

International Business News

World economy could still worsen: IMF

AFP, Tokyo

The global economy could still worsen and consumer demand is unlikely to recover as strongly as it has in the past, a senior IMF official said Tuesday.

The International Monetary Fund is concerned about "downside risks" to the economy, said the Fund's first deputy managing director John Lipsky.

"This is absolutely not the time for complacency," he told reporters here.

Japan's recovery prospects hinge on the health of foreign markets given the country's heavy dependence on exports, he said.

Emerging nations would be at the vanguard of a recovery from the current "Great Recession," followed by advanced economies, which should return to positive growth in 2010, Lipsky said.

While that would be good news for Japan, the fallout from the credit crunch means that people may not be rushing back to the shops as quickly as they did during previous recoveries, he said.

"Consumer demand in some of the advanced economies such as the US may not recover as strongly as it did in the past," Lipsky said.

The IMF last month projected the global economy would shrink 1.3 percent in 2009 but grow 1.9 percent in 2010.

Norway enters recession

AFP, Oslo

The Norwegian economy has entered recession despite government efforts to offset the impact of the global economic downturn by spending an increased share of oil revenues, official data showed Tuesday.

Norway's mainland GDP, which excludes the oil and gas sectors and the shipping industry, shrank 1.0 percent in the three months to March after a 0.8 percent decline in the final quarter of 2008, with recession counted as two consecutive quarterly figures showing a contraction.

Mainland GDP is considered a better indicator of the Scandinavian country's economic health, since the oil and gas sector represents 25 percent of its economic growth but employs only about one percent of its working-age population.

"Manufacturing production had a turnaround in the second half of 2008, and the decrease in output magnified in the 1st quarter," Statistics Norway said in a statement.

Statistics Norway also revised its mainland GDP figure for 2008 up 0.2 points to 2.6 percent, a higher figure than other Western economies but a marked decline from the 2007 growth rate of 6.1 percent.

Norway's total GDP, which includes the oil, gas and shipping sectors, shrank 0.4 percent in the first quarter of 2009 after 0.8 percent growth in the fourth quarter of 2008.



AFP

A man forages for materials from a river in Jakarta yesterday. The Indonesian economy grew 4.40 percent in the first quarter of this year compared to the same period last year, the Central Statistics Agency said, and Indonesia's economy is forecast to post about 4.0 percent growth this year compared to 6.1 percent last year.

Hong Kong's unemployment at three-year high

AFP, Hong Kong

Hong Kong's jobless rate increased to 5.3 percent in the three months ending April, government statistics showed Tuesday, the highest level in three years.

The figure is up from 5.2 percent in the three months ending March, as the construction, food and manufacturing sectors were hit by a reduction in work, the Census and Statistics Department said in a statement.

The number of unemployed people increased by around 9,700 to 196,900 over the period, while the workforce increased by around 4,100 to an all-time high of 3,699,000, the figures showed.

Secretary for Labour Matthew Cheung said the unemployment rate was expected to remain high in the short term as labour market demand remained weak under the deepening impact of the recession.

The outbreak of human swine flu has also emerged as a new source of uncertainty and pressure on the labour market, Cheung said.

"We will continue to adhere to our strategy of stabilising the financial system, supporting enterprises and preserving employment," he said in a statement.

Thai auto sales fall 27.4pc

AFP, Bangkok

Thai vehicle sales in April fell for an 11th consecutive month, industry figures showed Tuesday, plummeting 27.4 percent year-on-year after further domestic political upheaval.

Toyota Motor Thailand, which compiles the industry-wide figures, said domestic vehicle sales fell to 39,713 units.

Sales of passenger cars rose 4.2 percent year-on-year, but the commercial segment continued to suffer for a 12th month running and fell by 39.7 percent.

"It's the lowest drop in four months but it fell because of the economic slowdown and low consumer confidence... due to the political incidents in mid-April," Toyota Motor Thailand said in its monthly release.

Anti-government protesters loyal to fugitive former premier Thaksin Shinawatra stormed a regional summit on the coast of Thailand on April 11, forcing its closure before further demonstrations erupted in Bangkok.

The latest round of political unrest only ended after a state of emergency was called across the capital and rioting protesters were threatened with a military crackdown.

COLUMN

Digital Bangladesh

HABIBULLAH N KARIM

Bangladesh has grown in various dimensions since independence its population doubled, its grain production tripled, its economy multiplied 10-fold but there is one valuable resource that has not grown at all because it cannot grow on its own our landmass.

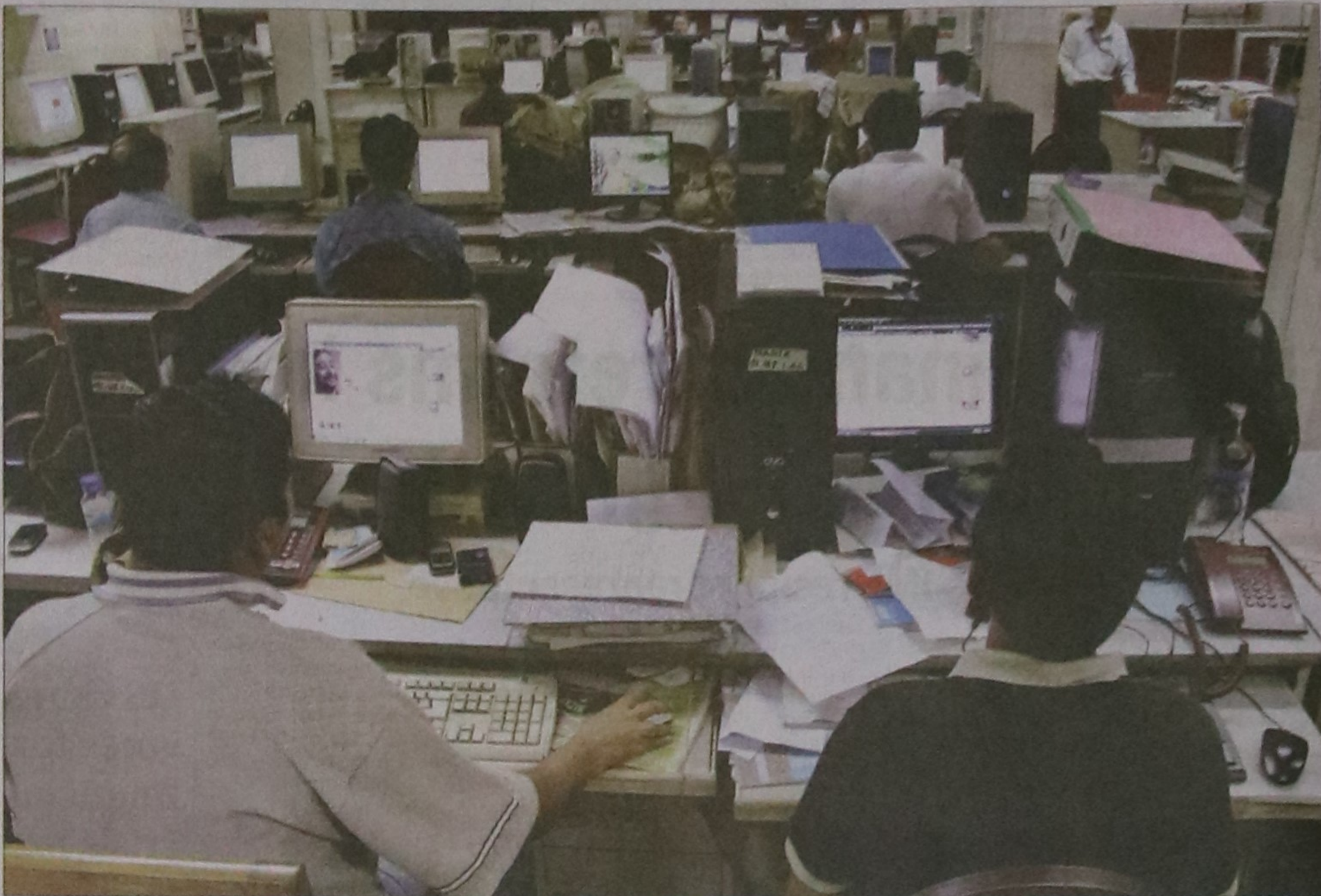
Bangladesh is a landmass of 144,000 sq km, which is more or less static over time (despite hopes of gaining land from coastal siltation). As the number of people is rising and our per capita income is also growing, the demands on the fixed landmass is escalating faster and faster making this scarce resource all the more scarce. No wonder we are seeing land prices skyrocketing like at no other time in recent memory.

Measure for measure, a strip of land on Gulshan Avenue is more expensive than a parcel of land on the Las Vegas Strip, presumably one of the choicest places on earth for commercial property. Despite the high cost of land and its relative paucity compared to our large population (we are already one of the most densely populated countries in the world) it's nothing less than amazing that a complete inventory of our land resources is still not done.

Our land ownership records are still maintained in the archaic ways handed down to us from more than a century ago. The age-old system of land-record keeping and its management is so faulty that fraudsters and tricksters are having a field day in this country for a long time.

I previously wrote about how the land transfer records, ownership records and taxation records are maintained by three separate government agencies without any mutual accountability among them. As a result, land ownership disputes have grown exponentially over the years, so much so that legal experts estimate that a staggering four-fifths of all litigations are land-ownership related.

Now, keeping land ownership records is that so difficult a task one may wonder. The simple answer is no. Throughout the world computer-based record keeping has greatly facilitated land records management in the last 30 years. Within our vicinity, India, Sri Lanka and Thailand have already achieved simplicity and efficiency in land records management. There is no rhyme or reason why we should not be able to emulate our neighbours on this. In fact,



STAR

Demand for computerisation of the land administration has come to the fore nowadays, as the present government has laid bare its plan for a digital Bangladesh by 2021.

we should have been ahead of our neighbours in this area since land records computerisation pilots were undertaken in our country since the mid-eighties. Do we ever wonder why in so many places we never seem to graduate out of the pilot phase even though the benefits are so obvious?

There have been some progress though; the developments are far too slow and too little compared to what is needed to root out the evils in land-records management. These days, if you need a land-ownership record (called a 'porcha'), the Department of Land Records and Survey (DLRS) office gives you a computer generated printout in place of the hand written 'porcha' of the past. This has reduced the time from more than a week in the past to a couple of days at present. The process can be further expedited by automating the actual 'porcha' application process, which remains manual.

The immediate past DG of DLRS (the current executive direc-

tor of Bangladesh Computer Council) took up a project to publish the 'porchas' online through their website, www.dgdlrs.gov.bd. DLRS sources say more than 40,000 porchas of Dhaka City are already uploaded on this site.

There have also been a number of proof-of-concept computerisation projects for land revenue collection as well as land ownership records and maps management in the last five years. The DLRS management appears convinced of the merit of computerisation and committed to mainstreaming the adoption of information technology in their operations immediately. They have proposed a Tk 3,000 crore plan to computerise all land records of the country in the next five years.

On the other hand, the registration processes of land title transfer deeds under the Inspector General of Registration (IGR) are being amended to require more definitive proofs of land ownership and

possession. In the past the requirements were very lax in this regard. The Law Ministry (the line ministry of IGR) is known to be considering computerised archiving of registered deeds for faster retrieval and cross checking, where necessary.

For an effective land administration system, however, a seamless computer-based land information system will be required that interconnects the computer systems of the DLRS, IGR, and district administration offices. This way, when a land-ownership transfer deed is registered on the computer system at the sub-registry office, the ownership record at the district revenue administration office (ownership title changes called 'mutation' are done here) and at the DLRS office (for issuing up-to-date 'porcha') will be updated contemporaneously.

In Kolkata these days, this whole process takes less than an hour. In Dhaka it can take years. It

can however be done here in a few minutes also provided the government and the ruling party are fully committed to making this happen. And, by the way, it can all be done without large sums of money from the exchequer.

The computer-based land administration system can generate more than enough revenue from the expedited and hassle-free services to pay for itself through build-operate-and-transfer (BOT) financing schemes in partnership with the private sector. With the current finance minister contemplating a public-private-partnership (PPP) allocation in the ensuing budget, maybe this is the route 'Digital Bangladesh' will take in modernising its land administration system.

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ECONOMY

Warming China ties benefit Taiwan

AFP, Kinmen, Taiwan

From the Taiwanese island of Kinmen, it is easy to see across the water to China's industrial and trading city of Xiamen, just a few kilometres away on the mainland.

For years, the mine-strewn island was a symbol of the tense relations between China and Taiwan, which split at the end of their civil war in 1949.

Chinese troops would fire shells across to the island, where Taiwanese forces laid anti-tank and anti-personnel mines to deter an invasion.

But now, a year after Beijing-friendly President Ma Ying-jeou took power in Taipei, things look very different. Chinese visitors now routinely include Kinmen on their trips to Taiwan and work to clear the mines is well under way.

In the Chinning township, two busloads of tourists from the eastern Chinese province of Zhejiang swamp a shop selling knives recast from the remains of the shells fired onto the island by Chinese troops.

On the far side of the island, the site of a bloody battle in the dying days of the Chinese civil war between nationalist Kuomintang and communist forces, a team of Taiwanese soldiers have been clearing mines from the beaches.

Thousands of communist soldiers were killed during the battle for Kunmingtou. Now many mainlanders include the village in their standard eight-day tour of Taiwan and what was once a trickle of tourists has become a flood.

They are among the more than 3,000 tourists who have been arriving in Taiwan from the mainland every day over the past few



AFP

A tour guide briefs Chinese tourists about the use of artillery shells at a knife shop on Monday on Taiwan-controlled Kinmen island, which has become a conduit of growing exchanges between the two former bitter cross-strait rivals amid their fast warming ties. Artillery shells the Chinese communist forces lobbed onto the Kinmen islands during the Cold War period have been used to make knives for sales to tourists.

weeks -- something Ma says has benefited the island's sagging economy.

This week marks one year since Ma, from the China-friendly Kuomintang party, took office, and during that time great strides have been made in improving frictions ties between the historic rivals.

"Cross-strait ties and diplomacy have witnessed the most

significant breakthrough over the past year," Ma said Tuesday in Taipei.

Three rounds of talks have led to a raft of agreements on regular direct flights across the Taiwan Strait, a steep rise in the number of Chinese tourist arrivals and greater economic and business cooperation.

Even though Taiwan lifted its

ban on people travelling to the mainland in 1987, relations between Taipei and Beijing worsened dramatically when president Lee Teng-Hui took power the following year.

Ties soured even further under Lee's successor, Chen Shui-bian, who retired last year after eight years riling Beijing with what China considered his provocative

pro-independence remarks.

But with ties warming, people from Kinmen have bought thousands of homes in nearby Xiamen on the mainland and the number of visits by businessmen and tourists is only expected to rise as more restrictions are lifted.

Even on the sporting side, there have been signs of positive change.

Authorities in Kinmen and Xiamen are planning a race on August 15, when 50 athletes will swim from Xiamen to cross the once restricted strait of water separating mainland China from the Taiwanese island of Little Kinmen.

Perhaps the most troubling and lingering legacy of the decades of tensions between the historic rivals is the mines littering Kinmen's beaches.

Taiwan passed a law in 2006 requiring the mines to be removed from the Kinmen island group, just eight kilometres (five miles) off China's coast.

Lieutenant General Lu Hsiao-rung, the chief officer in the Kinmen garrison command, said mine-clearance was straightforward, with more than 30 percent of 154 minefields on Kinmen and Liehyu, or Little Kinmen, already cleared.

He has promised to remove the remaining mines as well as other unexploded ordnance under a seven-year plan launched in 2007.

But Lu said hundreds of obstacles and spikes installed along Kunmingtou's shoreline to deter a Chinese invasion would not be removed.

In an ironic twist of history, islanders asked for the obstacles to be left in place, saying they had become a popular attraction with visitors from the mainland.