

International Business News

Jetstar Asia aims for mainland China

AFP, Singapore

Singapore-based budget carrier Jetstar Asia on Tuesday announced it would expand capacity and planned to begin flights to mainland China in December.

"Mainland China has immense potential for Jetstar's low fares offering and the broader Jetstar group network destinations," said company chief executive Chong Phit Lian.

"China is a clear focus of future growth and with our expanding fleet in 2010, we are in the stage of actively assessing future potential growth," she said.

As well as aiming to expand into China, Jetstar will from October increase flights to Manila from seven to 10 per week, adding it will also run three daily trips instead of the current two to Bangkok from next month.

And from December the firm will resume its flights to Phuket, a route it terminated in March last year partly due to escalating oil prices.

Jetstar Asia said it would take delivery of three Airbus A320 jets over the next 12 months, which will boost its fleet capacity by 46 percent.

The firm is 49 percent-owned by Australian flag carrier Qantas and flies to some of Asia's most popular destinations including Macau, Hong Kong and Ho Chi Minh City from its regional base in Singapore.

Japan close to sign oil field deal in Iraq, say officials

AFP, Tokyo

Resource-poor Japan is close to signing a deal with Iraq on the right to develop a huge oil field in the Middle Eastern country, corporate officials said Tuesday.

Talks between Baghdad and three Japanese oil developers "are in progress toward an agreement" to develop the Nasiriyah oil field in southern Iraq, a spokesman for Nippon Oil Corp, one of the three energy firms, said.

If the deal is reached, the Nasiriyah oil field will be the biggest in production volume that Japanese companies have developed, he said.

Trade Minister Toshihiro Nikai told a news conference Tuesday: "We'll tackle the project as a team of the government and the private sector."

"I hope for a good result," the minister said.

Japan, the world's second-largest economy, has few natural resources and is almost entirely dependent on the Middle East for its oil.

The Nasiriyah field is expected to produce 600,000 barrels a day, about 10 percent of Japan's whole crude consumption, Jiji Press reported.

Japan, officially pacifist since World War II, late last year ended a mission flying goods and personnel into Iraq on behalf of the US-led coalition and the United Nations.



AFP

Models pose for a picture during the Indian launch of new Nokia mobile handsets in New Delhi yesterday. The Nokia 5530 is priced at Indian rupees 13,994 (\$287) and the Nokia 5230 at rupees 9,995 (\$205).

Dubai commercial property prices to continue slide

AFP, Dubai

Commercial property prices in former boomtown Dubai in the United Arab Emirates are set to slide even further, consultancy firm Jones Lang LaSalle said in a report on Tuesday.

Although the rate of decline in office rental prices slowed in the second quarter from the previous quarter, they are still poised to fall further because of increased market supply, it said.

"The Dubai commercial property market is becoming more competitive on a global scale as falling rents and increased vacancy make the city more attractive to potential tenants," the report said.

Commercial rental prices declined 25 percent in the second quarter this year compared with a 45 percent decline in the first quarter, averaging 225 dirhams (61 dollars) per square foot per year, the firm said.

By the end of 2011, 25 million square feet (2.25 million square metres) of additional office space is also expected to enter the market, it said.

"(This) will increase the vacancy rate and place further downward pressure on average rentals," the Jones Lang LaSalle report added.

Hong Kong exports down 19.9pc in July

AFP, Hong Kong

Hong Kong exports plunged 19.9 percent year-on-year in July, as overseas demand for Chinese goods remained subdued despite talk of a global economic recovery, the government said Tuesday.

The total value of shipments dropped to 212.3 billion Hong Kong dollars (27.22 billion US), the Census and Statistics Department said in a statement.

The decline was significantly bigger than the 5.4 percent year-on-year drop in June, when the government recorded the first single-digit fall in seven months.

For the first seven months of the year, the value of total exports fell 17.7 percent from the same period in 2008 as the global slump hit southern China's manufacturing heartland, which ships many of its products through Hong Kong.

The sharpest drop in the month was recorded for exports to Malaysia, Britain and Germany, which were all

US BANKING

Bernanke to stay at helm

AP, Oak Bluffs, Massachusetts

President Barack Obama plans to reappoint Ben Bernanke to a second term as chairman of the Federal Reserve, a position from which he guided the economy away from its worst recession since the 1930s and, the White House hopes, toward an economic recovery critical to its legacy.

Widely credited with taking aggressive action to avert an economic catastrophe after the financial meltdown last year, Bernanke will be nominated for another term as the helm of the central bank on Tuesday. Obama plans to make the announcement on Martha's Vineyard, the Massachusetts island where he is vacationing for the week with his family.

Bernanke is expected to be at his side, said a senior administration official who discussed the nomination only on condition of anonymity because the news was not yet public.

By announcing he wants Bernanke for another term and not changing horses in midstream, Obama removes a sense of uncertainty on Wall Street.

Bernanke masterminded what is now seen as a successful strategy to lift the economy out of recession, unlock credit and stabilise financial markets, in part by using unconventional and unprecedented lending programs. But he's not without his detractors, and the top Democrat on the Senate banking committee warned of a thorough hearing before Bernanke would take his post for a second time.

Many on Wall Street and in academic circles believe that Bernanke would be the best choice to lead the country into a sustainable recovery and would be in the best position to figure out when and how to reel in the trillions of dollars pumped into the economy to battle the crisis.

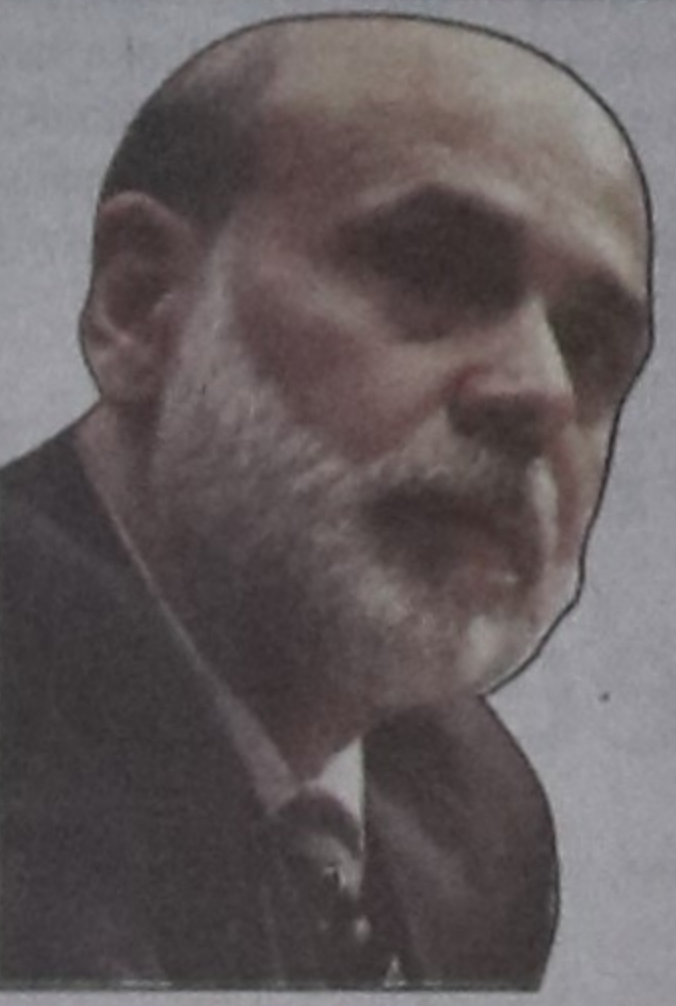
"Wall Street can rest a little easier now," said Chris Rupkey, an economist at the Bank of Tokyo-Mitsubishi. "Having a new chairman come in at this late date would put the Fed-engineered solution to both the recovery and the exit strategy at risk."

Bernanke, appearing last week at an annual conference in Jackson Hole, Wyo, received heaps of praise from economists, academics and central bankers from around the world for his handling of the crisis. In sharp contrast, just a year earlier, as the financial crisis intensified, Bernanke was under siege because of the unprecedented actions he was taking.

But his actions now are bearing fruit. The economy is emerging out of a recession and is poised for growth. However, the recovery will be slow and the unemployment rate, now at 9.4 percent, is likely to top 10 percent this year before it starts going down.

Even with this challenge ahead, many economists and Wall Street types believe Bernanke is best suited to deal with the challenge of lowering the unemployment rate, gradually reducing joblessness and fighting off any threat of inflation.

In remarks prepared for the announce-



Ben Bernanke

US Federal Reserve Bank Chairman

Age: 55
Married, 2 children

Dec 13, 1953	Born Augusta, Georgia
1975	Graduate in economics, Harvard
1979	PhD in economics, Massachusetts Institute of Technology
1979-1985	Professor of Economics, Stanford
1985-2002	Professor of Economics, Princeton
2002-2005	Member, Board of Governors at the Federal Reserve Bank
Feb 1, 2006	Sworn in as Chairman of the Federal Reserve Bank

250809 AFP

Source: FRB

ment, Obama praised Bernanke for leading the country through the meltdown and, with his expertise on the Great Depression, helping to prevent a crisis rivaling that of the 1930s.

"Ben approached a financial system on the verge of collapse with calm and wisdom, with bold action and outside-the-box thinking that has helped put the brakes on our economic free-fall," Obama

said in prepared remarks obtained by the AP.

In sticking with Bernanke, Obama is looking to reassure the financial sector as well as foreign central banks that his administration has no plans to change course on its largely well-received approach to rescuing the industry from its meltdown or its management of overall monetary policy.

Germany emerges from recession in second quarter

AFP, Berlin

Germany has escaped the clutches of its worst recession in over 60 years, official data showed on Tuesday, as consumption helped Europe's biggest economy grow by 0.3 percent in the second quarter.

The figures, which confirmed estimates made earlier in August, mark the first time Germany has grown since the first quarter of 2008 and are likely to boost Chancellor Angela Merkel's campaign less than four weeks ahead of general elections on September 27.

"The economic development in the second quarter of 2009 was supported by private and government expenditure ... positive impulses also came from construction," the statistics office said in a statement.

However, exports, the driving force of the German economy, were down 1.2 percent compared to the first quarter and imports slumped by 5.1 percent.

Despite the broadly positive figures, analysts warned against any early celebrations.

Carsten Brzeski at ING said the boost in growth was mainly due to the government's two huge stimulus packages worth a combined 81 billion euros (116 billion dollars).

"Today's numbers are primarily the result of the government's economic rescue package plus some free-riding on other countries' stimulus measures," he said in a research note.

"The German economy is still on a drip, getting infusions from policymakers. The coming weeks and months look good but some doubts remain whether the economy can already stand on its own feet," he said.

"The recession is over but not all that glitters is gold."

Despite the caution, the positive growth figures are the latest in a series of economic data that suggests Germany might bounce back relatively quickly from a deep and painful recession.

Last week, a survey showed that investor confidence was soaring and business confidence is also pointing to brighter times ahead. Industrial orders have also shown impressive growth in recent months.

Merkel, whose Christian Democrats (CDU) are riding high in the polls, said recently that the worst is over for the German economy but that a bumpy road lies ahead.

ITALIAN CUISINE

Celebrity chef targets Asia

AFP, Hong Kong

Celebrity chef Jamie Oliver is planning to launch 30 Italian family-style restaurants in Asia, with the first one set to open its doors to his gastronomic followers in Hong Kong early next year.

The move marks the first step in taking his chain Jamie's Italian -- which now has five eateries in England -- outside his hometown, to a region which takes pride in its rich diversity of international cuisine and where the economy is picking up faster than anywhere else in the world.

"Why Asia? Of all the markets, it has by far the fastest-growing economy," said Edward Pinshow, president of Tranic Franchising, which formed a venture with Jamie's Italian International for the Asia expansion.

"The Chinese have become extremely fond of Italian food. In Japan, Jamie's become a household name," he said Tuesday.

Pinshow told AFP that the first stage of the expansion was to open six restaurants in Hong Kong and Singapore, for which he is now raising about 200 million US dollars.

They plan to roll out another 24 eateries in other parts of the region over the next five years, with China, Japan, Taiwan and Korea among the most likely candidates for location.

Pinshow said they are now working hard to get their first restaurant -- a 5,000 square foot, 180-seat venue in Hong Kong -- ready for opening in the second quarter of next year.

He said the menu would offer a full-course meal with antipasti, main dish, dessert, plus a glass of Italian wine, for an average of 300 Hong Kong dollars (38.5 US) per head.

"At Jamie's restaurants, you will often find a blue-collar worker, a student, and the



Edward Pinshow, president of Tranic Franchising speaks to AFP in Hong Kong yesterday. Celebrity chef Jamie Oliver is planning to launch 30 Italian family-style restaurants in Asia, with the first one set to open its doors to his gastronomic followers in Hong Kong early next year.

chairman of a blue-chip company side by side having a meal," he said, while stressing that everything they served would be "natural and organic."

Hong Kong will also be established as the development hub, providing all regional support in licensing, real estate, training

and logistics for the project.

Meanwhile, Pinshow said Oliver also had his eyes set on Europe for his chain's international expansion.

Oliver, 34, shot to fame in 1999 with his cooking series "The Naked Chef". He has since featured in numerous television

series, and sold millions of copies of his cookbooks worldwide.

His 2005 television documentary "Jamie's School Dinners" sparked a national debate on nutritional issues in Britain, and is credited with persuading some people to change their eating habits.