

International Business News

Dubai to open world's tallest building

AFP, Dubai
Once-bustling Dubai will open the world's tallest skyscraper on Monday, boasting new limits in design and construction, hopeful of polishing an image tarnished by the debt woes afflicting the Gulf emirate.

Emaar, the giant property firm part-owned by the government and which developed the needle-shaped concrete, steel and glass structure, has declined to reveal Burj Dubai's exact height.

Apparently wanting to maintain the suspense, the company will say only that the tower exceeds 800 metres (2,640 feet), putting it far higher than Taiwan's Taipei 101 tower (508 metres).

Bill Baker, a structural and civil engineer and partner in Chicago-based Skidmore, Owings and Merrill (SOM), which designed the tower, said Burj Dubai has set a new benchmark.

"We thought that it would be slightly taller than the existing tallest tower of Taipei 101. (Emaar) kept on asking us to go higher but we didn't know how high we could go," he said.

"We were able to tune the building like we tune a music instrument. As we went higher and higher and higher, we discovered that by doing that process... we were able to reach heights much higher than we ever thought we could.

Fox, Time Warner Cable announce broadcast deal

AP, Los Angeles
Football fans and "American Idol" devotees can breathe a sigh of relief. Fox and Time Warner Cable have reached a deal in principle that will keep the network on the cable provider after Fox threatened to pull the plug over a fee dispute.

Friday's agreement, which included Bright House Networks, ended a week of public sparring that had some viewers worried they'd miss Friday night's Sugar Bowl, Saturday's Cotton Bowl and Sunday's professional football lineup, as well as an array of other programming.

Fox had been threatening to force Time Warner Cable and Bright House to drop the Fox broadcast signal from 14 of its TV stations and half a dozen of its cable channels as a contract expired at midnight Thursday.

But signals were extended into Friday as talks continued, allowing more than 6 million cable subscribers in New York, Los Angeles, Orlando, Florida, and other markets to continue viewing programs.



AFP
A stall owner works on his tools, before offering them for sale, on a street in Hong Kong yesterday. Hong Kong's Chief Executive Donald Tsang on recently sounded a pessimistic note on the city's economic recovery, warning it may experience a "double dip in the middle of next year".

Vietnam orders gold-trading floors shut by end-March

AFP, Hanoi
Vietnam, where many people see gold as a safe haven against economic uncertainty, has ordered public gold-trading floors shut by March 31 because they rest on a "fragile foundation".

The order affects about 20 gold-trading houses operated by banks and other firms, which have been running for more than two years, the state-run Vietnam News reported.

Retailing of gold jewellery will still be allowed, it said. The gold-trading floors have offered heavily-leveraged trading in which investors pay a security deposit of only seven percent of the net asset value of their trades while banks back the rest, the report said.

"It's very risky for traders involved in such highly leveraged operations," a Hanoi-based investment analyst, Bui Kien Thanh, told Dow Jones Newswires.

More than 600,000 Chinese visited Taiwan in 2009

AFP, Beijing
More than 600,000 Chinese tourists visited Taiwan in 2009, state-run media reported Saturday, amid warming relations between the two sides.

The 606,100 visitors each spent nearly 1,800 dollars during their stay on the island, tourism officials were quoted by the China Daily newspaper as saying.

"Years of isolation between the two sides have made Taiwan an attractive place for mainland tourists," said Zheng Lijuan, deputy general manager of a unit of travel group CITS International.

Since July 2008 -- when regular air services were resumed between the traditional foes -- about 660,000 Chinese tourists have visited Taiwan and spent 1.13 billion dollars, the English-language daily said.

COLUMN

Paradigm shift in agriculture

SARWAR AHMED

What happened to your agriculture newsletter? A call from Zahid Hossain, an old friend who is a senior economist at the World Bank asked for a monthly newsletter we used to produce and distribute to policy makers.

The newsletter was based on the latest information on agriculture around the country, garnered by our field colleagues, crisp and warm like freshly baked bread from an oven. Sadly, we had to close it down a couple of years ago because sometimes telling the truth can be unpalatable. There is no point risking the ire of people in power who can harm your business just because this simple one sheet was painting the agricultural landscape as it was, sometimes shiny, other times bleak.

Agriculture is sensitive business. And quite rightly so. We do not realise it, but we take eating three square meals a day granted as breathing air. The effort our farmers put in to make this palatable reality goes unheeded by us living in the comfort of cities. A recently held seminar held by Centre for Policy Dialogue, CPD, on the prospects of boro rice cultivation stood out in sharp relief to this complacency. As we waited for the proceedings to start, I queried of my neighbour, a bespectacled white suited elder about his interest in agriculture. He handed over his card, a lawyer, which did not make sense of him being here, like a stray cat in the wrong neighbourhood. Professor Rehman Sobhan apologised on behalf of the agriculture minister as she was held up and began the session more or less on time.

Food security is an issue. A thoroughly detailed presentation by Dr Uttam Deb highlighted the ways and means required to achieve the stretch target of 19 million tonnes rice envisaged to be produced in the current boro season. This, in the backdrop of a possible aman yield decrease estimated due to the vagaries of monsoon rains.

An august gathering of a constellation of agricultural pundits, as Mirza Fakhru Islam Alamgir of BNP addressed those who had come, gave his ideas of raising agricultural productivity. Listening to Matia Chowdhury, our venerable agricultural minister



Bangladesh needs a paradigm shift in agriculture, a shift from an agricultural subsistence economy to a thriving export-oriented agriculture economy.

was a pleasure as she gave her vision of ensuring self-sufficiency in food production. This event was a paradigm shift in politics. For once, I did not hear anyone playing the blame and shame game. In fact the AL MPs present were quite straightforward to point out the lacks of the existing government. A sense of realism prevailed in the discussion. In her concluding remarks, Matia once again asked CPD not only to look at a season but present a five-year strategic plan for agricultural development.

Bangladesh's image has always been that of a 'bottomless basket', the infamous phrase that Dr Henry Kissinger labelled us years ago. We need to shake ourselves free of the shackles that hold our psyche back to prove Kissinger true. We need a paradigm shift in agriculture, a shift from an agricultural subsistence economy to that of a thriving export-oriented agriculture economy. Before you shake your incredulous heads, let me present the case in favour of this paradigm shift.

Growing world population will continue to demand increase in agricultural production. Worried

countries are staking out overseas. South Korea has taken a 99 year lease of 3.2 million acres, half the arable land in Madagascar. Middle Eastern countries are rummaging around their backyards in Africa for agricultural opportunities. How can Bangladesh make use of this pivotal shift in global agriculture? It does not take rocket science to come to the conclusion that we can export rice. It is not perishable as vegetables are. Our rice is delicious to eat. I remember having eaten the bright white washed Thai rice that used to be available on ration years ago when Bangladesh was struggling to make ends meet, but not much of taste to remember.

Price is a factor for any farmer. 2009 saw Bangladeshi farmers getting half the price from what they got in 2008. With that kind of loss in profit margins, farmers returned to their subsistence mentality rather than invest into a loss making production. During the CPD seminar, a visibly animated Dr Mahabub Hossain, spelled out how our farmers continue to feed us and what little we do return the favour. The sharp economist mind quickly reckoned

how a farmer hardly makes any money on rice cultivation and that we need to provide price support if we want to ensure our food security.

Maybe we will not see a tsunamic global price rise we saw in 2008 when rice went up to a thousand dollar a tonne. However, a twist in climatic conditions can have an impact on price as we are seeing the brunt of typhoons on the Philippines and the monsoons on India which have pushed up international prices from a tame USD 400 to 600 per tonne already.

What do we need to do provide price support? Thanks to CPD for their thoroughly detailed research, I realised why the government's price declaration did not have any major market impact. Given the capacity to store a maximum of 1.7 million tonnes (which is only a month's edible stock), government procurement has only been 7 percent of boro production, the rest 93percent is either consumed or traded on a supply demand situation.

If we want our farmers to make money, we have to agree on a tolerant price that will help our

farmers make a reasonable profit and will be socially acceptable without creating havoc. How do we come to this magic price crossroad? We need to incentivise our farmers to produce to ensure our food security, achievable through a planned surplus of rice export. This export will siphon off the excess supply and keep internal prices to that magic level.

Can we export rice? Like Obama's famous words, Yes, we can! Export where? Africa is much nearer to Bangladesh than the traditional exporting countries, Thailand or Vietnam. We have a cost advantage on shipping. Even India next door may be looking for rice imports. India's comfortable one year rice safety stock will whittle away this year and given climate change, water availability and population growth, India may turn out to be a net importer.

Matia Chowdhury ended the seminar with a sincere desire to put back smiles on our farmers' faces. She too can, if we believe we can. We need a paradigm shift in our mindset to make this happen.

The writer is managing director of Syngenta Bangladesh.

CAPITAL MARKET

World stocks head for uncertain 2010

AFP, PARIS

After a dismal 2008, world stockmarkets recorded a spectacular rebound in 2009 even though the economy was in crisis, but confidence had not been completely restored and there were fears for 2010.

In Frankfurt, the market ended the year 23 percent higher and in Paris it closed 22.32 percent up.

London registered a 22.07 percent gain for the year and the Dow Jones, the star index of the New York Stock Exchange, showed an annual jump of 18.82 percent over the course of the year.

In Asia, the rebound was even more spectacular. Shanghai gained 80 percent over the year and Hong Kong 52 percent. In Tokyo, the leading Nikkei index grew by 19.04 percent over 2009.

"We avoided catastrophe," said Gregori Volokhine, an analyst from the Meeschaert investment group in New York.

"The markets were saved from a deep depression by the massive intervention of government and central banks, who injected liquidity into a financial system in agony," he said.

Cantor Fitzgerald analyst Marc Pado, also in New York, warned that this did not mean the markets had fully recovered confidence.

"We cannot say confidence is back. We saw some investors cashing out from equities to invest in bond markets," he said.



Traders work on the floor of the New York Stock Exchange at the end of the last trading day for the year on December 31, 2009 in New York City.

"Worries about the collapse of the financial system are over. There is a kind of relief in the market now but I cannot say it is confidence."

The markets were etched with extreme pessimism from January to March with most falling to historic lows by spring.

Investors, thrown by the September 2008 collapse of US

banking giant Lehman Brothers, feared the nationalisation of financial institutions that had received massive state aid to overcome the crisis.

Money markets later rallied to an unexpected rise, thanks mainly to convincing results of the economic stimulus plans put in place by various governments and encouraging business perfor-

mances. Late in the year however, panic gripped the markets again when the possibility of bankruptcy was raised in Dubai in November.

But by the end of 2009, most money markets ended the year by recovering a large part of their 2008 losses and some, like London, had even regained the level reached before Lehman

Brothers failed.

In Europe, the Lisbon stock exchange rose 34 percent over the year, in Brussels it was up 31 percent. Madrid gained 30 percent, Amsterdam 36.34 percent, Milan 19.47 percent and the Swiss market more than 18 percent.

It was a similar situation in the Gulf where all the markets registered gains over the year.

In South America, the Sao Paulo stockmarket grew 82 percent for the year.

But despite improvements in the stock markets, most of the world's economies remained limp: growth was generally negative, except in emerging countries such as India, Brazil and China.

Unemployment had exploded, reaching a historic high of 10 percent in the United States and 18 percent in Spain.

2010 will be a "test year" for the markets, analysts said.

"Investors want to see if the financial system can again function on its own without help," Volokhine said.

Larry Hatheway and Kenny Liew from Swiss Bank UBS predicted the markets would next year see less significant gains than in 2009.

The analysts said the cautious outlook hinged on economic uncertainties: the dollar-euro relationship, possible price hikes for raw materials, questions over interest rates and the explosion of US and European deficits.