporters' Association, Bangladesh Tanners Association, and Leather Goods and Footwear Manufacturers and Exporters Association of Bangladesh.

Blaming bureaucratic tangles for the unusual delay in the relocation process, a tannery owner said the government was supposed to build a common effluent treatment plant (CETP) at Savar by 2010, but no steps have yet been taken.

"The government should make a policy for 'easy exit' of the weak factories that are heavily indebted

to banks and not financially viable. After the total relocation is over, the price of lands in Hazaribagh will definitely go up," the tannery owner said, adding that they would pay off the bank loans by selling the land and equipment.

"The government wasted a huge amount by giving plots at new location to tanneries which are already closed. The government could save the money and help us in tannery shifting and building CETP. Without CETP, the environmental pollution will not stop, and we will find another

polluted Hazaribagh tannery at Savar," he said.

"According to our agreement with the government, the government can't force us to shift without building CETP," he added.

Tipu Sultan said the government should appoint experts from developed countries to help avoid environmental pollution.

However Industries Minister Dilip Barua on March 3 said the government is going to set up a central effluent treatment plant within a short time for smooth industrial waste management.

BUSINESS LIFE

Goodbye emails after layoffs

AP, Washington

When Jim Neill got laid off, he sent around a farewell email with a subject line designed to get people's attention: "Free food in the employee lounge."

Then Neill, who had been with the National Association of Manufacturers for years, left 'em laughing.

"These are tough times and with a young family I'm hunting for employment," he wrote, "but you'll be pleased to know I've also begun work on my long-delayed book and instructional DVD 'Rhymes with Truck: How to Use Profanity in Every Sentence.'"

There's an art to the goodbye emails flooding inboxes as a result of massive layoffs. A few, like Neill's, are laugh-out-loud funny. Some are bitter flameouts. Some read like brief memos or mysteries with no explanation of the move; others are like lengthy Oscar speeches thanking co-workers.

Whatever the tone, they are everywhere; more than 45 million Americans were either laid off last year or left their jobs for greener pastures.

In the days before company email distribution lists, the task of letting friends and colleagues know about your departure was primarily done by phone or through an interoffice memo written by Human Resources.

With the wider reach of e-mail and more casual messages comes some danger: An email will last longer and may pop up into the inbox of unintended recipient.

Lawyer Shinyung Oh's angry goodbye quickly made rounds of legal blogs. Oh was let go from the Paul Hastings law firm's San Francisco branch six days after having a miscarriage. She wrote a blistering email accusing the firm of heartlessness, and sent it to all her colleagues.

"If this response seems particularly emotional, perhaps an associate's emotional vulnerability after a recent miscarriage is a factor you should consider the next time you fire or lay someone off," she wrote.

Oh has since started her own blog but declined to comment on the incident.

Truly angry flameouts are a rarity for that reason -- most people understand they will whip through the ether at breakneck speed. One scathingly funny goodbye that has been posted on blogs around the world with the subject line "So long, suckers! I'm out!" turns out to be a hoax, written by comedy writer Chris Kula.

"For nearly as long as I've worked here, I've hoped that I might one day leave this company," the mock kiss-off reads. "And now that this dream has become a reality,



Hundreds of people line up to try for jobs at the City University of New York's Big Apple Job Fair at the Jacob Javits Convention Centre in New York recently. An estimated 6,000 students and alumni showed up to apply for jobs.

please know that I could not have reached this goal without your support."

Experts warn against real displays of such anger over concerns that it could hurt a

future job search. Many caution against even a hint of negativity.

"Don't show any bitterness. Don't complain. Just be positive," says Donna Flagg, a

workplace expert and the President of The Krysalis Group, a business and management consulting firm in New York.

At its simplest, the e-mail only needs to let friends and colleagues know you're leaving and how to reach you. A goodbye handled properly can even help with the job search.

When Kristin Brown lost her job at a mid-size PR firm due to downsizing, she spoke highly of her former employer, attached her resume and asked her contacts to keep her in mind for any openings, "because, let's face it, I've become quite attached to having a roof over my head!"

The letter seems to have helped; she's landed several leads and interviews through her former co-workers.

Neill, who joked about free food in the office lounge, sent a separate, more formal e-mail to outside business contacts, but wanted to lighten the mood inside the office.

"There was a lot of tension in the air," says Neill, who has since landed a job as Vice President of Product Safety for the Retail Industry Leaders Association. "I wanted people to feel comfortable saying goodbye. I didn't want anyone walking on eggshells around me. Humour seemed the best way to do that."

Staying professional doesn't mean checking your personality at the inbox. Before Pete Seat, a deputy press secretary under President George W. Bush, left the White House, he sent a goodbye email to friends, White House colleagues and journalists.

"With most of us embarking on a new personal or professional adventure over the next few weeks and months, remember the words of Macaulay Culkin in Home Alone when he said, 'This is it, don't get scared now.' That always helps me," he wrote.

Seat also included a quote from former press secretary Tony Snow, reminding those who have worked in the White House how special it is. "Leave no room for regrets, for someday, in the not-so-distant future, you will be back where you started: On the sidewalk with the folks, gawking at that grand, glorious, mysterious place -- where Lincoln walks at night, and our highest hopes and dreams reside."

With that, Seat had the email hat trick: His message was lofty, humorous and satisfied his basic need to get his new contact information out.

"I wanted to have a little bit of fun with it," he said. "It's a silly line from a silly movie, but it does have a practical point to it. Even in uncertainty, we need to move forward."