

International Business News

Asian economies seeing growth accelerate: IMF

AFP, Washington

Asia's developing economies are seeing acceleration in 2010, led by an expected 10 percent growth rate by China, the IMF forecast Tuesday as the region recovers swiftly from a global downturn.

The International Monetary Fund allayed markets concerns about immediate risks to China's growth as Beijing moved to tighten liquidity amid soaring inflation and record high bank lending.

In its World Economic Outlook update released Tuesday, the Washington-based fund said Asian developing economies were set to grow at an average 8.4 percent this year as well as in 2011, compared with 6.5 percent in 2009.

China, the traditional global growth driver, was likely to post 10 percent growth this year, the IMF said, raising by one percentage point its 9.0 percent forecast made in October.

But the fund said growth in the world's most populous nation could slow to 9.7 percent next year. China's economy expanded 8.7 percent in 2009.

Chinese gross domestic product, a broad measure of a nation's goods and services output, returned to double-digit growth in the fourth quarter of 2009 at 10.7 percent, Chinese authorities said last week.

Japan's exports rebound on strong Chinese demand

AFP, Tokyo

Japan's exports rose year-on-year for the first time in 15 months in December, helped by brisk demand from booming China, which has become the top overseas market for Japanese goods, data showed Wednesday.

Japan posted a trade surplus for an 11th straight month, calming worries that its economic recovery from the worst recession in decades is faltering due to renewed deflation and weak domestic demand.

Japan benefited from strong growth in Asian powerhouse China, which overtook the United States in 2009 to become Japan's top export destination, a finance ministry official said.

"The focus of the world's growth is shifting to China and other emerging economies," said Kyohei Morita, chief Japan economist at Barclays Capital.

"China will remain a trade partner as important to Japan as the United States in the future," he said.

Exports to China, which is on course to overtake beleaguered Japan as the world's second-biggest economy, shrank 20.9 percent in 2009 from the previous year to 10.24 trillion yen (114.3 billion dollars).



An Indian rickshaw-puller transports empty drums in New Delhi yesterday. The country's wholesale inflation rose sharply in December, data showed in mid-January 2010, bolstering market expectations of monetary tightening by the central bank when it meets later this month.

Obama to freeze pay of top officials

AFP, Washington

President Barack Obama will again freeze the pay of top White House staff this year, as a gesture to Americans suffering during the worst economic crisis in generations, an official said.

Obama is expected to announce the move in his crucial State of the Union address on Wednesday night, which comes at a time when the president's political prospects are shrouded in economic gloom.

The Washington Post, which first reported the plan, said it would build upon a pay freeze introduced by the president last year for officials earning more than 100,000 dollars and senior political appointees across the government.

The report said the Obama pay freeze would also rule out bonuses for all political appointees.

News of the pay freeze comes a day after it emerged that Obama planned to propose a three-year freeze on discretionary spending starting with his 2011 budget in an effort to cut the huge government budget deficit.

Germany raises 2010 growth forecast

AFP, Berlin

Germany, Europe's top economy, will grow more than expected this year, the economy minister said on Wednesday, raising his growth forecast to 1.4 percent from a previous estimate of 1.2 percent.

Rainer Bruederle said he was "cautiously optimistic" for the future of the German economy, one of the world's top exporters, but warned that uncertainty surrounding its development was still high.

"We have got past the trough, but the way back up will be slow and painful," the minister added.

Last year, Germany suffered its worst slump since World War II, with a contraction in output of five percent.

FINANCIAL CRISIS

Uneven recovery tops Davos debate

AP, Davos, Switzerland

The risks of an uneven global economic recovery -- powered by a booming China and held back by unemployment in the US and other wealthy nations -- dominated the agenda Wednesday as the World Economic Forum opened in the Swiss Alps.

The five-day gathering of movers and shakers was assessing a host of issues facing the planet, from disaster aid in the aftermath of Haiti's devastating earthquake to reforms aimed at preventing another financial markets collapse.

But the most pressing concern was steadying a shaky world economy that is likely to face tough challenges in 2010 as rich world unemployment remains high and governments are forced to pull back from lavish bailouts and stimulus packages that have propped up banks and other industries.

"China alone cannot be the only engine of global economic growth," warned economist Nouriel Roubini, who gained prominence as a soothsayer of the current economic crisis. "In the first half, you are going to see the effects of the fiscal stimulus ... in the second half of the year you will see a fall in the US, Europe and Japan."

Some 2,500 participants -- from presidents and CEOs to philosophers and artists -- will debate economic recovery, job creation and the way forward in this picturesque Swiss resort, celebrating its 40th birthday as host of the world's pre-eminent forum for economic and political brainstorming.

French President Nicolas Sarkozy will formally open the event later Wednesday, with other headliners including Presidents Luiz Inacio Lula da Silva of Brazil and Jacob Zuma of South Africa. Former US President Bill Clinton will encourage big business to support Haiti's reconstruction,



The Davos Debates booth is pictured in the Davos Congress Centre on the opening day of the World Economic Forum (WEF) yesterday. Thirty heads of state and government and 2,500 business and academic elites start the 40th anniversary Davos forum to hammer out ways to fend off new storm clouds hanging over the global economy.

while "Avatar" director James Cameron and classical pianist Lang Lang are the event's top cultural representatives.

While in the past Davos has often been a key site for diplomacy, the focus of this year's meeting was clearly the economy and how to rebound from record unemployment.

The UN labour agency said 27 million people lost their jobs last year, with almost half of the losses in North America, Japan and Western Europe. The agency predicted an additional 3 million people in the rich world could lose their jobs or fail to find employment in 2010.

Dennis Nally, global chairman of PriceWaterhouseCoopers, said he was "cautiously optimistic"

about growth this year. But, he warned that a number of problems remained, not least the stubbornly high unemployment in the United States and other industrialized economies.

"It's not a robust recovery from a job creation standpoint," he said.

Roubini, once dubbed "Dr. Doom" for his grim economic assessments, saw some scope for optimism despite crunched credit markets and constrained banks.

"Obama's proposals on banking regulation are finally going in the right direction ... but they are not enough," he said Wednesday. "We should separate commercial banking from investment banking."

Roubini also warned against a

return to the "business as usual" approach that created the crisis, but the chief executive of Britain's Standard Chartered Bank said his industry has been "fundamentally changed" by tighter regulations and supervision.

Governments may even be over-regulating the private sector and stifling growth, Peter Sands suggested.

"The stakes are very high," he said. "If we get it wrong in one dimension, we will end up stifling growth. If we get it wrong in the other dimension we end up with another crisis."

For emerging economies, the mood was mostly positive. While there was concern about an over-reliance on these new engines of growth, Nally suggested that

China and India no longer be included among their ranks.

"It's a little bit unfair to call China an emerging market, India an emerging market and they're in the same category as Chad or Mozambique," Nally said. "In 2014, the GDP of the emerging markets will surpass the GDP of the developed markets. Some of these countries have emerged already. We should come up with a better term."

Some participants found the current economic uncertainty oddly reassuring.

"You see that everyone else is as worried as you are, that they have the same doubts," said Angel Gurria, who heads the Organisation for Economic Cooperation and Development.

COLUMN

MUHAMMAD ZAKIUL ISLAM

Uniquely, warmly Bangladesh

This is the new brand promise of Biman Bangladesh Airlines Ltd, which will be launched today by Honourable Prime Minister Sheikh Hasina. This renewed promise, together with the existing 'Your Home in the Air', is a pledge that indicates where Biman wants to go from here.

Branding is an all too familiar phenomenon in the corporate world of today. This art of messaging and connecting customers with the product has assumed greater dimension and has, of late, become more intense and competitive with globalisation of our times.

Biman's product is universal, so must it create a universal demand for its product and maintain a global image for itself. And that image has to be built on local and homegrown aspirations and precepts.

Airlines have developed different range of branding for themselves. British Airways promises civilised service, the smiling and friendly Singapore stewards fly you to places of imagination, the Lufthansa takes business of flying as a serious matter and makes safety and on-time performance as their goal. Relatively new entrants like Emirates and Qatar Airways are trying to entice customers with aerial comfort up and away from the sultry deserts.

The brand promise also needs to be built up on some premises. The brand gurus call them 'brand pillars' on which the lofty promises are to be built and sustained. Our new promise is built on seven pillars and each one shares the load evenly.

● Bangladesh: Everything beautiful about the Bangladeshi people, culture and destination.



A Biman aircraft with a new look. The national flag carrier promises to brighten its image in global aviation.

- Culture of hospitality: Warm, friendly, festive and attentive care.
- Cuisine: Outstanding taste and presentation for Bangladeshi nationals and visitors as well.
- Team work: Working together with respect, professionalism and honesty for common goals.
- Safety: Relentless focus on safety through aircraft maintenance and operational procedures.
- Reliability: Consistent on-time arrival/departures, efficient baggage handling and fully transparent operations.
- World class: Become world class as a trendsetter and achieve 5-star quality through excellence.

The logo and livery are an

important element of any brand. While the logo typifies and identifies an entity, livery goes a step further in giving a sense and essence of the subject matter.

The logo should be attractive, eye catching, purposeful, meaningful and attention grabbing. The new logo of Biman is a symbol of speed, dynamism and confidence, and the livery is a combination of colours -- our own colours of green and red.

Together, they give a sense of Bangladesh, its primordial scenic beauty, land, culture and people. A picture is worth a thousand words, so the saying goes. The combina-

tion of green and red symbolises our national heritage of peace and serenity, and our natural aspirations of freedom and activity.

The name of the airline is of one other interest that generates both curiosity and enthusiasm. Although the corporate entity of an airline might consist of a combination of words, the present trend is to make it concise so that it easily appeals to the mind and is friendly to the memory.

Hence, Saudi Arabian Airlines is 'Saudia', Emirates Airlines is only 'Emirates' and Singapore Airlines is 'SIA' or just SQ. The flights of Biman Bangladesh Airlines Ltd are identified as 'Bangladesh 001' and

the pilots are simply proud, happy and comfortable with such crisp, yet a clear and telling identity and call sign.

Like in day-to-day life, promises will remain mere words unless they are kept. Promises are meant to be honoured. Brands must be lived and behaved. All our men and women in the air and on the ground must live up to the promise of our brand and behave in a manner to uphold the brand. That is the new brand of Biman. That is the new Biman.

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