

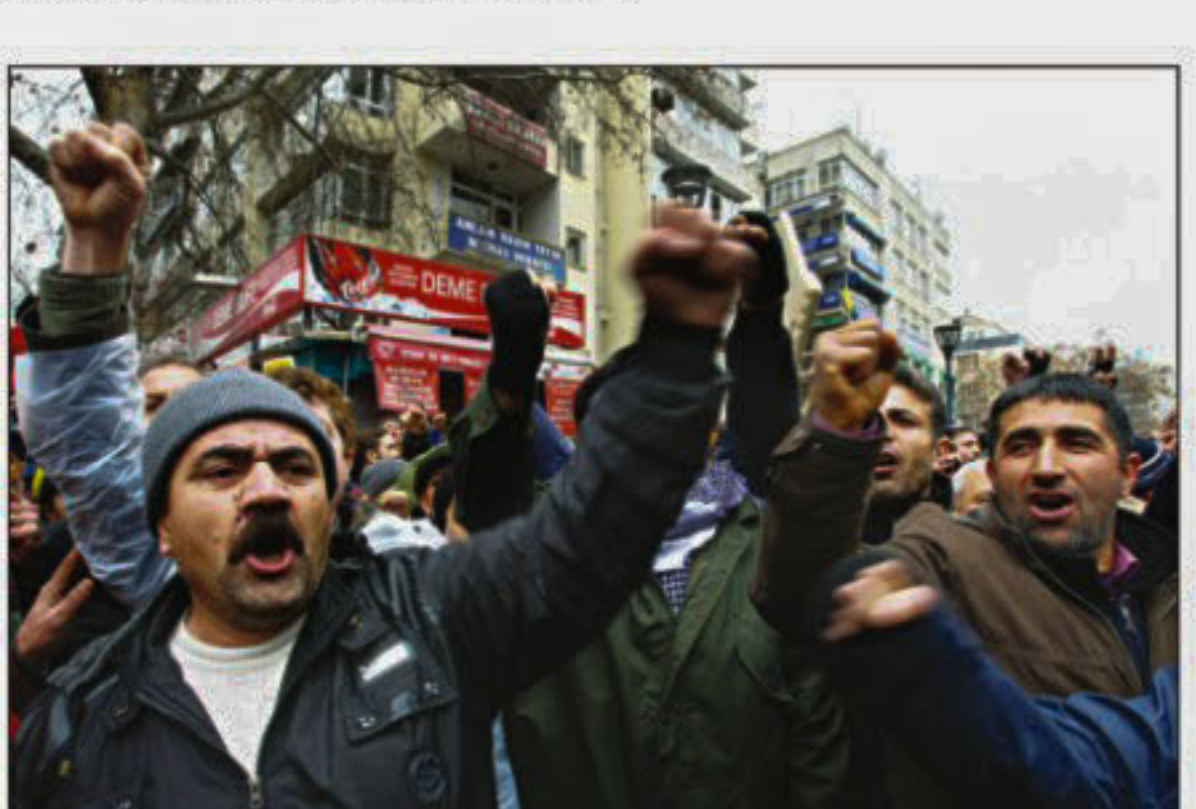
International Business News

Taiwan-China finance pacts take effect

AFP, Taipei  
Three agreements leading to closer cooperation between Taiwan and mainland China in banking, insurance and securities came into effect over the weekend, the island's financial authority said Sunday.  
The three memoranda of understanding, which were signed in November, are the latest step in rapidly improving ties between the two former arch foes, after Ma Ying-jeou became Taiwan's president in May 2008.  
The Financial Supervisory Commission said the MOUs followed pressure from the island's finance industry for greater access to the huge mainland market.  
With the MOUs, "Taiwan's financial industry can not only serve Taiwanese companies in the mainland but tap the mainland market," the commission said on its website.  
"Since Taiwan and the mainland share the same language and cultural roots, Taiwan's financial industry stands a good chance of gaining profits."  
Despite lingering hostility between China and Taiwan, local businesses have channeled about 150 billion US dollars into China since Taipei eased an investment ban in the early 1990s.

Poverty is world's biggest problem: BBC poll

AFP, London  
Poverty is the most serious problem facing the world, according to a major worldwide poll out Sunday which put the issue well ahead of climate change, terrorism and war.  
Overall, 71 percent of people named extreme poverty as the biggest global issue, compared to 64 percent who cited the environment or pollution and 63 percent the rising cost of food and energy.  
Terrorism, human rights and the spread of disease were singled out by 59 percent, climate change and the state of the world economy by 58 percent and war by 57 percent.  
"Even if the global recession has kept economic problems top of people's minds this year, extreme poverty is clearly viewed as the world's most serious global problem," said Sam Mountford, research director for GlobeScan, which conducted the poll for the BBC World Service.  
"But with many other global problems seen as very serious, this represents a daunting agenda for institutions like the UN and G20 to address."



AFP  
Turkish workers of Turkey's state-owned tobacco company Tekel shout slogans on the 33th day of their protest against layoff and government's labour policy in Ankara on Saturday. Privatisation is a key element in Turkey's economic programme, backed by a 10-billion-dollar loan from the International Monetary Fund, as it consolidates its recovery from two severe financial crises in 1999 and 2001.

British bank sector hails Obama bank levy as fair

AFP, London  
British bankers have welcomed US President Barack Obama's announcement of a levy to raise 90 billion dollars to recoup the Wall Street bailout, saying it restores parity to the global banking sector.  
Obama's plan appeared to catch European governments and central banks by surprise, as did the president's aggressive tone -- he called corporate bonuses "obscene" and vowed "we want our money back and we are going to get it."  
The proposals also raised eyebrows because the United States has shown great reluctance to impose global rules governing bankers' bonuses.  
But the announcement appeared to be timed to tap into public anger at the paying of billions of dollars of bonuses over the next few weeks in a sector which had to be rescued by governments worldwide just months ago.  
Until now, bankers in the City of London, the other main financial centre along with Wall Street, have claimed they were unfairly penalised by the tough conditions imposed by the British Treasury when it intervened to prop up banks.

ArcelorMittal workers to intensify strike in Algeria

AFP, Algiers  
More than 7,000 workers at steel giant ArcelorMittal's plant in Algeria will intensify a strike aimed at forcing the management to revamp the ageing El Hadjar complex, a trade union leader said Saturday.  
"We will continue with the strike and this week we will step up our protest," Smain Kouadria, the secretary general of the plant's union told AFP without giving details.  
Workers went on strike on Tuesday to protest the planned closure of the coking plant, which employs 320 people.  
It would cost 40 million dollars (28 million euros) to renovate, according to experts called in when the plant was closed down in October.

UTILITY

Power crunch hits Pakistanis



Pakistani students do their homeworks in candle light during an outage. In rural areas and poorer city neighbourhoods, blackouts can last for most of the day.

AFP, Rawalpindi, Pakistan  
Sagheerullah Khan huddles before a small fire outside his shop in northwest Pakistan, struggling to stay warm and keep his business alive despite five days without electricity.  
Other shopkeepers join him and gather around the flames in the poor Badhber neighbourhood on the outskirts of northwest capital Peshawar, lamenting crushing power outages and gas shortages that have plunged them back in time.  
"Long power cuts and a lack of natural gas have made life miserable for us during the extremely cold season," Khan tells AFP as he sets the flame of his ageing kerosene lamp to try and light up the pitch-black night.  
"We had power cuts of between 15 to 16 hours since electricity load shedding resumed in December, but there has been no electricity in the area for the last five days," he said from a city where the mercury can drop below freezing.  
Pakistan faces a catastrophic energy crisis, suffocating industry, making life unbearable as cold winter weather grips the country, and fuelling anger at a government already suffering plummeting approval ratings.  
Queues snake from petrol stations as

cars stock up on dwindling natural gas, generators rumble loudly at households that can afford them and protesters spill into the streets, furious at the disruption to their lives.  
Since late December, Pakistanis have been suffering at least six hours a day without power, as a lack of rain to run hydro power plants exacerbates a long-running power shortage.  
In rural areas and poorer city neighbourhoods, blackouts can last for most of the day.  
"When I go to work early in the morning, there is no electricity and when I come back after sunset, the darkness welcomes me again," said Razia Khatoon, a maid who lives in a one-room house in Islamabad's twin city Rawalpindi.  
Compounding her woes is a shortage of natural gas, with supply unable to keep up with demand in the frigid winter months and gas pressure so low in crowded neighbourhoods that cooking is impossible.  
"I earn 8,000 rupees (94 dollars) a month after working in five houses as a maid. How can I buy cooked food from market on daily basis?" said Khatoon.  
Pakistan is only able to produce about 80 percent of the electricity it needs, officials from the main power regulatory authority

the Pakistan Electric Power Company (PEPCO) say.  
Production shortfall has been blamed on issues such as corruption, short-sightedness, debts, a creaking distribution system, and a lack of money to invest in renewable energy as demand grows.  
Last July, during the sweltering summer months, chronic power cuts triggered riots in financial capital Karachi and the most populous province of Punjab.  
Mild weather and rains offered a brief respite in the last three months of 2009, but power cuts resumed in December.  
Rumbles of discontent have followed. Police baton-charged a crowd of 500 people protesting power cuts in eastern Lahore city in mid-January.  
It comes with the government's reputation dented as ministers face court cases after the scrapping in November of a 2007 corruption amnesty.  
Pakistan is also grappling with a Taliban-led insurgency that has killed thousands of people.  
"We were already facing the brunt of suicide attacks and bomb explosions and now the government has dropped the bombs of power cuts and natural gas load shedding," said Fazal Karim, an auto rickshaw mechanic.

A PEPCO official told AFP that power cuts are not expected to ease until the winter snows melt, providing water for the hydro power plants.  
Naem A. Khan, a spokesman for state body the Sui Northern Gas Pipeline, said Pakistan can only supply about 80 percent of gas demand right now.  
Two projects to pipe gas from Iran and Turkmenistan to try and alleviate the shortage have long stalled, while investment and exploration for new fields in impoverished Pakistan remain limited.  
The impact on the economy has also been immense, with independent analyst A.B. Shahid estimating that power outages have forced about 8,000 small manufacturing businesses to shut down in the past six months alone.  
"The energy shortages have made Pakistani products expensive and less competitive in the global markets," he said.  
Waiting for natural gas in a queue of cars at a Rawalpindi gas station, businessmen Mohammad Ehsan said he has not seen such chaos in years.  
"I am really fed up with the performance of government. They are supposed to mitigate our suffering but instead they have become a source of quadrupling the problems," he said.

COLUMN

SARWAR AHMED

Simple business

We cleaned up the small store, put in a gas range, gave him kitchenware and utensils and had him up and running, to provide us afternoon meals. He remembers the exact date -- July 1, 1992.  
We were Ciba-Geigy then. Several of our colleagues had been grounded with jaundice and were to stay at home for a month at least. Office productivity was suffering as a result of visiting these neighbourhood eateries.  
The company management team hastily decided to provide subsidised lunch to employees rather than have them eat outside and fall prey to the hepatitis virus. The onus was on Mustaque Ahmed, our head of HR, to find someone who could cater.  
Mustaque stopped at a video-cassette rental, which had a snack corner. The first of the few coke fountains was installed in the shop. The novelty of drinking coke in a glass and the delicious snacks made Mustaque query of the owner.  
Nayan Bhai stepped in and an offer was made. Nayan Bhai's father, Ziaur Rahman, an import based businessman, was quite upset his son was going into catering. It took quite some time to coax him into agreeing that the business was not ignoble.  
Thereafter, Ataur Rahman, also known as Nayan Bhai, took that dive to feed about a hundred mouths a day. Today, he provides more than four thousand meals a day to several blue chip companies at fourteen sites.  
As we did seventeen years ago, give Nayan Bhai a kitchen to cook, he will get you clean, healthy and wholesome meals at a reasonable cost. He is not a businessman or a starry eyed graduate from a prestigious university. He is a simple man, a simple commerce graduate, with a simple sense of business.  
No break even charts, no strategic presentations -- just simple common sense has made him a success today. As a testimony to his love for what he does, Nayan Bhai, now fifty, has a portly figure, a smiling face and is



Ataur Rahman is not a businessman or a starry eyed graduate from a prestigious university. He is a simple commerce graduate with a simple sense of business.

always dressed unassumingly.  
Each site has a team -- a supervisor, chefs, helping hands and waiters. Each supervisor is at best an HSC degree holder, who keeps track of daily groceries, meals served and other menial book keeping activities.  
Nayan Bhai works on the basis of cost cutting. He operates on such a thin margin that it deters anyone else to compete with him, the typical Porter's entry barrier.  
How does he manage to purchase vegetables, fish, meat and other ingredients? He has fixed shops that provide the items, not just one shop but a couple of them. Each supervisor is allowed to buy only from these shops. Nayan Bhai cross checks the price across the shops, to ensure that they charge the right price.  
What happens if a rotten fish makes way into the kitchen or dining table? Never argue

with your customers, he says.  
Instructions are placed to immediately take the faulty dish out, apologise and offer to replace with an omelet.  
People, he says, do not mind a rare faux pas and if you accept it without argument, they easily forgive and forget. Over the years, his site teams have hardly changed and are familiar faces where they work. They are a pleasant, polite and hard working, with an uncommon sense of pleasing customers.  
Married to Israt Jahan, a college teacher, the couple shares a son, Rafid, who is studying business, hopefully a successor to carry forward his father's business well into the future.  
When they got married, Nayan Bhai had a couple of boutique shops that sold local handloom products and dresses. Bhabi too did not take it kindly that her husband switched from the boutique business to

catering. As Nayan Bhai says, she still does not like it, but has gotten used to the idea.  
Nayan Bhai did a stint in BTV as a programme assistant, where he built a network of contacts. One such contact was the principal of a college, who invited him to set up a catering facility for students and faculty.  
He got his team ready and off they went, making seven thousand singaras a day. Handling daily cash was quite exhausting for him. He gave up this service after a five year stretch, and focused on institutions.  
As his reputation for devotion and sincerity grew, word of mouth recommendations got him further contracts. His amiable and pleasant personality led to long lasting relationships.  
He catered to a renowned hospital, which gave him a learning opportunity on cleanliness. This experience helped him ensure hospital like standard in all his operations. It was quite an uphill task to get his menial staff to live up to his high expectations.  
However, continuous efforts led them to live up to customer expectations. He says that customers only look at food cost and shy away from service delivery costs. That is why he cannot afford to hire people he will like to have.  
What makes him tick and enjoy this business? He provides employment to nearly 200 people, which is quite an achievement. He also caters to special events. This business enabled him to know and meet people.  
His monthly invoice shows the name of his firm -- Champak. Of a family of eight siblings, Nayan Bhai is also brother to Zillur Rahman Champak, the national chess champion for several years. He has everything to be proud of -- family, food and fun in the workplace.  
The writer is managing director of Syngenta Bangladesh Ltd.