

International Business News

Washington Post, Bloomberg launch news service

AFP, Washington

The Washington Post and Bloomberg, the financial news agency, have announced plans to launch a global news service, offering stories to newspapers, websites and other subscribers.

The newspaper and news agency, in a statement late Thursday, said the Washington Post News Service with Bloomberg News will be available starting January 1, 2010.

It will offer 120 stories daily from the Washington Post and Bloomberg News along with photos and graphics, they said.

The announcement of the Washington Post-Bloomberg collaboration came one day after the Post ended its nearly 50-year syndication arrangement with The Los Angeles Times.

The Los Angeles Times-Washington Post News Service, which was launched in 1962 and has more than 600 clients around the world, is to cease operations at the end of the year.

The Post and Bloomberg, founded by New York Mayor Michael Bloomberg, said they will also produce a co-branded Web-based business news page on WashingtonPost.com incorporating content from the Post and Bloomberg.com.

IBM email challenges Google in the 'cloud'

AFP, San Francisco

IBM on Monday will begin offering businesses a basic "cloud computing" email service at a price that undercuts a plusher offering by Internet giant Google.

IBM unabashedly pitched its new LotusLive iNotes as an alternative to email service Google has been promoting as part of a campaign to win businesses over to using applications hosted as services on the Internet.

"Email and other collaboration services are the right entry point for many companies to realize the promise of cloud computing," said IBM Lotus Software general manager Bob Picciano.

"But, only if clients feel confident they're getting business-grade service from a trusted leader in enterprise services."

Software provided online as a service instead of being purchased and installed on home or office computers has been a growing trend accelerated by tough economic times because it is cheaper to "rent" than to buy software.

Google has been enticing users to a suite of online applications offered as services, many of which compete with text, email, accounting and other software sold by Microsoft.



Produce is seen for sale at the Union Square farmers market in New York City on Friday. Over the past decade, neighbourhood farmers markets have increased 71 percent in the US, where consumers can purchase items from local producers. In July, the Department of Agriculture reported that almost 4,900 markets now operate across the country, an increase of about 5 percent from the end of last year. Concerns over global food safety and an interest in purchasing locally have helped spur the increase along with citizens becoming more "home-centred" in the struggling economy.

Europe must clean up its banks: IMF

AFP, Istanbul

Europe must move to clean up its banks after testing their financial stability, the International Monetary Fund said on Saturday amid the worst global economic crisis since World War II.

"It's time to clean the banks," Marek Belka, head of the IMF's European department, said in Istanbul as finance chiefs from the G7 richest world economies gathered in Turkey's biggest city for talks on the economic crisis.

"We need a more resolute approach to addressing the balance sheet risks faced by banks and to take action for recapitalisation or restructure viable institutions and dissolve others as necessary," he said.

Bank tests were "very helpful" but there should now be action, he added.

The European Union's Swedish presidency on Thursday said tests on 22 European banks had shown lenders were "sufficiently capitalised" despite credit losses for 2009 and 2010 estimated at 400 billion euros (583 billion dollars).

US regulators close three banks

AP, New York

Regulators have shut Warren Bank in Warren, Michigan, and two small banks in Colorado and Minnesota, boosting the number of failed US banks this year to 98 as loan defaults rise in the worst financial climate in decades.

The Federal Deposit Insurance Corp took over Warren Bank, with about \$538 million in assets and \$501 million in deposits as of July 31. The Huntington National Bank, based in Columbus, Ohio, agreed to assume the deposits and about \$83 million of the assets of the failed bank. The FDIC will retain the remaining assets for later disposition.

Warren Bank's six branches will reopen Saturday as offices of Huntington National Bank.

The failure of Warren Bank is expected to cost the deposit insurance fund an estimated \$275 million.

Regulators also shut the much smaller Jennings State Bank, in Spring Grove, Minn. Central Bank of Stillwater, Minn., agreed to assume the bank's \$52.4 million in deposits and essentially all the bank's assets, which totalled \$56.3 million on July 31.

ECONOMIC CRISIS

Weak dollar clouds G-7 talks



BBC's Nik Gowing (R) hosts a live "Special World Debate" with panelists (from L) Economic Historian Niall Ferguson, French Finance Minister Christine Lagarde, Goldman Sachs' Head of Global Economic Research Jim O'Neill, International Monetary Fund's Managing Director Dominique Strauss-Kahn and Chairwoman of Sabanci Holding Guler Sabanci at the Istanbul Congress Centre in Istanbul yesterday. Finance chiefs from the G7 richest world economies gathered in Turkey's biggest city for talks on the economic crisis.

AP, Istanbul

Finance ministers from the Group of Seven rich countries gathered Saturday to confront concerns about the dollar, in a forum whose role is under question as developing countries get more say.

G-7 officials indicated their joint statement could be less detailed than communiques of the past, always intensely parsed for policy language that could move markets.

Questions ahead of the meeting about whether a communique would even be issued suggests a changed role for the forum of industrialized democracies after the decision at the Group of 20 summit in Pittsburgh to make the G-20 the world's premier economic forum.

The G-20 includes the growing economic powerhouses of China, Brazil and India. The G-7 countries are the United States, Japan, Germany, France, Britain, Canada and Italy.

Canada -- next year's leader of the grouping -- has indicated that

it will continue with the finance ministers meetings, while there is speculation that France, which is due to take over leadership of the G-7 and the G-20 at the same time in 2011, may ditch the smaller forum.

There's even talk that a new Group of Four, which would comprise the US, Japan, China and a representative of the European Union, will look to co-exist alongside the G-20 in the near future.

Britain's finance minister Alistair Darling sought to dampen talk that it would be a new important body.

"We talk to lots of people but we don't put a G in front of it," Darling told a media briefing ahead of the meeting.

The finance ministers, who will be joined by their central bankers, still have important issues to discuss as the world economy begins a slow recovery from the deepest recession since World War II.

Chief among these is likely to be the dollar, which has been falling in foreign exchange markets in recent weeks and months. In

recent days, it sank to an eight-month low against the yen and the euro nearly hit a year-high against the dollar, prompting concerns that a dollar crisis could bring the world recovery to a grinding halt.

Analysts will be looking to see whether the group makes a statement aimed at supporting the dollar.

The US currency won some respite Friday ahead of the meeting as higher than expected US job losses for September stoked a flight toward safe haven assets -- the dollar usually garners support in such situations.

The dollar closed the week just below 90 yen while the euro was a tad short of \$1.46.

A falling dollar hits exporting countries as they will find it more difficult to sell their products to the US and raises the cost of commodities such as oil, which are priced in the US currency -- potentially putting a brake on global growth, which the IMF earlier said was fragile.

The Europeans appear to be expressing the most acute con-

cerns about the situation in currency markets in the run-up to the meetings. European Central Bank president Jean-Claude Trichet warned Thursday that excessive volatility in exchange rates could damage economic and financial stability.

Most analysts think that the root of much of the tension in the currency markets is the relationship between the dollar and the Chinese yuan. For many years the Chinese authorities have kept their currency artificially low against the dollar, partly as a means of boosting their exports to the United States. As a result, China has built up a massive trade surplus with the U.S.

Leading officials at this week's annual meeting of the International Monetary Fund and the World Bank have argued that a failure to deal with these imbalances, particularly between the US and China, represents one of the biggest risks to the global economic outlook and one of the reasons why the G-20 is now the forum of choice.

Dominique Strauss-Kahn, the

IMF's managing director, even suggested that the world should pool its reserves to alleviate the need some countries feel to build up reserves to keep speculators at bay -- particularly governments in Asia in the wake of their financial crisis a decade ago.

Robert Zoellick, the president of the World Bank and a former US trade representative, has warned the US authorities that the dollar's status as the world's leading reserve currency should not be taken for granted and that the euro and the yuan could win increasing acceptance in international currency markets.

Jim O'Neill, chief economist at Goldman Sachs, sought to dampen any talk that the dollar is facing a crisis.

In a roundtable discussion here, O'Neill said the dollar remained a crucial linchpin in the world economy, illustrated by its steady performance Friday when it brushed off the downbeat US jobs data.

"When you get bad news, the dollar rises," he said.

COLUMN

SARWAR AHMED

Tea in Tetulia

If you drive to Bogra and beyond, you would stop over for a break at the Aristocrat, a decent and clean restaurant, a stone's throw from the roundabout of Pabna, Rajshahi, Bogra and Sirajganj. As the doorman opens the door, you are greeted with a waft of friendliness. The large size luchi with vegetable bhaji, an omelette and a sweetmeat to top off is a welcome meal. Even the tea is special and soothing. As we were gorging up on the delicious food, I noticed a familiar face across the tables. Taking care the luchi, oil was on the tissue and not on my fingers, I walked up to greet him. What a pleasant surprise because I knew Mintu Bhai from Chittagong and it was unusual to see him so far up. So what are you doing here? I asked. We're returning home from Tetulia. Oh Tetulia!

Many of us are aware that Tetulia, at the northern most tip of Bangladesh, has suddenly become a lure for big bucks. If you have cash with an eye to invest, it seems Tetulia is the place. Why this sudden interest? As you relax in the veranda of the bungalow on the bank of the Mahananda river on a clear night, you see the faint glittering lights of Darjeeling perched in the faraway hills, famous for its tea. The sloping hills of Darjeeling merge at the plains of Tetulia making the land ripe for tea plantation. Like the first undulating tea garden set up in Sylhet in 1854, tea has found a foothold in Tetulia.

During a recent social gathering, I met Mosharraf Hossain and his colleague Monjur Hossain, veterans of the tea industry. Mosharraf is a veritable treasure of knowledge on tea. You could feel his passion for tea and the pioneering role of using this relaxing beverage as a tool for poverty alleviation and food security. Having retired after thirty years living in tea gardens, he was wondering what to do. A flash of innovative idea led Mosharraf to think, why not separate tea production and processing, like jute? Jute is grown by farmers, bought by and processed in mills. With that seed of a thought, he sought out his recently retired colleagues who too thought it was an idea worth trying. As is wont to happen with innovative ideas, their colleagues in Sylhet gardens smirked at their audacious thought.

Looking at the geography of Bangladesh,



The Bangladeshis seem to have developed a real taste for tea. Having produced 59 million kg in 2008, the country consumed 51 million kg locally and exported the rest 14 percent tea.

the only sensible place where tea could be grown was in Panchagarh with 16,000 hectares of hospitable tea soil. As the managing director, Mosharraf and his colleagues formed Tetulia Tea, and with a missionary zeal, began preaching benefits of tea cultivation to sceptical farmers. Overcoming hurdles of all kinds, the first ever tea sapling in Tetulia was planted by Mosharraf in April 2000. Soon the tea boom began to take shape as investors gobbled up hundreds of acres setting up tea gardens.

Mosharraf and his team, on the other hand, discouraged farmers to sell and instead encouraged them to cultivate tea on their own land, and till date, 950 hectares have been planted by individual tea farmer-entrepreneurs.

His firm set up a tea processing plant as well as a nursery that clones and gives out tea saplings to farmers willing to invest in tea production. They have completely turned around the concept of large tea gardens to individual farmer holdings. The smallest tea garden is a 35-decimal plot. Production in Tetulia is 4,500 kg versus 1,200 kg per hectare in Sylhet, bringing in huge dividends to farmers.

Over a cup of tea, Mosharraf explained how their venture is helping local farmers sustain their lives profitably with a guaranteed future as the tea plants mature in ten years and will give stable production for the next 60 years.

As Mosharraf enlightened us, Bangladeshis seem to have developed a real

taste for tea. Twenty years ago, we produced 39 million kg of which local consumption was 16 million kg and 60 percent was exported. Having produced 59 million kg in 2008, we consumed 51 million kg locally and exported the rest 14 percent. This is 150 gm in 1989 and 340 gm per capita, per annum today.

With this rising annual consumption and a stagnating land situation, Bangladesh would need to import tea from 2016 unless we find more land to grow. So Mosharraf and his colleagues' endeavour to grow tea in Tetulia is a double opportunity for the local farmers and for our country.

Abdul Haque, now 46, with a family of 5, used to struggle for a livelihood. Owning 2.5 acres of land, half of which remaining fallow, the other half would yield 350 kg of rice that the family could stretch out for barely three months. He had to labour out, feeding his family hand to mouth, with his daily wages.

As soon as Tetulia Tea began to take roots, Haque came seeking for a daily labour job. Convinced at the sight and growth of succulent tea plants, he took the plunge in 2002 and planted tea saplings on his fallow land. He had nothing to lose anyway.

Three years later, his first 3,700 kg of tea brought Tk 40,000 -- enough to feed his family for the whole year, truly food secure for the first time in his life. The year 2008 saw him make his first ever Tk 1 lakh. For Haque, this is like owning the Aladdin's magic lamp with the tea genie making his dreams come true. Affluent Haque and his posterity, now live happily ever after.

Margaret Mead, a famous anthropologist, says: "Never believe that a few caring people can't change the world. For, indeed, they are the only ones who ever have." This quote aptly describes people like Mosharraf and his colleagues, who quietly without ado, fanfare or seeking international glory, are changing scores of downtrodden lives for the better, showing them a way out of perennial poverty. If anything is a social business, this is one, truly social, truly business. Buy land in Tetulia, not that you may find any. If you are lucky enough, you may soon be a proud owner of a tea garden.

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