

International Business News

Indian carmaker Maruti may hike output by 75pc

AFP, New Delhi

India's biggest carmaker Maruti Suzuki aims to boost output by up to 75 percent as it seeks to maintain its dominant position in the fast-growing domestic market, a report said Thursday.

"Depending on how the car market performs, we would like to like to reach 1.5 to 1.75 million units a year by 2015," the Economic Times quoted Maruti managing director Shinzo Nakanishi as saying.

"That should help us keep the 50 percent share of the market we now have because the total car industry will, by then, be around three million units (per year)," Nakanishi said.

He said the board of Japan's Suzuki Motor Corp, which holds a majority stake in Maruti, would give final approval in January on whether to implement the plan.

Nakanishi gave no estimate of the cost of the increase but the newspaper quoted an unnamed Mumbai analyst as saying the company would need to make an investment of up to one billion dollars to increase capacity by 750,000 units.

Maruti Suzuki currently has the capacity to produce one million cars a year.

South Korea's Hyundai Motor is Maruti's nearest rival with a 21 percent market share.

Major layoffs at Washington Times, Miami Herald

AFP, Washington

The Washington Times will lay off at least 40 percent of its 370 employees as part of a major overhaul announced Wednesday by the financially troubled paper.

In a statement, Washington Times president and publisher Jonathan Slevin said the cuts were part of a strategy to transform the paper from its traditional business model into a 21st century media company.

"We have developed plans to secure our position and advance our vital role in an evolving media marketplace and through challenging economic times," he said.

Acknowledging the tough times being experienced in the media industry and economy as a whole, Slevin said future plans had to be constrained by "current marketplace realities."

"In this regard, the company is aggressively working to achieve efficiencies of scale that must include significant staff reduction of its 370 personnel."

In a story on its website, the Washington Times said all employees were handed letters advising them that at least 40 percent of the workforce will be laid off in the coming weeks.



A worker sits on a pile of trunks on a truck in Jakarta yesterday. Indonesia has been able to withstand the global financial downturn due to its robust domestic demand, with the government targeting growth of at least 7.0 percent by 2014.

Malaysia's Legoland theme park to open in 2012

AFP, Kuala Lumpur

A Legoland theme park will open in Malaysia's south in 2012 at a cost of 700 million ringgit (206 million dollars), one year earlier than scheduled, developers said Thursday.

Iskandar Investment Berhad (IIB) president and chief executive officer Arlida Ariff said the theme park covering 26 hectares (62.4 acres) in Johor state, which neighbours Singapore, is now slated to open in April 2012.

"The selection of Legoland is very deliberate. The (planned) theme park in Singapore by Universal Studios is for young adults. Our is for families. It will be complementary rather than competition," she told AFP.

The Malaysian attraction will be the first Legoland in Asia.

IIB is an investment holding company linked to the 17.7 billion ringgit Iskandar Development Region (IDR), a major infrastructure project in Johor.

The IDR, launched in November 2006, will be 2.5 times the size of Singapore when completed, including up-market residential homes, a logistics hub, a waterfront city, a medical hub and an educational city.

Yahoo! deepens Facebook connection

AFP, San Francisco

Yahoo! said Wednesday that it is weaving Facebook connections into its popular online services such as email and news.

The move deepens a bond established when Yahoo! home pages began presenting updates from people's friends at the world's most popular online social-networking service.

Beginning in the first half of 2010, Facebook content will be integrated into more of Yahoo!'s online properties, according to Yahoo! vice president of communities Jim Stoneham.

"With this integration, we are opening the door for two of the Internet's largest online communities to make it easier for people to stay connected," Stoneham said in a release.

Yahoo! boasts that more than 500 million people worldwide visit its websites monthly, while Facebook founder Mark Zuckerberg said Wednesday that the social-networking service's population has topped 350 million.

AUTOMOBILE

Green cars to get Copenhagen boost

AFP, Washington

American drivers fond of their gas guzzlers will have to quickly learn to love greener cars, which are expected to get a big boost from upcoming international climate talks in Copenhagen.

The aim of the December 7-18 global conference is reducing environmentally-damaging greenhouse gases, and key to that goal, industry officials said, is reducing emissions from carbon-belching automobiles.

"It's very well understood by the automobile companies, energy companies, petroleum companies, that the automobile must change and the fuel for the automobile must change," said University of California, Irvine professor Scott Samuelsen.

"The manufacturers of vehicles and the fuel providers have been working since the late 1980s for that transition, and we're now at the threshold of making that transition," said Samuelsen, director of the National Fuel Cell Research Center.

"I believe that the public will become much more aware during the next year of the fact that their life will be very different in the future with respect to the automobile than it is today."

While there has been some modest success in creating environmentally-friendly cars in the United States, production is expected to ramp up markedly following next week's UN sponsored climate talks to clinch a successor treaty to the Kyoto Protocol before it expires in 2012.

Different automotive experts have floated different ways of achieving that goal, however.

Felix Kramer of CalCars, a leading promoter of green technology in the auto industry, staunchly backs



The Jeep Lower Forty concept car is displayed during the Los Angeles Auto Show on Wednesday in California. Environment-friendly cars are expected to get a big boost from upcoming international climate talks in Copenhagen.

plug-in hybrids, for which he is a pioneer and outspoken advocate.

"For the near term, I think that Americans are glued to their cars," said Kramer.

Plug-ins soon to be on the market include the Chevrolet Volt to be launched in November 2010 as a 2011 model. For the first 40 miles (65 kilometers), Volts will be powered by electricity stored in rechargeable lithium-ion batteries.

Toyota will soon make available its plug-in hybrid Prius, while fellow Japanese automaker Nissan has announced the LEAF, another lithium-ion battery powered vehicle, but one

designed to have a longer range of 100 miles.

Kramer noted that Americans will be weaned from their cars with difficulty, but might be persuaded to adopt technology that allows use of both the gasoline engine and a battery pack for the hybrid system.

"I think that they're the platform for future developments of vehicles," Kramer said.

"The trend will be to increasing electrification. For many people, that will be the vehicle they will use if it's a single car household," he said.

The goal of the Copenhagen conference is to hammer out a deal on

curbing greenhouse gas emissions. The results of those talks are likely to have global reach, including on the beleaguered US auto industry.

US President Barack Obama is scheduled to address the Copenhagen meeting on December 9 and is expected to offer to curb US emissions by 17 percent from 2005 levels by 2020.

His offer is less than calls by the European Union, Japan and UN scientists but nevertheless puts on the table the first concrete numbers from the world's largest economy and second biggest polluter.

The announced targets to curb greenhouse gas emissions mirror those

outlined in a bill passed by the House of Representatives in June.

The goals -- with longer-term pledges of a 30 percent reduction in emissions by 2025, 42 percent by 2030 and 83 percent by 2050 -- are conditional on action in Congress.

A slightly more ambitious measure before the Senate, but not due to be debated again until early next year, proposes a 20 percent reduction from 2005 levels by 2020.

Already consumers are showing a readiness to embrace the hybrid. Hybrid sales are estimated to grow to 4.1 percent of the total US auto market this year, or about 329,000 vehicles, up

from 2.6 percent in 2008, according to tracking firm IHS Global Insight of Lexington, Massachusetts.

"There's no option that has been put forward for the future of the automobile than electricity and hydrogen," Samuelsen said.

With respect to hydrogen cars -- the other environmentally-friendly alternative to gasoline -- he said those cars are not marketable yet, but well on the way to getting there, and could be "competitive" within five years' time.

"I'm both optimistic and confident that the price will be very competitive in 2015 to the gasoline vehicles. The price point is around 40,000 to 50,000 dollars," he said.

ECONOMIC RECOVERY

Zoellick says Asia to play key role

AFP, New Delhi

Asia will have to play a bigger part in the global recovery than in previous downturns as US consumers are cash-strapped, World Bank chief Robert Zoellick said in an interview published Thursday.

Zoellick told the Financial Times it was difficult to see US consumers assuming the same role as demand drivers that they have in previous economic recoveries because they have to pay off debts and improve their finances.

"The US consumer has to deleverage and has to rebuild savings," he said.

"This is one of the opportunities for Asia's larger role in the recovery" in supplying additional sources of demand, said Zoellick in the interview conducted ahead of his current visit to India.

The World Bank president is the latest to look at India, China and other Asian economies as new engines of global growth against the backdrop of many developed nations still emerging from recession.

Zoellick added that if unemployment in the United States remained above 10 percent next year "you are going to see feedback effects."

"It's going to increase delinquency for credit card debt, for consumer loans, in the US some commercial real estate is quite soft and that's going to flow back into the banking system," he warned.

"You will see some financial institutions doing very well but if they are dealing with the consumer retail market they will continue to be hit by those losses," he said.

He added that the world was awash with liquidity and that this posed a challenge to central bankers in some East Asian countries who needed to take steps to avoid the creation of "asset bubbles."

On Wednesday, the World Bank announced it would give India at least one billion dollars to help clean up the heavily polluted holy river Ganges as part of moves to sharply hike lending to the country.

India's finance ministry said the World Bank was expected to triple lending to the country to seven billion dollars this year for development, infrastructure and other projects.



Robert Zoellick

Bernanke haunted by fear of another downturn

AFP, Washington

Federal Reserve Bank Chairman Ben Bernanke, who was scheduled to appear at a confirmation hearing Thursday for a second term, is a renowned expert on the Great Depression of the 1930s and is driven to avoid a repeat of such devastation.

A former Princeton University economics professor and a hold-over from George W Bush's Republican administration, Bernanke has forged a strong working relationship with President Barack Obama's economic team.

While his reappointment Tuesday was widely praised, Bernanke, 55, has not always found himself in favour.

At times he has faced legislators that mistrust his approach to the economic crisis. Midway through his term Bernanke's prospects of being chosen again for the job seemed bleak.

According to Bernanke, surviving economic crisis depends on policy decisions.

"The economic repercussions of a stock market crash depend less on the severity of the crash itself than on the response of economic policymakers, particularly central bankers," he wrote in a 2000 article in Foreign Policy magazine.

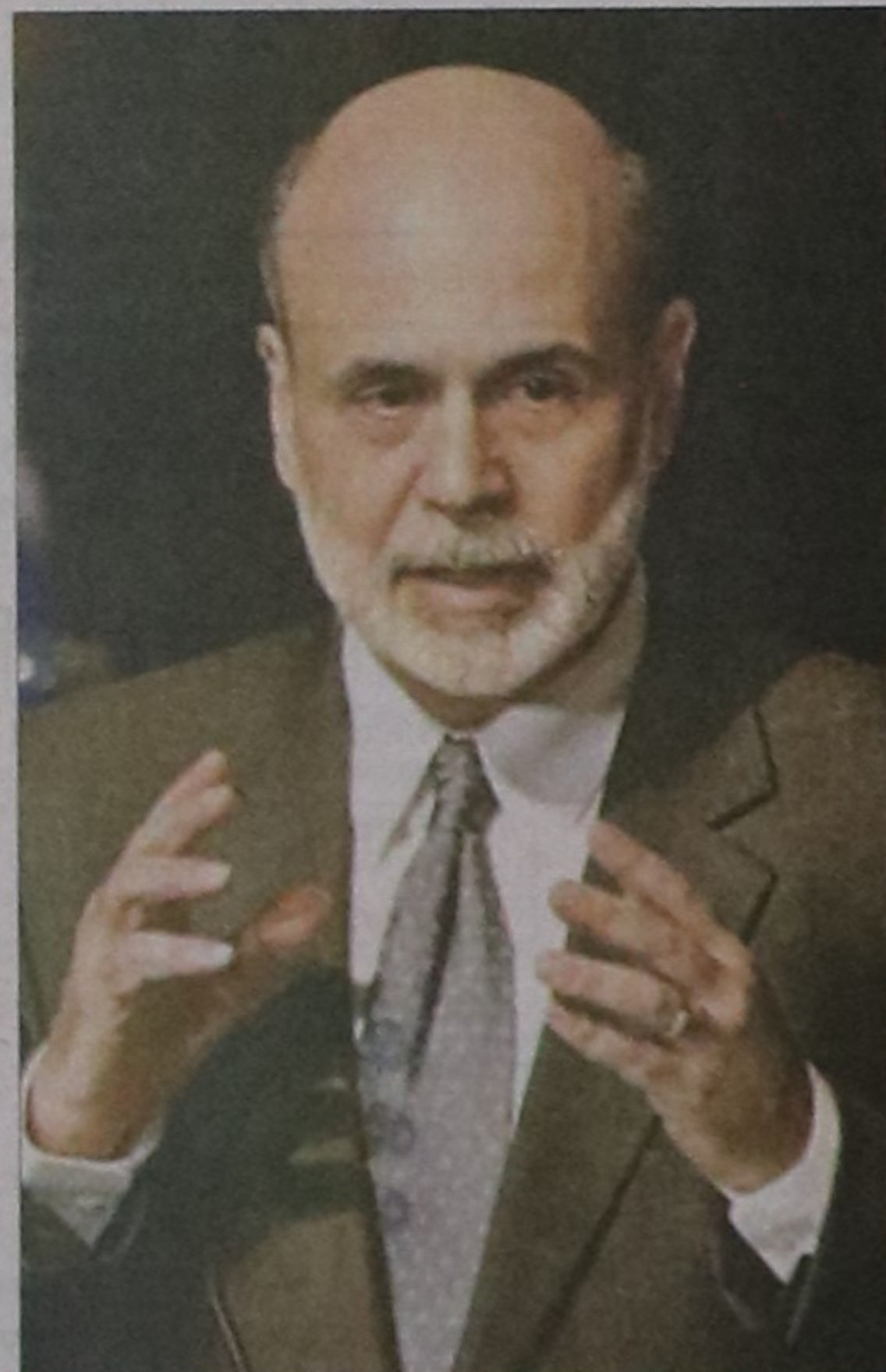
Bernanke was a Fed governor in 2002-2005 under the then-chairman Alan Greenspan and chaired the Bush administration's Council of Economic Advisers just before taking his current post in February 2006.

Bernanke has stressed the importance of transparency in the Fed's communications, stepping away from Greenspan's turgid, jargon-laden statements.

And unlike his predecessor, Bernanke talks often to reporters, including a much-hyped appearance on the popular "60 Minutes" news show and another at the National Press Club -- the first Fed chairman to appear there.

The Fed chief has been criticized for failing to better predict the severity of the economic crisis: in 2007, when the first signs of the subprime mortgage crisis emerged, Bernanke assured Congress that the fallout would be limited.

Others accuse Bernanke of failing to act quickly to cut interest rates once the scale of the crisis emerged. The Fed instead adopted a go-slow posture on cutting rates, before making an emergency cut in January 2008.



Ben Bernanke