

International Business News

Asia urged to mull common currency, monetary fund

AFP, Singapore

Asia should consider a common currency and push for a regional monetary fund as economic integration picks up speed, a former top Japanese finance official said Thursday.

Eisuke Sakakibara, who served as Japan's vice finance minister for international affairs during the Asian financial crisis, admitted that a common currency may be some time off but argued it was time to think about the idea.

"It may be several decades to create an Asian currency, but it may be the time to start thinking about it because Asian economic integration is gradually approaching the level of Europe," he told a regional forum in Singapore.

His comments come as the global economy slowly moves out of its worst crisis in more than 70 years, with most analysts acknowledging Asian nations were leading the way.

Key Asian states have been moving to tear down trade barriers and streamline disparate trading rules and procedures in a bid to better link their economies.

A network of free trade agreements have already been signed and more are under negotiation. And on January 1, a giant free trade zone covering 1.7 billion consumers in China and 10 Southeast Asian nations went into effect.

Taiwan's exports growth highest in almost 20 years

AFP, Taipei

Taiwan, a major producer of microchips and other electronics, said Thursday exports had hit the highest growth rate in nearly 20 years in December due to recovering global demand.

Shipments from the island last month totalled 20.03 billion US dollars, a rise of 46.9 percent from a year earlier, the finance ministry said in a statement.

"The figures marked the highest growth rate since 1991," it said.

December's export data represented a 14-month high and a 0.1 percent rise from November.

But analysts said they were worried whether the momentum could last through 2010 amid fears of overbooking by clients from abroad.

"The base of comparison from a year earlier was very low. It remains to be seen how far the growth momentum will last," Chen Yu-yu of Capital Securities said.

Imports last month also hit a 15-month high of 18.38 billion dollars, a rise of 56.2 percent year-on-year, leaving a trade surplus of 1.65 billion dollars, the ministry said.



Delhi Chief Minister Sheila Dixit (R) unveils the E-Spark electric car as President and Managing Director of GM India Karl Slym (L) looks on during a launch in New Delhi yesterday. The e-Spark has been manufactured by GM India in technical collaboration with REVA, a pioneer in the electric car domain.

British car sales jump 39pc

AFP, London

New car sales in Britain jumped 38.9 percent in December, helped by a government-backed scheme subsidising the cost of buying vehicles, the Society of Motor Manufacturers and Traders said on Thursday.

The number of new cars sold jumped to 150,936 last month compared with the level in December 2008, SMMT said in a statement.

They had soared by almost 58 percent in November as the global car industry recovers following the severe economic downturn.

SMMT chief executive Paul Everitt said that British sales were boosted in December by the so-called Scrapage Incentive Scheme and by consumers looking to avoid this month's increase in VAT, or tax levied on purchased goods.

The scrappage scheme, which allows car-owners to trade in a 10-year-old vehicle for a 2,000-pound (2,218,000-euro, 3,189,000-dollar) discount on a new car, helped to realise almost two million registrations in 2009.

Euro economic confidence up: EU survey

AFP, Brussels

European business and consumer confidence firmed in December for a ninth month running, an EU survey showed on Thursday, with a big jump in key recession straggler Britain.

The European Commission's economic sentiment indicator for the 16 nations using the euro single currency rose to 91.3 points in December, up 2.5 points from one month earlier. The index hit a record low 64.6 points in March.

For the 27-nation EU as a whole, economic confidence also increased according to the commission survey, up 4.1 points to 92.0 points in December -- with the bloc's economy as a whole having emerged from recession.

In Britain, which went into reverse between October and November, the index rose by 8.2 points to match the overall EU figure of 92.0 points.

LIFESTYLE

Shine off old Dhaka's gold bazaar

AFP, Dhaka

Every morning, before Dhaka's goldsmiths open their shops at the city's historic Tanti Bazar, Shahabuddin climbs into the sewers under the alleyways to pan for scraps of discarded gold.

When bullion began its record-breaking rally in 2008, the tiny specks of gold that Shahabuddin fished from the sludge earned him up to Tk 1,000 (\$14) a day -- a fortune in Bangladesh, where the average wage is \$25 a month.

"Initially everyone was happy with gold prices rising as it brought better returns," he said.

But when gold hit a record above \$1,226 an ounce early last month, Shahabuddin, 45, and the 20,000 goldsmiths at Tanti Bazar saw the other side of the commodities boom.

"Because of sky-high prices most people have stopped buying gold ornaments even for weddings. Marriage season has begun, but most goldsmiths are sitting idle," Shahabuddin said.

There are around 400 gold shops and factories at the bazaar, most of which have been run by Hindu goldsmiths since the market was founded in the 18th century.

Usually, the bazaar's narrow alleys swarm with customers as the artisans work night and day during the winter wedding season and at major Muslim festivals such as Eid-ul-Fitr.

But this year the market is quieter.

"If the goldsmiths don't have any work, we don't have anything to collect," Shahabuddin said, adding that he now finds only Tk 100-200 of gold scraps a day and thinks searching through human excrement "too foul" for such meagre rewards.

Gold prices have dropped slightly from their peak in December but at around \$1,100 an ounce this week -- around \$250 higher than a year ago -- they are still too high for many of Bangladesh's normal buyers.

"The middle class has simply stopped buying gold ornaments for weddings. Even the rich no longer buys gold for gifts," said Ganga Charan Malakar, owner of



A man searches for gold in a sewer at the city's historic Tanti Bazar in Dhaka. There are around 400 gold shops and small artisan factories at the market.

the country's biggest chain of gold shops, Venus Jewellers.

Bangladeshi traditions require a groom gives a full set of gold ornaments to his bride as a wedding present. The ornaments normally weigh between 40 and 200 grams, depending on how wealthy the groom and his family are.

Malakar, who started his career as a goldsmith at Tanti Bazar in the 1960s, said jewellery sales have fallen over 50 percent in the last year, forcing hundreds of artisans to close their shops or run their business at a loss.

"When bullion prices began to increase, we were happy because we could sell our stock with better returns. But now there is no sign that prices are coming down to an affordable level," he said.

"Look at my shop: it is empty. During this season in the past, we used to hire extra salesmen to handle clients. I've never seen

anything like this in my life," he said.

Malakar, who is the president of the 25,000-member Bangladesh Goldsmiths Association, said that over the last year, the small jewellery factories at Tanti Bazar had slashed many jobs.

"My factories used to employ over 2,500 workers during the winter. But this year we have only about 1,000 workers. Many of the factories which would do contract work for other jewellers have folded due to lack of orders," he said.

Paran Chandra Sarker, 28, started his career as an apprentice goldsmith 12 years ago when "it was one of the best career choices for a poor, uneducated Bangladeshi Hindu man."

At Tanti Bazar, thousands of goldsmiths like Paran work in tiny, dingy workshops. They mould gold into necklaces, earrings,

tiaras, bracelets, rings and chains using only sulfuric acid, blowpipes and practised skill.

At night, they sleep in their workshops -- Paran and 16 others live in one room, in which they can only lie down when they have carefully stacked their small work benches and bottles of acid into one corner.

When business was booming, Paran, now a top goldsmith at Preeti Jewellery workshop at Tanti Bazar, would earn up to Tk 40,000 a month.

"All the Hindu parents used to want to marry their daughter to me," he said wistfully, explaining that he now fears it will be much harder for him to find a wife.

In the past six months, he struggled to make half that amount as demand for jewellery -- and his craftwork -- has dried up.

"Now I toil until 03:00 am for just Tk 15,000 a month. A lot of my

friends have left the trade or gone to India," he said.

At the Tanti Bazar today, the only businesses that are thriving are the pawnshops, as people hard hit by the impact of the global recession come to mortgage their beloved jewels for some much needed cash.

"Business is not bad at the moment," said Kartick Roy Poddar, 63, the owner of the country's largest pawnshop, with a wry smile.

When he started the Adi Kartick Roy Poddar Pawnshop four decades ago there were only a few pawnshops at Tanti Bazar, but now they are everywhere.

According to the bazaar's Gold Merchants Association, the number has nearly doubled over the past five years.

"Tanti Bazar will soon be known for only the pawn business, not for gold jewellery anymore," he said.

TECHNOLOGY

TV makers test market for 3-D

AP, Las Vegas

This is supposedly the year 3-D television becomes the hot new thing: Updated sets and disc players are coming out, and 3-D cable channels are in the works. But it's not clear the idea will reach out and grab mainstream viewers.

Besides having to spring for expensive new TVs, people would have to put on awkward special glasses to give the picture the illusion of depth. That limits 3-D viewing to times when viewers can sit down and focus on a movie or show.

It's one thing to put on 3-D glasses in a theatre, but "at home, you're with other people in the living room, running to the kitchen and doing other things," said Greg Ireland of the research firm IDC.

Unfazed by the potential hang-ups, the biggest TV makers began revealing their 3-D models Wednesday before the official opening of the International Consumer Electronics Show in Las Vegas.

Tim Baxter, president of Samsung Electronics Co.'s consumer division, said in an interview that 10 to 14 percent of the roughly 35 million TVs sold in the US this year will be 3-D-capable.

Samsung is determined to make 3-D a big feature on its more expensive TVs this year. It's teaming with DreamWorks Animation SKG Inc. to make the Blu-ray 3-D version of the movie "Monsters vs. Aliens" an exclusive for buyers of Samsung's 3-D TVs.

Panasonic Corp. said it will debut four 3-D sets this spring, but they won't be LCD sets, the most common type of flat panel. Instead, Panasonic is using plasma panels, saying the viewing quality will be superior to 3-D on LCDs.

Sony Corp. said its 3-D sets will be out this summer. Some will come with glasses, others will be "3-D ready," which means that buyers will have to complement with a separate plug-in device and glasses for 3-D viewing.



A worker holds a pencil up to the side of the new LED 9000 television by Samsung to show its thickness of less than .3 inches during a press event at the 2010 International Consumer Electronics Show at the Venetian on Wednesday in Las Vegas, Nevada.

LG Electronics Inc. said it will introduce 47-inch and 55-inch flat-panel TVs with 3-D capabilities in May.

LG didn't announce exact prices for its new sets. But Tim Alessi, director of product development at LG Electronics USA, said 3-D TV sets will likely cost \$200 to \$300 more than comparable flat-panel sets without 3-D capabilities, which already run more than \$1,000.

Even Vizio Inc, which is one of the TV market share leaders in the US but mainly sells inexpensive sets, said it would have 3-D capabilities on its larger, higher-end sets.

Manufacturers aren't counting on 3-D to take over instantly. Colour TV and high definition caught on over many years. Like those earlier advances, 3-D programming requires upgrades throughout the TV and movie infrastructure, from shooting to editing to distribution. Incidentally,

Samsung and Dreamworks are working with Technicolor, which pioneered color movies, to get 3-D right.

Of course, movies in 3-D have been around since the 1950s and from time to time have been billed as the next big thing in entertainment. And technically speaking, 3-D viewing in the home has been possible for the past few years. But there has been no good way to get 3-D movies and shows to watch.

That obstacle is being swept away this year, as plans for a 3-D version of the Blu-ray disc have solidified. Players are expected this spring. Also, satellite broadcaster DirecTV Inc. said Wednesday that it will send out software upgrades to most of its set-top boxes in June that will enable 3-D reception.

On Tuesday, two major cable networks - ESPN and Discovery - said they plan to start

beaming 3-D entertainment into homes for the first time.

ESPN plans to have its channel running in time to show World Cup soccer matches in 3-D on June 11. Discovery Communications Inc. will partner with Imax Corp and Sony to bring out its own full-time 3-D network in 2011.

Samsung isn't waiting for 3-D programming: It said its sets will be able to convert standard 2-D programming to 3-D on the fly. The effect likely won't be as good as original 3-D footage, but it will "tide consumers over" until there is more 3-D programming, Baxter said.

Toshiba is taking the same tack. It plans roll out a new line of five TVs this year that will perform the 2-D to 3-D conversion in a separate box with a powerful processor similar to one used in the Sony PlayStation 3. Like the other manufacturers, Toshiba didn't announce prices for the sets, but they will probably be expensive.

TV manufacturers, movie studios and broadcasters are counting on the excitement around the latest wave of 3-D movies in theatres to finally drive interest in adapting the technology for the home. In particular, James Cameron's "Avatar" has set a new standard for 3-D in movies and has surpassed \$1 billion at the box office. It demonstrates that 3-D is viable for more than just computer-animated children's or family movies such as "Cloudy with a Chance of Meatballs."

"The hopes of the industry have undoubtedly been raised by the success of 'Avatar,'" said NPD analyst Ross Rubin.

But it's not clear people will be eager to pony up the premium prices for 3-D in the home - at least for a few years - or even that the experience will translate well from the movie theatre to the living room. (It is possible to do 3-D TV without glasses, but those solutions usually require viewers to keep their heads in one particular place. The image quality is also lower.)