

International Business News

Tight credit a potential hurdle to eurozone growth

AFP, Frankfurt

Eurozone consumers can count on the European Central Bank's main interest rate staying at 1.0 percent this week, but tight credit could throttle the chances of a stout economic recovery, analysts say.

The ECB "is biding its time for now, hoping that its generous liquidity provision will achieve the desired boost to commercial bank lending," Capital Economics economist Jennifer McKeown said.

In late June, the central bank lent commercial banks more than 440 billion euros (620 billion dollars) for a year, and has urged them to share the windfall with the wider economy.

But the ECB's latest bank lending survey showed banks are still tightening loan standards owing mainly to poor economic prospects for businesses, even though the number of banks doing so has dropped sharply.

In Britain, the Bank of England is expected to keep its main lending rate unchanged at 0.50 percent on Thursday, with analysts looking for more purchases of government bonds under the bank's quantitative easing scheme.

The BoE could pump another 25 billion pounds (29 billion euros, 41 billion dollars) into the economy via its non-conventional policy.

Comparable rates at the US Federal Reserve and Bank of Japan are essentially zero.

Obama says stimulus helping 'put the brakes' on recession

AFP, Washington

President Barack Obama said on Saturday that new economic data indicated a huge stimulus package approved in February had helped "put the brakes" on a deep recession.

Obama, speaking in his weekly radio address, referred to figures released Friday that showed a narrower-than-expected 1.0 percent decline in GDP in the second quarter.

"The report showed that in the first few months of this year, the recession we faced when I took office was even deeper than anyone thought at the time. It told us how close we were to the edge," Obama said.

"But it also revealed that in the last few months, the economy has done measurably better than expected. And many economists suggest that part of this progress is directly attributable" to the 787 billion dollar economic stimulus package known as the Recovery Act, he said.

"This and the other difficult but important steps that we have taken over the last six months have helped put the brakes on this recession," he said.

The Recovery Act included help for homeowners in danger of foreclosure to pay their mortgages; measures to unfreeze credit markets; extensions of unemployment benefits; and "investments that are putting people back to work rebuilding and renovating roads, bridges, schools, and hospitals.



A Thai man rides his vehicle as he offers clean brushes for sale in the centre of Bangkok yesterday. The Thai economy in June, and the rest of the second quarter of this year began to show signs of recovery, with the production sector shrinking at a slower pace and purchase orders from overseas increasing, according to the Fiscal Policy Office (FPO).

Spain's tourism sector shaken by ETA attack in Majorca

AFP, Palma De Majorca, Spain

Spain's tourism sector, already battered by the economic crisis, now fears last week's deadly bomb attack on the island of Majorca could scare off more holidaymakers at the height of the season.

Majorca, which attracts millions of foreign tourists every year to its beaches and discos, was in shock over the killing by suspected Basque separatists of two policemen on Thursday in the beach resort of Palmanova.

"We don't deny that this attack has shaken the sector," said Pedro Iriando, head of the Association of Travel Agents in the Balearics.

Many of the mostly British tourists at Palmanova's hotels, which have 30,000 rooms, were stunned by the massive security that followed the attack. Many remained in their hotel rooms for several hours afterwards.

At the time of bombing, there were some 400,000 tourists on the island, which was temporarily sealed off.

Spanish media have spoken of a "blow against the epicentre of tourism in the Balearics," where the sector is already suffering from the economic crisis and competition from cheaper Mediterranean sunshine destinations, such as in Turkey and Tunisia.

Labour talks at South Korea's Ssangyong Motor break off

AP, Seoul, South Korea

Talks to end a months-long strike at ailing South Korean automaker Ssangyong Motor Co broke off Sunday, with management threatening to take steps toward bankruptcy unless the union accepts a compromise offer on layoffs.

The fifth-largest South Korean carmaker has been in court-approved bankruptcy protection since February amid falling sales and mounting red ink. Troubles have deepened in the past two months with hundreds of dismissed workers occupying its a paint shop packed with flammable materials at its main plant to protest the massive layoffs.

The latest talks to resolve the dispute began Thursday, but no breakthrough was reached.

TECHNOLOGY

Info Lady: A rural troubleshooter

MD HASAN

Dula Miah got himself in a fix when three months ago a mad dog bit his two milch cows -- the main earning source of the poor farmer at Uzan Goshagari village in Gaibandha district.

A bicycle bell woke him up from the awful silence of uncertainty.

Luich Akhter Porag, a woman equipped with a laptop, internet modem and a mobile phone, was passing by Dula, riding the bicycle. Dula stopped Porag, a familiar face in the area, and asked her if there was any way to save the cows.

Porag sat with Dula right away and ran 'Jeeon', a Bangla livelihood software, developed mainly to provide nine services to the rural people. Porag, the 'Info Lady', found that a vaccine is required to cure the cows immediately.

Following the Info Lady's tips, Dula rushed to Sundarganj Veterinary Hospital and took the vaccines. In a repeat visit, Porag found Dula in his sheer delight.

For her, the profession is nothing but doing something for the people around her for token money, carrying a high-tech bag. Porag expressed her dedication to work in such a way to The Daily Star by phone from Velaray village at Sonarpara union in Gaibandha.

More like Porag are there in remote villages.

They receive specialised training and necessary equipment, and then travel to remote areas by bicycle to personally connect villagers to information and resources the underprivileged need.

As many as 24 such info ladies are now working in different villages of Gaibandha, Noakhali and Satkhira districts.

The info lady solution evolved from the original 'Mobile Lady' concept developed by D.Net (Development Research Network) Bangladesh, a non-profit research organisation that champions the use of ICT for the economic development of Bangladesh. Mobile ladies were providing services through cellphones.



Helped by an Info Lady, a rural woman uses a laptop, equipped with a modem, to communicate with her loved ones. Twenty-four such Info Ladies are now working in different villages of Gaibandha, Noakhali and Satkhira districts.

From the key learning from the mobile lady idea, D.Net found some limitations of mobile phone-based services. The technological innovations, like laptop device, helped D.Net find that if a bundle of services are integrated with the mobile lady, she will become a "telecentre" herself.

Any one can become an info person, but women are encouraged as they enjoy more privilege than men for entering a house.

Manusher Jonno Foundation, a nongovernmental organisation, has funded the D.Net's Info Lady project. The foundation is an initiative to promote human rights

and good governance in Bangladesh.

The village information workers, 'mobile ladies', were renamed 'info ladies'. An info lady possesses a laptop or classmate computer, internet modem, head-phone, webcam, digital camera, photo printer and a mobile phone for giving the entire livelihood information services at a cheaper rate, and fast.

Help line service, commercial phone service, photography service, livelihood information and knowledge service, international and local voice call service, video and animation service, and

internet-based information service are among the services provided by an info lady.

"Now I earn more than Tk 2,500 to Tk 3,500 per month after becoming an info lady," said Porag who started such a career in June 2007.

Porag said she has so far delivered different services to more than 6,000 villagers.

What she found amazing among the poor villagers is their interest in technology to better their livelihood.

Porag cannot forget Rupia and Kuddus' problems centring their conjugal life. Some days after their

marriage, Kuddus abandoned Rupia to her father's house.

In remote villages, poor women often face such situations. But most of them do not tend to go for legal actions.

In an evening when Porag was demonstrating her services among the villagers, Rupia came to know about the legal side of her situation. She sought help from Porag.

Porag said when she briefed the two families about the legal sides of a marriage after consulting some experts in Dhaka, leaders of the village also supported Rupia. Kuddus was convinced and took her wife.

"I was proud to see their happiness," said the info lady.

Porag thus became an icon among the villagers for providing solutions to their day-to-day problems regarding farming, healthcare, information, education and agro-product marketing.

Dr Ananya Raihan, executive director for D.Net, said each info lady now earns Tk 2,500 to even more than Tk 20,000 per month. It is a good social business for rural women as well, he said. "We are planning to increase the number of info ladies to 1,000 by year-end."

Two things happen here, said Raihan. Some rural women are employed and the poor villagers take the advantages of new technologies that could hardly reach their doorstep in traditional ways.

Technology comes, and after some days it becomes old. But a digital divide between the rural and urban areas remains. Of the 150 million people, 47 million people are now enjoying telecommunication services -- most of them are from urban areas.

Technology-based services are selling in many ways in both urban and rural areas. But it was once unthinkable that someone will peddle technology in the rural areas, as big companies are not willing to expand in those areas fearing bad returns.

But when Porag's bicycle bell rings, it seems technology itself is knocking at the door of the rural underprivileged.

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US laid-off workers learn to install solar panels

AFP, Dearborn, Michigan

In a crowded classroom at Henry Ford Community College, laid off auto workers are learning how to install and manage solar panels.

The class is part of a new alternative energy technology program the college created to help retrain the hundreds of thousands of people affected by the collapse of the auto industry.

"Everybody is scrambling," said Linda West, director of workforce development at the suburban Detroit college.

Money is tight. Enrollment is up. But the hardest part is trying to figure out what kind of training to provide so those people "can have a hope of getting a job," West said.

Sean Peppers, 37, has spent nearly two decades working in auto supplier plants but has not been called for a single interview since he was laid off from his engineering job in January.

He hopes the alternative energy degree will help him find work at a plant building parts for wind turbines, or solar panels, or anything that is not a car.

"I was trying to get out of automotive before I was kicked out of automotive. You could see the writing on the wall," Peppers said.

"But there's not a whole lot of options when your experience is totally for automotive."

Most of the 65 students taking the alternative energy classes are getting their tuition paid through an state program which provides scholarships to Michigan residents who are unemployed or earning less than 40,000 dollars a year.

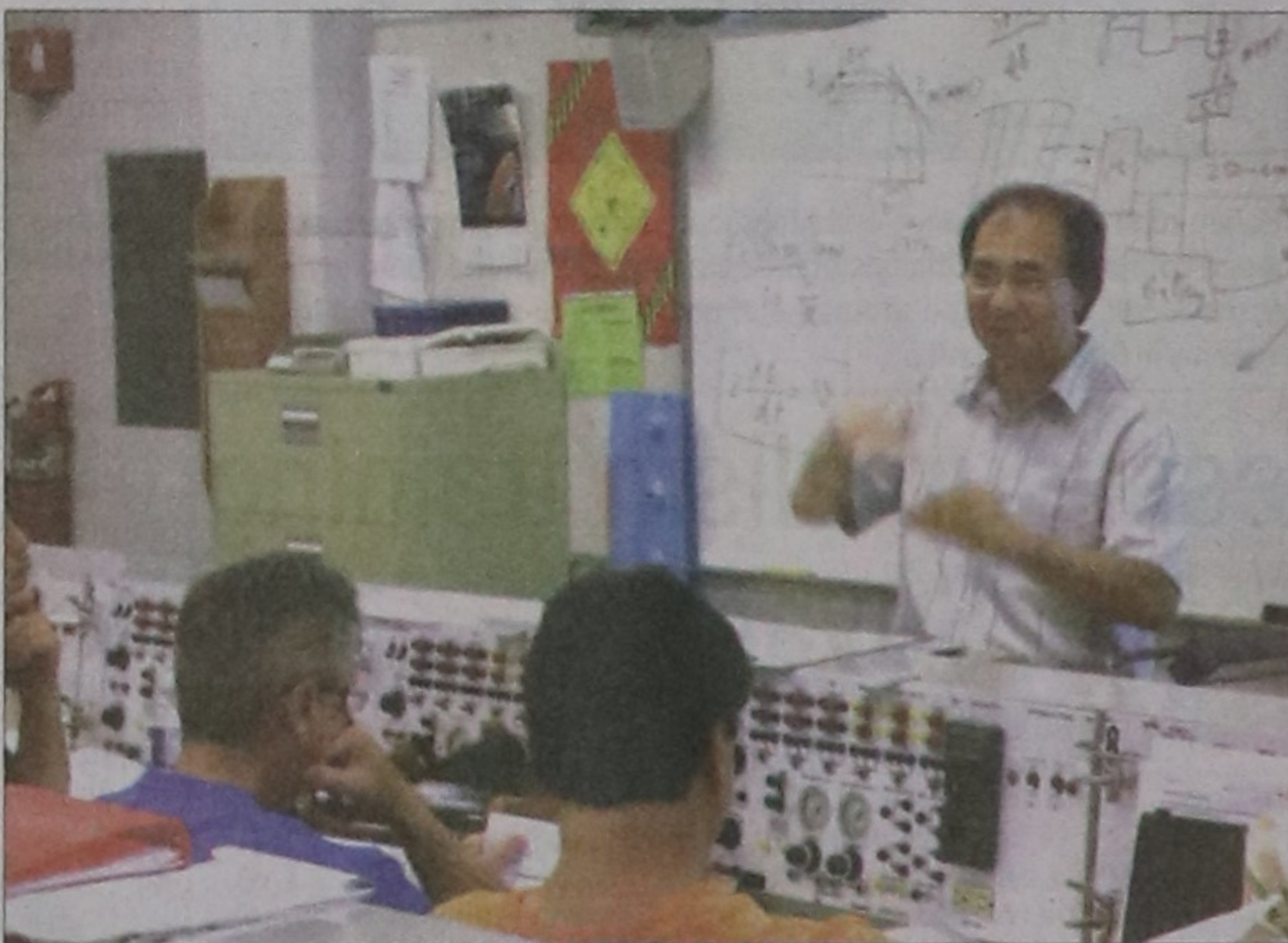
They are the lucky ones.

The two-year-old No Worker Left Behind program has so far helped retrain around 78,000 people. There were more than 740,000 actively looking for work in June, as Michigan's unemployment rate hit 15.2 percent.

The state recently extended unemployment benefits to 79 weeks because so many people have been out of work for so long.

In the past ten years, Michigan has lost half its manufacturing jobs as Ford, General Motors and Chrysler saw their share of US auto sales slide from 70 to 45 percent.

"We feel like the guy who made horse-shoes when the Model T (Ford) came out," said student Brandon VanPoppelen.



Dr Anil Tuladhar teaches laid-off autoworkers how to install and manage solar panels at Henry Ford Community College in Dearborn, Michigan, on July 20. The class is part of a new alternative energy technology programme the college created to help retrain the hundreds of thousands of people displaced by the collapse of the auto industry.

VanPoppelen, 32, was laid off from three different jobs in four years after the housing market boom went bust.

He is hoping the certificate program will help him make the switch from selling construction materials to doing energy efficiency consulting or installation.

But he is worried about the guys he knows who were happy framing a house or making 15 or 20 dollars an hour in a factory, who do not know how to do anything but work with their hands.

Now, he says, their only options seem to be working for minimum wage in soul-crushing jobs like manning a fast-food drive-through window.

"It's emasculating," he said.

They cannot provide for their families and they cannot see a way out. So they get frustrated. And they drink.

"What do they want us to do? I'll be fine, but not everybody can be an engineer," VanPoppelen said. "There's got to be middle class manual work."

The state has "multiple strategies" for retraining its workforce, drawing new employers and diversifying its economy, said Andy Levin, deputy director for

Michigan's department of energy, labor, and economic growth.

Green jobs are a major focus of the state's outreach program as it tries to capitalize on its strengths in advanced manufacturing and chemical engineering.

The state is also working with employers to design programs to train workers to fill specific needs and have revised its adult education programs to ensure that literacy and language skill training is job-oriented.

"We simply can't serve everybody," he admits.

The state's resources are too thin to extend training to everyone who wants it and to help community colleges develop new curriculums.

And a lot of the people who used to make a good income working with their hands will simply have to adjust to earning a lot less.

"The biggest plurality of jobs are going to be service sector jobs, which are low wage," Levin said.

Unless, he said, unions manage to do for service workers what they did for auto workers so many years ago.

Nissan rolls out electric car at new headquarters

AP, Yokohama, Japan

Nissan Chief Executive Carlos Ghosn drove quietly out of the Japanese automaker's soon-to-open headquarters Sunday in the first public viewing of its new zero-emission vehicle.

It was the first time the external design was shown of Nissan Motor Co.'s environmentally friendly electric automobile, set to go on sale in Japan, the U.S. and Europe next year. The blue hatchback had a sporty design and a recharging opening in the front.

Designer Shiro Nakamura said the vehicle was designed to avoid a stereotypical futuristic design.

"This is not a niche car," he said. "We didn't make it unusual looking. It had to be a real car."

Nissan has promised that the Leaf, which goes into mass-production as a global model in 2012, will be about the same price as a gas-engine car such as the 1.5 million yen (\$15,000) Tiida, which sells abroad as the Versa, starting at about \$10,000.

Ghosn drove out on stage with former Prime Minister Junichiro Koizumi sitting next to him, and with a Yokohama governor and mayor in the rear seats.

"This car represents a real breakthrough," Ghosn told reporters and guests at a showroom in the new headquarters.

He said the new car and new office building in Yokohama, southwest of Tokyo, marked two fresh starts for Nissan, which hopes to take the lead in zero-emission vehicles.

Nissan, which has an alliance with Renault SA of France, has fallen behind Japanese rivals Toyota Motor Corp. and Honda Motor Co. in gas-electric hybrids that have become increasingly popular recently.

Nissan said the new 22-story headquarters was designed to be sufficiently energy efficient to qualify as one of the most ecological buildings in Japan. The company, which is losing money amid the global downturn, is selling its old Tokyo headquarters as part of efforts to cut costs.

Koizumi said environmentally friendly auto technology is key to Japan's economic growth.

"It was so unexpectedly smooth and quiet," he said after getting out of the car. "I am sure this car is going to be popular."