International Business News

Asian airlines suffer decline in passengers, cargo: AAPA

AFP, Kuala Lumpur

Asia Pacific airlines suffered a steep decline in passengers and cargo traffic in the first half of 2009, an industry group said Friday, warning the outlook remains challenging.

The Association of Asia Pacific Airlines (AAPA) said international passenger numbers fell 11.5 percent in the first six months to June, while air cargo volumes slumped 22.3 percent, compared with a year ago.

"The trading environment for Asia Pacific airlines remains extremely challenging," AAPA director general Andrew Herdman said in a statement, attributing it to the global economic slowdown and the swine flu outbreak.

"As a result, we still haven't seen a floor in terms of overall passenger demand," he added.

Herdman said the air cargo sector however showed signs of recovery.

"There has been a slow but steady recovery in air cargo demand from the lows seen at the end of 2008, and we are hopeful that this trend will continue in the second half of the year," he said.

Following several years of sustained growth in travel demand, the industry group has recorded a net loss of 4.3 billion dollars in 2008, with international passenger numbers down 2.2 percent.

International air cargo traffic also declined by 6.7 percent last year.

AAPA is the trade association of major scheduled international airlines based in the Asia-Pacific region. It is headquartered in Kuala Lumpur.

Samsung Electronics posts 'outstanding' Q2 results

AFP, Seoul

Samsung Electronics Co., the world's leading computer memory chipmaker, on Friday posted what it called "outstanding" second-quarter results due to a recovery in prices and demand.

For the three months to June, it recorded a net profit of 2.25 trillion won (1.8 billion dollars), up 65.6 percent from the previous quarter's 619 billion won. It is also 5.2 percent up year on year.

Samsung, which is also the world's largest flat-screen television maker and the second largest mobile phone producer, said it achieved strong revenue growth and profit despite continued uncertainty in the global market.

The sustained recovery was supported by renewed demand for premium consumer electronics and improved pricing for memory semiconductors and LCD panels, it said.

"Samsung achieved outstanding results in the second quarter with our consumer electronics business remaining strong and a solid performance in the still challenging components market," Robert Yi, head of Samsung's investor relations team, said in a statement.

Sales rose to 32.51 trillion won from 29.1 trillion won a year earlier.

Financial professionals work in the Goldman Sachs booth on the floor of the New York Stock Exchange at the end of the trading day in New York City on Friday. The Dow Jones Industrials ended the week above 9000 as tentative optimism about the state of the economy send stocks skyward.

Vodafone says exchange rates boost sales

AFP, London

Britain's Vodafone, the world's biggest mobile phone company by revenue, on Friday reported a nearly 10-percent rise in quarterly revenue which it attributed partly to favourable exchange rates.

The group's revenue was up 10.7 billion pounds (12.5 billion euros, 17.7 billion dollars), up 9.3 percent in April to June, the first quarter of its trading year, compared to the previous quarter, it said in a statement.

It cited "the positive impact of exchange rate movements." At constant exchange rates, the revenue increase worked out at 2.4 percent, it said.

It also cited a boost from "merger and acquisition activity, primarily attributable to the additional stake in Vodacom," a South African operator which it announced it had taken control of in November 2008.

"We continued to see good growth in India and South Africa," said chief executive Vittorio Colao in the statement. "Our total communications strategy is delivering well."

Syngenta reports half-year profits down

AFP, Basel, Switzerland

Swiss agrochemicals group Syngenta reported lower-than-expected half-yearly net profits Friday, down nine percent to 1.385 billion dollars (978 million euros) on the same period in 2008.

Analysts consulted by the financial agency AWP had expected, on average, profits of 1.5 billion dollars.

Sales over the same period also came in nine percent down at 6.655 billion dollars, the group reported.

Over the medium term however, Syngenta confirmed it was still on course to record earnings before interest, taxes, depreciation, and debt pay offs of 15 percent for the business in 2011.

Chief executive Mike Mack said: "We continue to make significant investments in order to secure the long term growth of our business," singling out research and development as a key commitment.

COLUMN

Breathing life into ICT task force

HABIBULLAH N KARIM

The AL-led government in its first national budget has made it clear that it means business when it comes to 'Digital Bangladesh' the slogan from its election manifesto that defines the vision it has laid out for the nation going forward to the year 2021.

In a historic first, the budget speech has been dominated by ICT-centric vision in line with the alliance's commitment to give shape to 'Digital Bangladesh'. Fortunately for the alliance, the blueprint for 'Digital Bangladesh' was already in hand in the form of the revised ICT Policy that was prepared in consultation with all primary ICT stakeholders in mid-2008.

The new government was quick to recognise that and promptly approved the revised policy as the 'ICT Policy 2009' earlier this year.

The freshly minted ICT Policy 2009 replaces the earlier version adopted in 2002 and provides a coherent framework in the form of a policy pyramid to pursue the nation's ICT goals now and in the foreseeable future.

The ICT Policy 2009 drills down from a singular national vision of enhancing social equity through use of ICT to 10 broad objectives, 56 strategic themes and 306 action plans for a comprehensive sweep of all aspects of national life.

In order to materialise the vision of 'Digital Bangladesh' we now need to start implementing the action plans of the ICT Policy in a methodical manner.

To begin with, we must recalibrate the priorities of the action plans for this year in light of the present circumstances and overall government policy imperatives; then we must set the milestones to be achieved within this fiscal year. Besides, we should work out the financial expenditure for the high priority programmes; assess the return on investment (RoI) for the programmes (to make sure we get the maximum value for the money and also to avoid cosmetic IT programmes); and finally prepare benchmarks against which the success of the programmes will be determined at their completion.

The ICT Policy itself mandates reviewing the action plans each year, strategic themes every three years and the whole policy itself every six years.

The government needs to institutionalise these review mechanisms for pro-active management of the policy and its objectives. There has been a lot of debate on which body should assume that responsibility.

One school of thought favours the ICT Task Force headed by the prime minister to own and champion the ICT Policy from the centre.

The argument in favour of this is that rapid ICT development will require quick decisions and prompt coordination between various ministries, which can only happen with the direct intervention from the country's chief executive. However, detractors argue that the head of the government has to oversee everything and putting such operational matters under the direct supervision of the highest office in the government will only delay things. This latter group favours strengthening the line ministry for ICT (Ministry of Science & ICT to be exact) and the respective agencies under the ministry such as the Bangladesh Computer Council so that they can implement the ICT Policy according to the defined timeframe, assess the effectiveness of the programmes and reset the priorities and targets based on long-term vision and the experience of past programmes. The ICT Policy 2009 incidentally keeps both options open.

This author is of the opinion that the best way forward is somewhere in between. It would be a good idea to have the eyes and the ears of the prime minister on ICT priorities. At the same time the Science & ICT Ministry would need to deliver results on ICT developments by giving control of ICT management to ICT professionals.

The bridge between the two can be the executive chairman of the ICT Task Force. The principal secretary of the Prime Minister's Office serves in that position in an ex-officio capacity.

Since the principal secretary happens to assist the Prime Minister on all government-related business, he can easily coordinate the work of various government agencies in order to ensure execution of the ICT Task Force agenda.

However, the ICT Task Force executive chairman would have to be highly pro-active in such matters and would need to engage relevant members of the ICT Task Force executive committee for proper disposal of the ICT-related technical issues that would crop up from time to time.

The ICT Task Force, since it was constituted in the year 2000, has sat a grand total of five times in nine years; its executive committee fared a little better. However, if 'Digital Bangladesh' has to have any chance of morphing itself from being a slogan on paper to a vision realised, the ICT Task Force would need a much better track record than its past.

The writer, the founder CEO of Technohaven Company Ltd, is the president of Bangladesh Association of Software and Information Services (BASIS). He welcomes feedback at hnkarim@gmail.com.

IT leaders say the government must translate 'Digital Bangladesh', which is still a slogan on paper, into reality.

TRANSPORT

London's black cab drivers fear for future

AFP, London

For decades, London's black cabs have been as much an emblem of the city as Buckingham Palace or Big Ben -- but now their drivers fear the industry is under threat.

The problem, they say, is minicabs -- ordinary-looking cars licensed to take advance bookings over the telephone or the Internet, while traditional black cabs pick up customers who hail them on the street.

With the recession already hurting business, frustrations have come to a head over proposals by airport authorities to let some minicabs take bookings from passengers arriving at Heathrow.

Black cabbies say this would damage their trade and highlights a wider problem of minicabs encroaching on their turf, particularly in the buzzing West End entertainment district.

"What to do about minicab drivers? I could tell you, but it might be a bit medieval. Burning, tarring, public execution," said one black cab driver, stopping for an afternoon cup of tea at one of London's 19th-century cabmen's shelters near the River Thames.

He took part in a protest in February when black cab drivers blocked Trafalgar Square and says "the same thing will happen again and again and again" if the authorities do not help black cabs.

"We think we're going to go the way of the Routemaster buses and red telephone boxes," said another driver, referring to two other London icons which are now largely obsolete.

Both cabbies asked not to be named, with one citing fear of reprisals from rival drivers.

But minicab firms hit back, saying black cabs are increasingly outdated, while new technology like satellite navigation systems -- known as sat navs -- means minicabs can do a similar job more cheaply and with minimal training.

"The taxi trade's got to be careful because if they don't move on, they will die," said John Griffin, founder and chairman of Addison Lee, London's biggest minicab firm, which could operate at Heathrow if the plan goes through.

He says black cabs could learn lessons from his firm, which is proud of hi-tech innovations like a multi-million pound booking system which sends customers text messages automatically when their car is on its way and arrives.

London's black cabs could win the best in the world in a recent survey and much of their reputation rests on their drivers' navigational expertise.

All black cabbies must pass "the knowledge", a test of their familiarity with city streets which typically requires several years' study.

But now, advances in sat nav mean that minicab drivers who do not have "the knowledge" can get directions and traffic information simply by pressing a few buttons.

This means minicabs -- which were only licensed in London in 2002 and number around 50,000, compared to roughly half that for black cabs -- are increasingly competitive.

This shows on any Friday or Saturday night in the West End as revellers spill out of bars, restaurants and clubs late at night when most public transport is closed.

While many people try to hail black cabs off the street, others reserve a minicab through a cab firm employee stationed within a venue and step right into a vehicle parked outside.

Black cabbies say this legal practice is hitting their trade and claim some minicabs are going further by illegally picking up customers who hail them on the street.

"We've got hoards of private hire vehicles on the streets, touting for business with no enforcement and, to be honest, it will be the demise of the world famous London taxi service," said Grant Davis, chairman of the London Cab Drivers' Club, which represents around 1,500 London black cabbies.

"With the recession, cabbies have become more militant.

"Private hire work has diminished and the only work they can go for is us, so they go out on the street."

Insiders talk of skirmishes between black cabbies and minicab drivers, while some black cabbies have taken to posting online photographs of rivals they accuse of illegal touting.

Davis warns his members are worried about the Heathrow plans and could be ready to take direct action to secure their livelihoods.

"Something's going to give. We had the demo in February and I believe, speaking to my members, if nothing's done pretty soon, then (that) is going to be repeated on maybe a daily basis," he said.

Transport for London, the body responsible for the British capital's public transport system, stressed it was "determined to crack down on illegal taxi touts" and said both minicabs and black cabs provide a "high quality" service.

Steve Wright of the Licensed Private Hire Car Association (LPHCA), which represents minicabs, said most illegal touts were not licensed minicab drivers but acknowledged more needed to be done to tackle the issue.

He too suggested black cabs need to move with the times.

"I think that many will smile in 20 years' time when you tell them that once, not so long ago, you had to go out in the street and hope a taxi was passing by with an orange light on," he said.

"Real time tracking and booking systems will replace this game of chance and you won't have to go outside in hope."

This file picture taken on February 5, 2009 shows British Taxi black cab drivers protesting by parking along The Mall in central London. For decades, London's black cabs have been as much an emblem of the city as Buckingham Palace or the Houses of Parliament -- but now their drivers fear the industry is under threat.