

International Business News

Tokyo bourse to launch high-speed trading system

AP, Tokyo

The Tokyo Stock Exchange will launch a new high-speed trading system Monday, scrapping an antiquated, glitch-prone platform for one that aims to compete with major global rivals.

The world's second-largest bourse after the New York Stock Exchange spent the weekend running final tests of its "Arrowhead" system, which can process trades in five milliseconds. That is 600 times faster than the two to three-seconds required until now, and roughly on par with its counterparts in New York and London.

The TSE is banking on the system's faster trading speeds and higher reliability to bolster its prospects ahead of plans to go public later this year.

With the upgrade, the exchange hopes to lure traders who use automated computer programs to make rapid and frequent transactions. Algorithmic trading, commonly used by institutional investors like pension funds, accounts for the majority of equity trading in the U.S. and Europe but has been slow to catch on in Asia.

The facelift should also dissipate worries about the TSE's reliability after a series of embarrassing blunders.

Last month, a court ordered the TSE to pay 10.7 billion yen (\$121 million) in damages to Mizuho Securities Co. Ltd. over massive losses caused by a computer error in a botched 2005 transaction.

Japan to double credit line for troubled JAL

AFP, Tokyo

Japan said it agreed on Sunday to give a new lifeline to troubled Japan Airlines by doubling a state-funded loan for the carrier to 200 billion yen (2.2 billion dollars).

The government decision comes after shares in Asia's largest carrier plunged to a record low last week after investors were spooked by reports that bankruptcy was a possible option for the beleaguered airline.

"The government has decided to expand from 100 billion yen to 200 billion yen the line of credit from the Development Bank of Japan to Japan Airlines Corp," an official statement said.

In November, the state-run Development Bank had set a credit line of 100 billion yen for Japan Airlines and has already paid out just over half of the total.

The extra funding was agreed at a meeting of cabinet ministers including Transport Minister Seiji Maehara and Vice Prime Minister Naoto Kan.

JAL, battered by the global recession and swine flu pandemic, is scrambling to slash costs and is seeking its fourth government bailout since 2001 to keep flying in the face of mounting losses.



AFP

Indian egg distributor Siddiqbhai handles trays of eggs in Ahmedabad on Saturday, as prices are fifteen percent higher than last winter's. India's inflation rate moved up to 4.8 percent in November 2009 compared with previous month's 1.4 percent and the Reserve Bank of India expects headline inflation to hit 6.5 percent by March 2010.

French industry fears revised carbon tax

AFP, Paris

The French government's first job for 2010 is to revise its planned carbon emissions tax, raising fears among businesses they will be hurt by changes to the environmental measure.

President Nicolas Sarkozy made the tax a pillar of his 2010 budget, aiming to reduce emissions by taxing them and redistributing the revenue to reward households that cut carbon fuel consumption.

But while pursuing environmental reforms on the one hand, Sarkozy risks jeopardising another of his major priorities: making French businesses more competitive.

The tax, which the government has been forced to revise after a ruling on Wednesday, "will be a new blow for our exports and jobs," said Yvon Jacob, president of the Group of Industry Federations.

The constitutional court struck down the proposed tax just days before it was to kick in, ruling that it created inequalities by placing the burden of cuts on a minority of consumers.

Bono calls for control over internet downloads

AFP, Washington

Irish rock star Bono called Sunday for tougher controls over the spread of intellectual property over the internet, arguing that file swiping and sharing hurt creators of cultural products.

"The only thing protecting the movie and TV industries from the fate that has befallen music and indeed the newspaper business is the size of the files," the lead singer of the band U2 wrote in an op-ed piece in The New York Times.

He pointed out that "the immutable laws of bandwidth" indicate that technology is just a few years from allowing viewers to download entire movies in just a few seconds.

AUTOMOBILE

Small is big at Delhi auto show



Tata Motors employees walk past parked Nano cars lined up ahead of a test drive session for journalists at the Tata Motors plant at Pimpri, some 160km southeast of Mumbai.

AFP, New Delhi

Small will be big at an Indian auto show when the world's leading manufacturers unveil a slew of compact cars designed for one of the world's fastest growing markets.

AutoExpo 2010, which begins on Tuesday and runs until January 11, is expected to be the biggest ever, featuring global releases of new models from the most famous names in the industry.

Recent months have seen foreign giants Ford, General Motors, Hyundai and Renault join a stampede to India, where each has promised a small, cheap model designed for what Ford boss Alan Mulally termed the "sweet spot" of the market.

Many of these will be on display during the week, including the Figo from Ford, concept small cars

from Japan's Honda and Toyota as well as the India-made Polo by Germany's Volkswagen.

"India is developing as a small-car hub," senior director at the Society of Indian Automobile Manufacturers (SIAM), Sugato Sen, told AFP.

He pointed to government policies that have promoted the production of small cars domestically, while rising incomes have driven demand for basic, no-frills vehicles.

"India ultimately is a developing country where the average annual income is below 1,000 dollars a year, so this is reflected in the vehicles we use," he said.

"They're not sophisticated, but the market is growing double-digit."

India is Asia's third-largest car market after China and Japan, but what has manufacturers excited is

the potential explosive growth in a country with a billion-plus population.

"Growth in developed countries is almost saturated so they are looking for where they can sell, especially in the low-end, entry-level segment," said analyst Vaishali Jajoo from Angel Broking.

She said sales of passenger vehicles have been growing at above 10 percent a year for the last five years and will carry on at "12-13 percent for the next four to five years."

Incomes are rising steadily, meaning Indians are following the familiar pattern of upgrading their personal transport from push bikes, to motorbikes, then to cars.

The market is forecast to triple to six million car sales annually in a decade -- a mouth-watering proposition for car groups, but a

concern for those who drive on the already traffic-clogged streets of India's cities.

"The train is leaving the station and you want to make sure you have the products on line," Carlos Ghosn, who runs Renault and Nissan, said in November as he announced plans to produce an ultra-low-cost vehicle.

Such is the buzz around the India show this year that some insiders are beginning to speak of it in the same breath as the Detroit auto event that kicks off on the day the Delhi exhibition finishes.

Ten global launches of vehicles from heavy trucks to two-wheelers are planned at the Delhi event, which will see an expected 1.8 million visitors pass through the doors.

This year's Delhi is the 10th, but it first caught the world's attention in 2008 when Indian manufac-

turer Tata Motors unveiled its Nano, the world's cheapest car that has since hit the roads, though production remains restricted.

Ranojoy Mukerji, an auto sector analyst and adviser on a government car certification project, underlines that the range of new vehicles set to hit the market is good news for consumers.

But it means manufacturers will face a highly competitive market that is currently dominated by Indo-Japanese group Maruti Suzuki, which has about 55 percent market share and a strong track-record in the small-car segment.

"It will become a very tough market because the consumer will have a lot of choice," Mukerji told AFP. "Before (consumers) had five cars to choose from, suddenly they will be looking at 20."

COLUMN

NOORUDDIN AHMED

Accreditation and world trade

The past decade has seen dramatic changes in the world economy. Regional economic groups have emerged to protect and promote trade interests of different groups. This has led to adoption of measures that can serve to bar entry of other countries from outside the groups. The World Trade Organisation (WTO) while recognising these economic groups has taken steps so that technical regulations and standards do not impede world trade. One of the steps is the introduction of international standards and conformity assessment systems. Under the WTO agreement on Technical Barriers to Trade (TBT), member countries have taken up:

- (a) Harmonisation of national standards with international standards
- (b) Agreement of mutual recognition (MRA) of conformity assessment procedures, which can be achieved through accreditation

Worldwide trade in all kinds of goods carries dangers to consumers in the form of safety, environmental protection and health risk, which are not apparent immediately. This fear is removed by product certification that confirms compliances with some fixed standards. Such product certificates are issued by certification bodies. Certification bodies in turn take decisions based on reports of testing laboratories. The testing laboratories again have to meet certain requirements such as their measuring instruments have to be traceable to the national standards through the calibration laboratories. Inspection bodies are needed to check activities such as production process or transportation process.

It is thus apparent that these networks of testing, calibration and inspection require effort, time and money. To do away with these checks being repeated in each country (for example in the exporting country and the importing country), worldwide confidence building is necessary among the conformity assessing bodies. It is the responsibility of national accreditation bodies to make sure that the ISO standards are followed.

National accreditation bodies in turn are given recognition by ILAC (International Laboratory Accreditation Cooperation) and IAF (International Accreditation Forum). ILAC and IAF have concluded Mutual Recognition Arrangements (MRA) at global level, based on peer evaluation. Similarly, there are regional bodies like PAC (Pacific Accreditation Cooperation) and APLAC (Asia Pacific Laboratory Accreditation Cooperation).



Http://messiahacademy.files.wordpress.com

"It is important for the purchaser, regulator and the public to know that these Conformity Assessment Bodies (CABs) are competent to perform their tasks. For that reason there is an increasing demand for impartial verification of their competence. Such verification is done by authoritative accreditation bodies that are impartial in relation to both the CABs and their clients, and which normally operate in a non-profit distributing manner.

A system to accredit CAB conformity assessment services should provide confidence to the purchaser and regulator. Such a system should facilitate cross-border trade, as pursued by trade authorities and organisations. The ultimate goal is to achieve one-stop accreditation and one-stop conformity assessment.

A "cross border" trade facilitating system can work well if accreditation bodies and CABs operate to globally accepted requirements in an equivalent manner and take into account the interests of all parties concerned.

ISO/IEC 17011 International Standard specifies the general requirements for accreditation bodies. Peer evaluation mechanisms have been created at regional and international levels, through which assurance is provided that accreditation bodies are operating in accordance with this international standard. Those who have passed such an evaluation can become members of mutual recognition arrangements. Through regular re-evaluations, the continued adherence to this international standard is assured.

These mutual recognition arrangement members facilitate the one-stop process,

through recognition, promotion and acceptance of each other's accredited conformity assessments. This means that a CAB in an economy should not need to be accredited more than once for the same scope by different accreditation bodies." [ISO/IEC 17011:2004(E)]

Benefits of accreditation for government:

"Accreditation is an important mechanism for ensuring public confidence in the reliability of activities that impact on health, welfare, security and the environment. Accreditation identifies competent certification bodies for the implementation of government policies and regulations."

For industry:

"Accreditation is an essential tool for decision making and risk management. Organisations can save time and money by selecting an accredited and hence competent supplier. Accreditation provides a competitive advantage and facilitates access to export markets with the aim of one standard, one certificate, accepted everywhere round the globe."

For certification bodies:

"Accreditation is objective proof that certification bodies comply with international best practice. It is an internationally recognised system that is used to develop and sustain high standards of performance."

For consumers:

"Accreditation gives consumers confidence by ensuring consistent standards in the quality of products/services they purchase." [PAC Bulletin]

Thus we see accreditation delivers competence and credibility.

Bangladesh Accreditation Board (BAB) was established by an Act of Parliament (July 2006) on September 3, 2006. This was to be an autonomous body within the Ministry of Industries. BAB was set up to offer accreditation to different types of CABs such as testing and calibration laboratories, certification and inspection bodies in accordance with international principles. Medical laboratories are also to be accredited by BAB. Unless we have accredited laboratories, our test reports would not be accepted for world trade. A body like BAB needs to be truly autonomous. Otherwise, ILAC, IAF and APLAC may not go for MRA with BAB.

BAB is only an associate member of APLAC.

For the last three years United Nations Industrial Development Organisation has been supporting BAB through Bangladesh Quality Support Programme. With this support, some 30 persons have been trained as assessors both from private and government laboratories. Similarly, some 25 people from different laboratories, both private and public, have also been trained about how to prepare themselves before seeking accreditation from BAB. Right now, we shall need some lead-assessors from friendly countries.

Some of the laboratories of BSTI/BCSIR/ Fisheries Department/DU/BUET/Atomic Energy Commission, Medical Laboratories of some reputed hospitals are now ready for accreditation. Some have got cross-boundary accreditation from NABL (National Accreditation Board for Testing Laboratories, India). Others are also trying with NABL, NA (Norwegian Accreditation) and Singapore Accreditation Board. Cross-boundary accreditation is useful and beneficial as long as they take along some trained persons in Bangladesh as assessors or observers. This way we can have some lead assessors.

But cross-border accreditation takes longer time and more money in foreign currency. Hence private sector and government laboratories are now getting aware of the advantages of accreditation to be accorded by BAB.

BAB hopes to start accreditation within the next few months. We are trying our best to make people in the government and businesses understand the importance of BAB to boost our exports to world market.

Prof Nooruddin Ahmed is the chairman of Bangladesh Accreditation Board.