

International Business News

Malaysia falls into recession after 3.9pc contraction

AFP, Kuala Lumpur

Malaysia's export-dependent economy shrank 3.9 percent in the second quarter of 2009, the central bank said Wednesday, as data confirmed it had fallen into a technical recession.

The first quarter saw the economy shrink 6.2 percent, the first contraction in nearly eight years.

Malaysia has been hit by falling exports as demand slumped because of the global economic crisis, the bank said.

The government said in May that Malaysia's economy is likely to contract by 4.0-5.0 percent this year due to a steep decline in exports and manufacturing.

"The latest data showed Malaysia has entered a technical recession, for the first time since the dotcom bust in 2001, after two consecutive quarters of negative growth," said Yeah Kim Leng, chief economist of ratings agency RAM Holdings.

"But the second quarter figures were better than expected," he told AFP.

Bank Negara said the slower contraction in the second quarter was due mainly to higher public spending and positive growth in private consumption.

"The domestic economy continued to be affected by weak global economic activity in the second quarter as reflected in the continued sharp decline in exports," it said in a statement.

Real US unemployment rate at 16pc: Fed official

AFP, Washington

The real US unemployment rate is 16 percent if persons who have dropped out of the labor pool and those working less than they would like are counted, a Federal Reserve official said Wednesday.

"If one considers the people who would like a job but have stopped looking -- so-called discouraged workers -- and those who are working fewer hours than they want, the unemployment rate would move from the official 9.4 percent to 16 percent," said Atlanta Fed chief Dennis Lockhart.

He underscored that he was expressing his own views, which did "do not necessarily reflect those of my colleagues on the Federal Open Market Committee," the policy-setting body of the central bank.

Lockhart pointed out in a speech to a chamber of commerce in Chattanooga, Tennessee that those two categories of people are not taken into account in the Labor Department's monthly report on the unemployment rate. The official July jobs rate was 9.4 percent.

Lockhart, who heads the Atlanta, Georgia, division of the Fed, is the first central bank official to acknowledge the depth of unemployment amid the worst US recession since the Great Depression.



AFP

Young workers seal a gap in a concrete pavement with tar at road construction site in Jakarta yesterday. Indonesia's poverty rate fell to 14.1 percent in March from 16.7 percent in 2004, while the unemployment rate has shrunk to 8.1 percent in February from 9.9 percent in 2004, Indonesian President Susilo Bambang Yudhoyono said.

Philippines economy grows 1pc in first half

AFP, Manila

Government spending on construction helped boost the Philippines economy, officials said Thursday, adding that growth in the second quarter had put Manila in striking distance of its full-year target.

Data showed the economy expanded 1.5 percent year-on-year in the three months to June, which although down from the 4.2 percent recorded in the same period last year, was up from a revised 0.6 percent in the first quarter.

The government said the figures showed that while many of the Southeast Asian nation's neighbours remained mired in recession, the Philippines continued to achieve growth.

"Our economy is expected to remain afloat, far from an economic recession," Economic Planning Secretary Augusto Santos told a news conference.

In the first six months the economy expanded 1.0 percent year-on-year, down from the 3.8 percent seen at the same point in 2008.

New Zealand imports plunge in July

AFP, Wellington

New Zealand posted a trade deficit of 163 million dollars (111 million US) in July, despite a plunge in imports, official figures showed Thursday.

The value of imports fell 20.9 percent to 3.3 billion dollars year-on-year, Statistics New Zealand said.

In percentage terms, the fall was the second largest since February 1993, following a 21.8 percent drop in May this year.

The value of oil product imports fell 35.1 percent in the month to 542 million dollars, due largely to declines in imports of diesel and crude oil.

"Prices for both these commodities have fallen significantly since July 2008. Crude oil and diesel are both imported in large, irregular shipments, which can give rise to large percentage fluctuations," Statistics New Zealand said.

LIFESTYLE

Slum women to run Delhi taxis

AFP, New Delhi

A battered housewife, a Muslim widow and an illiterate mother of four are among a group of Indian women looking to carve out a living by breaking into the male preserve of New Delhi taxi drivers.

Hailing from some of the poorest quarters of the Indian capital, they are part of plans to launch the city's first radio taxi-service run by women, in time for the October 2010 Commonwealth Games.

The project is the brainchild of Meenu Vadera of the Azad Foundation, a voluntary group that works with disadvantaged women whose employment prospects -- if they exist at all -- are usually limited to the world of domestic help.

"We have trained one batch of nine women and the training of another batch of 11 is underway," said Vadera, who aims to have five taxis on the road by February and a fleet of 20 by the time the Games begin.

"I was looking at a programme that would combine a livelihood for the girls with the idea of having women cab-drivers who will provide safe transport to working women in Delhi."

Of all major Indian cities, the capital ranks worst in terms of violence against women, with more than 4,300 registered cases in 2007-08, according to the National Crime Records Bureau.

To ensure their own safety, the women have received some basic self-defence instruction as part of their training at a professional drivers' school run by India's largest car manufacturer, Maruti Suzuki India Ltd.

Supplementing these are classes in grooming, etiquette and spoken English.

"The goal is to establish a company with the women as stakeholders. This way it does not look like a charity but a business run collectively," Vadera said.

India's emergence as a global economic power has done little for millions of unskilled or illiterate women for whom menial work as domestics or care-givers remains a chief source of regular but often underpaid employment.

The work is generally unregu-



Shanno Begum (R) drives a car as Saroj (L) along with other drivers trained by Azad Foundation, pose with their driving licences in New Delhi on August 10. Hailing from some of the poorest quarters of the Indian capital, they are part of plans to launch the city's first radio taxi-service run by women, in time for the October 2010 Commonwealth Games.

lated and unprotected, leaving them vulnerable to harassment and exploitation.

"Some come from families where only the menfolk work," said Poonam Bala, a Delhi University Sociology professor.

"For others, their background is such that they are totally unprepared to enter the professional job market."

Rita, 24, ran away from her marriage and home after suffering seven years of abuse at the hands of her parents-in-law.

Living at the home of a friend in Delhi, Rita saw the female taxi project as a way out of a social and economic dead end.

"I jumped at the idea," she said. "It would give me independence and the ability to support myself".

Shanno Begum, a 32-year-old Muslim widow, signed up for the

programme last year.

"My husband died three years ago. I had three children and my parents-in-law to support. As a private nurse, I used to earn 4,500 rupees (90 dollars) a month for a 24/7 job," Shanno said.

"Now, I will earn the same amount working eight hours and can devote more time to my children."

For Ekta, a 28-year-old mother of four, the taxi project opened doors that she had thought closed to her as an illiterate woman married into a conservative family.

"Persuading my husband to let me work was very difficult," she said. "Now I feel empowered as if I have my own identity other than a wife and mother."

The project has not been without its problems.

With the commercial licence

necessary to drive a taxi-cab requiring a year-long wait, Vadera has been trying to find short-term chauffeur employment for her fully trained drivers -- with little success.

"I underestimated the gender bias," Vadera said, citing repeated questions from potential employers as to whether women could be trusted to drive safely and turn up to work on time.

"Despite my assurances, they decide against women drivers. This is despite the fact that records show women are more careful than male drivers -- they obey traffic rules, don't drink and drive, don't get into brawls on the road," she said.

Some of Delhi's male cabbies, unimpressed by the idea of an all-woman taxi service, have decided the best reaction is one of collec-

tive ridicule that panders to a disparaging stereotype of women drivers.

"It's bad enough having women behind the wheel in private cars," said Pamma Singh, who runs a taxi company with his two brothers.

"They take ages to reverse, negotiate turnings, to park properly. So what kind of challenge will they be to us? Just be prepared for more chaos on the roads," he said.

Another of Vadera's recruits, Heena Khan, 22, said she treated such remarks with contempt but was still angered by her inability to get a part-time chauffeur position.

"It is disheartening that after all this hard work, we still can't get jobs because we are women. I am the sole breadwinner and no work means no food," said Khan, who has 10-member dependent family.

RECESSION

Economy hangs over Japan's election

AFP, Kitakyushu

Tomoshi Okuda is a man of faith, not politics. But the Japanese pastor has seen enough new faces on his nightly rounds feeding the homeless to persuade him that something needs to change.

He's not the only one eager for a fresh start. With unemployment rising in the wake of the worst recession in decades, voters appear to be deserting Prime Minister Taro Aso's long-ruling party ahead of an August 30 election.

It's a far cry from the 2005 lower house vote when premier Junichiro Koizumi won by a landslide on a platform of harsh economic reforms. These days many people blame his measures for a growing rich-poor divide.

"I'm watching who will offer the most drastic change to the course of Koizumi's structural reform," Okuda told AFP during his rounds on a rainy evening in Kitakyushu, an industrial city in south-west Japan.

The 45-year-old Baptist pastor hands out bananas and rice meals to people sleeping on the streets, including one 68-year-old woman sheltering from the downpour on a flattened cardboard box in a shopping arcade.

"I want to start working again, but I can't with my broken leg," she said.

Thousands of workers have been laid off in the local area, home to plants run by major firms including Nissan, Toshiba and Canon -- which have all been hit hard by slumping exports and Japan's worst post-war recession.

"In April alone, we saw 69 new faces on the street, three times more than in the same month last year. One young man, only 29, was a temporary worker at a Nissan auto parts factory who was laid off in December," Okuda said.

"Another 27-year-old man lived homeless with his wife, 24, and a four-year-old girl. Her apparently pink shoes were black with dust."

Some people are even believed to have starved to death after being refused welfare benefits. In the latest case here, a 39-year-old man was reportedly found dead with nine yen (9.5 US cents) in his wallet and an unposted note saying "help."

Across the country almost 230,000 temporary workers have lost their jobs since the recession began last year, push-



AFP

In a picture taken on July 25 volunteers speak to a homeless woman (L) sitting on a flattened cardboard box at an arcade mall under Kokura Station to avoid the violent rain at night in Kitakyushu, in Fukuoka prefecture. With unemployment rising in the wake of the worst recession in decades, voters appear to be deserting Prime Minister Taro Aso's long-ruling party ahead of an August 30 election.

ing the jobless rate up to a six-year high of 5.4 percent -- within striking distance of its post-war peak.

Although Japan's economy rebounded in the second quarter of 2009, there has been little sign of a bounce in the polls for Aso, whose Liberal Democratic Party has ruled almost uninterrupted for more than half a century.

"Voters are totally fed up with the one-party LDP rule. Nobody believes in it any more and people are really desperately wanting to see a change," said Noriko Hama, a professor of economics at Doshisha Business School in Kyoto.

The LDP and the opposition Democratic Party of Japan (DPJ) have both pledged to roll back some of Koizumi's reforms, which were aimed at slimming down the public sector and reducing the huge national debt.

Aso has pledged to break away from "excessive market capitalism," while the DPJ wants to boost spending on child support, education, healthcare and employment measures, and restrict the use of temporary job contracts.

The DPJ's agenda mirrors US President

Barack Obama's efforts to increase public spending to boost the economy and medical care, said Yoshinobu Yamamoto, professor of politics at Aoyama Gakuin University in Tokyo.

"What the DPJ is trying to do seems similar to the old style of government intervention in the economy," he said. Japan once took great pride in having an egalitarian society and life-time employment following its rise from the ashes of World War II.

But many people now fear for the future and are relying on handouts or working longer to make ends meet. The number of households on welfare benefits hit a record high of 1.2 million in April, according to the most recent data.

"The LDP and (its coalition partner) New Komeito have been in government for too long, and look what happened. Things are not good," said 66-year-old Tokyo resident Shigeo Utsumi, who wants to work but cannot find a good job.

"It's probably a good idea to let the DPJ take over, at least once. We're heading for disaster if nothing changes."

Sony unveils new e-reader in Kindle challenge

AFP, Washington

Japan's Sony Corp has unveiled an electronic reader featuring a touchscreen and wireless connectivity in a bid to challenge Amazon's popular Kindle.

Sony said the "Reader Daily Edition," Sony's first e-reader featuring 3G wireless connectivity, would cost 399 dollars and be in stores in December in time for the Christmas shopping season.

Sony sells two other e-readers -- the "Reader Pocket Edition," which costs 199 dollars, and the "Reader Touch Edition," which costs 299 dollars -- but they do not offer wireless connectivity.

"We firmly believe consumers should have choice in every aspect of their digital reading experience," said Steve Haber, president of Sony's Digital Reading Business Division on Tuesday.

The wireless access to Sony's e-book store via AT&T's 3G mobile broadband network "lets consumer purchase and download content on the go," Haber said.

Sony said that in addition to e-books, select newspapers and magazines would also be available for the Daily Edition.

The Daily Edition features a seven-inch (17.8-centimeter) wide touchscreen display and internal memory that allows it to hold over 1,000 standard e-books, Sony said.

Sony also unveiled an application on Tuesday which allows users to check out and download e-books from their local libraries.

"At the end of the library's lending period, e-books simply expire, so there are never any late fees," Sony said.

Sony announced earlier this month that it was doing away with the proprietary software on its e-reader and converting its e-book store to an industry standard format.

Sony said it would convert its e-book store to the open ePub format by the end of the year as part of "an effort to take the confusion out of digital book formats."

The move was seen as a direct challenge to Amazon, whose electronic books can only be read on the Kindle or on an Apple iPhone using Kindle software.