

International Business News

China hits out at US 'protectionism'

AFP, Beijing

China on Monday accused the United States of increasing protectionism and said American calls to let the yuan rise were "unfair", as US President Barack Obama visited the Asian giant.

The comments from a Chinese commerce ministry spokesman earned a quick rebuttal from senior US officials speaking in Beijing, who said a trade war was in neither country's best interests.

"We used to see that the United States was an innovation-driven US. But what we are seeing now is an increasingly protective US," commerce ministry spokesman Yao Jian told reporters at a regular monthly briefing.

"It is necessary to create for enterprises a stable and predictable environment, including (stable) economic and foreign exchange policies, to help the global economy grow steadily and China's exports recover," he said.

Yao added that the United States had "continued" to let the dollar drop "to improve its competitiveness" while pressing for the yuan's appreciation.

"It is detrimental to the global recovery and is unfair for (the US) to require other (currencies) to rise while allowing the dollar to keep slumping," Yao told reporters.

But US Commerce Secretary Gary Locke said Washington was not at fault.

Japan's economy posts strongest growth since 2007

AFP, Tokyo

Japan's economy grew at its strongest pace in more than two years in the latest quarter, smashing market forecasts and extending a recovery from the worst downturn in decades, data showed Monday.

The world's second largest economy posted a second straight quarter of positive growth as it emerges from a severe year-long recession on the back of rebounding exports and the government's massive stimulus spending.

The economy expanded 1.2 percent in July-September from the previous quarter -- 4.8 percent on an annualised basis, the government reported. It was the best performance since January-March 2007 and about twice as fast as expected.

"Positive growth will continue in the fourth quarter," said RBS Securities economist Junko Nishioka.

"As long as fiscal stimulus effects continue and overseas demand remains stable, we think the likelihood of a double-dip in the economy is low."



AFP

An Indian model poses with the newly unveiled Nokia N97-mini mobilephone in New Delhi yesterday. Nokia unveiled the 5 megapixel, 3.2 inches touch display screen Nokia N97-mini phone available in Indian markets for Indian Rupees 30,939 (\$670).

IMF chief again says Chinese yuan should rise

AFP, Beijing

International Monetary Fund chief Dominique Strauss-Kahn on Monday reiterated that a stronger yuan would help bolster China's economy, amid mounting pressure on Beijing to let the currency rise.

In a speech to a finance forum focused on the need to rebalance the world economy, Strauss-Kahn highlighted China's efforts to boost private consumption, and said a stronger currency was "part of the package of necessary reforms".

"Allowing the renminbi and other Asian currencies to rise would help increase the purchasing power of households, raise the labor share of income, and provide the right incentives to reorient investment," he said.

"Higher Chinese domestic demand, along with higher US saving, will help rebalance world demand and assure a healthier global economy for us all," the IMF managing director said, according to a copy of his speech sent to AFP.

Turkish jobless rate up to 13.4pc

AFP, Ankara

Turkey's estimated unemployment rate rose to 13.4 percent in the three months to the end of September, up three percentage points from the level in the same period last year, official data showed on Monday.

A survey based on interviews with about 90,000 people showed the number of jobless to have increased from 2.5 million to 3.4 million people, the state statistics institution said.

Youth unemployment, meanwhile, was up to 23.5 percent from 19.7 percent a year ago, it said.

The global crisis has worsened Turkey's already chronic unemployment problem, compounded by an overwhelmingly young population that swells the workforce each year.

The country's once-booming economy is in recession, having contracted by a record 14.3 percent in the first quarter of the year and seven percent in the second.

INTERVIEW

Dreams that pay off

Nasir Group chairman shares his vision for future with The Daily Star

SAJJADUR RAHMAN

Innovation has been the name of the game for Nasiruddin Biswas, chairman of Nasir Group of Industries. With an inclination toward introducing diversified products, he has never shied away from a challenge.

In 1982, Nasir planned a visit to Taiwan for business. Since Bangladesh had no diplomatic relationships with Taiwan then, he had to go to Japan to get a Taiwanese visa.

When in Japan, Nasir visited department stores and melamine goods on display caught his attention. Seeing the reasonable prices of the melamine products, he figured it would be within any Bangladeshi's purchasing capacity. He also found out that the machines used to produce the items were Taiwanese.

"I went to Taiwan and talked to the machine suppliers directly. I then carried out a feasibility study and found huge demand for the products," Nasir recalls in a recent interview with The Daily Star.

He was the first to start producing melamine products in Bangladesh in 1985 under the brand name Bangladesh Melamine.

Nasir now runs eight industries -- from 'bidi' (crude cigarettes) to state-of-the-art glass. With Tk 3,000 crore in annual turnover, the group is a preferred client for banks for its excellent repayment practices.

He is famous for undertaking new and innovative ventures. After melamine, he founded a canvas shoe company (Jump Keds) that was also the first of its kind in Bangladesh.

Later, he set up a float glass company and is now pondering over glassware and tube manufacture, which will also be the first of its kind.

"I always believe in innovation. I try to look for products that are not being produced in Bangladesh but for which there is instant mar-



Nasiruddin Biswas

ket demand," says a confident Nasir, in his mid-60s.

Coming from a farmer family in Kushtia, Nasir, a commerce graduate, struggled to turn his dreams into a reality. Despite failures on three accounts -- small trading businesses -- nothing stopped him from actualising his dream.

He got a breakthrough in 1975 because of his good ties with Akij Uddin, founder of Akij Group of Industries. Akij gave him work orders to supply tobacco to his Dhaka Tobacco Factory, one of the largest factories at that time.

"I started supplying tobacco in

1975. He (Akij) treated me like his son."

But the business ties with Akij did not last long. "A misunderstanding with Akij Uddin helped me become an industrialist from a mere tobacco trader," says Nasir.

Nasir then set up North Bengal Plastic Industry on BSCIC premises in Kushtia in 1977. He had to struggle a lot with the industry, but he stuck to it. His dedication and patience paid off in 1980-81 when he started getting returns from it.

Later, he realised that he could not achieve his big dreams by staying in a small town. He bought a piece of land in Kanchpur near

Dhaka in 1982 and set up his canvas shoe factory.

"Besides market demand, I always study competitiveness and availability of raw materials before setting up a factory." Before establishing the glass factory, he studied the Indian market also.

"Glass companies in India are located in the western and southern zones, a long way from Bangladesh. So Indian companies did not pose any threat to my business."

Nasir exports float glass worth more than Tk 20 crore a year to the northeastern states of India.

The Tk 650 crore glassware and

tube factory, which is expected to hit markets early next year, is keeping Nasir busy these days. He believes there are ready markets for both glassware and tube lights.

"I always think about import substitutes. I pick goods that are not available in Bangladesh as it will generate employment and also save foreign currencies from import payments."

On prospects for the future of Bangladesh, Nasir says: "Corruption is eating away our potential." The energy crisis has also become a big barrier to business, he adds.

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NEWSPAPER INDUSTRY

Eyes on Murdoch as digital future beckons

AFP, Washington

Is Rupert Murdoch bluffing? Making a bold high-stakes gamble that will save the troubled newspaper industry? Or pursuing a pipe dream that can only end in failure?

The News Corp chairman has prompted a fierce debate among media watchers with his accusation that Google is "stealing" from his vast newspaper empire and his threat to block the search engine from accessing its content.

The 78-year-old Murdoch has already announced plans to make readers pay to read his newspapers online but his warning that he may also make them invisible to Google has given rise to much speculation about the wisdom of the move.

"I think that when you're talking about Rupert Murdoch there's one of two things going on," said Dan Kennedy, an assistant professor of journalism at Northeastern University.

"One possibility -- and I certainly wouldn't rule it out given his track record -- is that he's two or three steps ahead with something that none of the rest of us have figured out yet," Kennedy told AFP.

"But I think the other possibility is he really doesn't understand this medium and he's making a disastrous mistake and doesn't realise it yet."

"His biggest venture into online so far was MySpace and he overpaid for it and picked the worst possible time to buy it," Kennedy said. "Thus far his track record is not very good."



Rupert Murdoch

"Unless he's got something up his sleeve, then it will be a disaster."

Rick Edmonds, media business analyst at the Poynter Institute, a non-profit journalism school based in Florida, said preventing Google from linking to News Corp. content "doesn't strike me on the surface as a great idea."

"We'll see what happens," Edmonds told AFP. "There's some record of his making pronouncements and then after consulting with his actual operational guys it comes out a little differently."

Google, in response to Murdoch's comments, made in an interview with Sky News Australia,

said news organisations were free to opt out of being indexed by the search engine but noted that it drives "about 100,000 clicks every minute" to media outlet websites, generating ad revenue.

"Publishers put their content on the Web because they want it to be found, so very few choose not to include their material in Google News and Web search," Google said in a statement. "But if they tell us not to include it, we don't."

Writing at his news aggregator website Newser.com, Michael Wolff, author of a biography about Murdoch titled "The Man Who Owns the News," described the News Corp. chief's comments as

the latest salvo in his "war with the Internet."

"It is quite possible he doesn't realise -- and can't fathom -- that removing News Corp.'s newspapers from Google means that, in the largest part of the information market, they would cease to count," Wolff said.

Although Murdoch also named Microsoft among those who "steal our stories," media and technology blogs said he may be considering a deal that would give Bing, the software giant's new search engine, exclusive access to News Corp. material.

The Wall Street Journal is currently the only News Corp. daily

that charges for online access to all of its content and reportedly receives some 25 percent of its traffic via Google News. Other prominent newspapers in the News Corp. stable include The Australian, the New York Post and The Times of London.

Murdoch had hoped to have pay barriers in place by June of next year, but he said 10 days ago during a News Corp. earnings call the plan would be delayed. "We are working all very, very hard at this but I wouldn't promise that we're going to meet that date," he said.

Edmonds said that while The Wall Street Journal has enjoyed success signing up paid subscribers for its website, WSJ.com, "it's hard to see that as a good match for a general interest paper."

Northeastern's Kennedy agreed: "Quite frankly if he thinks that anyone is going to pay for access to the New York Post or to the Fox News website or to any of his English properties, I'm sorry, it just isn't going to happen."

Murdoch's plan to charge readers on the Web is being closely monitored by US newspaper owners who are seeking to carve out a digital future in an era of free news online and eroding print advertising revenue and circulation.

With US newspapers struggling, charging readers online is "certainly getting more of a look than it used to," said Edmonds.

"The big concern is you lose much more in online advertising revenue than you make in online subscription revenue," he said. "Maybe that's a closer call than it was a few years ago."