

International Business News

India 3G auction may be delayed again

AFP, New Delhi

India's multi-billion-dollar auction of third-generation (3G) radio frequency aimed at giving mobile users faster Internet and other services may be delayed again, reports said Saturday.

The auction for four 3G slots was to be held in February. The delay stems from a lack of space on the airwaves and would be the fourth postponement of the auction in the past year, local newspapers said.

The Times of India and other papers quoted unnamed government officials as saying the sale now would only take place in August or September as the defence ministry could not vacate the airwaves needed for the sale until mid-year.

The auctions for licences for 3G mobile phone services and WiMax wireless broadband services could raise 250 billion rupees (5.39 billion dollars) for the cash-strapped government, Communications Minister A. Raja said last August.

Some reports estimate the proceeds could reach at least 350 billion rupees.

Introduction of 3G services would allow high-speed Internet, video downloads and other sophisticated services on mobile phones.

Toyota chief apologises for massive vehicle recall

AFP, Tokyo

Toyota's president has apologised for the recall of millions of cars around the world due to faulty accelerator pedals, in a setback that has tarnished the Japanese giant's reputation for quality.

"We're extremely sorry to have made customers feel uneasy," Akio Toyoda told public broadcaster NHK on the sidelines of the Davos forum in Switzerland, in his first public remarks on the recall since it went global this week.

"Right now, we are trying to establish the facts and preparing for giving an explanation so anxiety among customers would be removed as soon as possible," he said.

Toyota pulled up to 1.8 million vehicles in Europe on Friday -- the latest in a series of recalls that have affected almost eight million Toyota cars worldwide -- more than its entire 2009 global sales of 7.8 million vehicles.

Toyota, which overtook General Motors in 2008 as the top-selling automaker, has been bedevilled by a series of safety issues that have raised questions about whether it sacrificed its legendary quality to become world number one.



A shopper walks out of Bloomingdale's past a homeless man in New York on Friday. The US economy roared to life in the fourth quarter with a 5.7 percent growth rate, as brisk business spending to replenish inventories offset sluggish consumer activity, government data showed.

Obama promises to rein in US budget deficit

AFP, Washington

US President Barack Obama on Saturday promised to rein the burgeoning US budget deficit, saying it was now time for Americans of different political persuasions "to come together" to solve this problem.

"Because we've heard plenty of talk and a lot of yelling on TV about deficits, and it's now time to come together and make the painful choices we need to eliminate those deficits," Obama said in his weekly radio address.

The White House is forecasting a deficit for the full fiscal year of 2010 of some 1.5 trillion dollars, which would eclipse the record of 1.416 trillion in the fiscal year ended September 30.

John Palmer, dean emeritus of the Syracuse University Maxwell School, warned earlier this month that the future economic prosperity of the United States was "at grave risk" if the government did not change its fiscal course.

Obama said that it was time the US government stopped spending money it did not have.

China's procurement policy deepens strains: US experts

AFP, Washington

The United States' economic relations with China are headed into the rocks, with Beijing's new government procurement policy delivering a major blow, US experts said Friday.

"I think we're going to see the bilateral economic relations with the Chinese deteriorate over the next year or so," said Bill Reinsch, president of the National Foreign Trade Council.

The increasingly strained relations with China were mostly Beijing's fault because the Chinese authorities have backed away from a market-oriented direction and resorted to more subsidies and investment restrictions, Reinsch said.

INTERVIEW

On course to a logistics hub

Top DHL official speaks on efficiency of Bangladesh in trading goods

SOHEL PARVEZ

Bangladesh is moving upward in the world ranking in logistics, and so is the confidence of the global logistics service providers operating here.

Bangladesh is an important market worldwide, says Amadou Diallo, chief executive of South Asia Pacific region of DHL Global Forwarding, one of the four divisions of DHL, the world's leading logistics provider.

"If you consider the size of the market in Bangladesh and benchmark it, the country has almost double the population of Germany," Diallo says in an interview with The Daily Star.

Bangladesh has improved in all dimensions in terms of air and sea freight, and customs operation.

Out of 155 countries, Bangladesh has emerged as an over-performing country in providing efficiency in trading goods.

Its ranking in the global Logistics Performance Index (LPI) is now 79, much above other South Asian countries such as Pakistan, Sri Lanka, Nepal, Bhutan and the Maldives.

In the LPI by the World Bank, Bangladesh retains the second position in South Asia after India.

Also, improved logistics efficiency is in the pipeline as the country moves to scale up infrastructure by investing in road network to join other Asian countries and build deep-sea port.

Bangladesh registered over 5 percent growth in annual output in the past decade.

"It's all going to uplift Bangladesh," says Diallo.

DHL, which was engaged in offering logistics services to local customers through representative since 1984, unveiled its plan last week to expand its reach in Bangladesh's logistics market that is growing on a steady rise in exports and imports every year.

DHL teamed up with a local company -- Trade Clippers Ltd.

The giant in global logistics service sector says it will invest \$10 million in the next three to five years to upgrade its warehousing and cargo handling facilities, develop fashion and logistics industry and improve information system.



Amadou Diallo

Diallo, the Senegal-born executive, says the entry of DHL Global Forwarding will enable Bangladesh to become more logistic-efficient.

"As we are investing and putting in place all the tools that we have and trained people, it will help Bangladesh proclaim to the world that it has the supply chain solutions that are comparable to those existing in the United States, Germany or any other places," he says.

"We think that we can gain 10 percent efficiency in terms of logistics cost because barriers have been broken down."

It is a few years back when DHL decided to invest in Bangladesh, one of the emerging markets because of its consistent economic growth, supported by increased exports and remittance earning.

In the last one decade, per capita GDP (gross domestic product) as well as con-

sumption in the country has doubled, despite having a growing population -- now around 150 million.

With all these factors, Bangladesh is becoming more attractive to foreign investors. "If you ask the investment bankers, they will tell you that a lot of investors are planning to come for investing in Bangladesh," the DHL top official says.

Diallo says DHL wants to organise itself in advance to understand the supply solution needs of both local and foreign investors within and beyond Bangladesh.

"We think if we want to help emerging markets grow and profit from those markets, we need to be there at the beginning than at the end," he says. "We think this is the right time to come to Bangladesh."

The DHL executive says Bangladesh's main export earner apparel industry offers huge scope for logistics service sector.

The government move to link Bangladesh with the other Asian countries through the Asian highway, and allow India to use Bangladesh's seaport also offers potential for a good logistic business in future.

"India has decided to use Bangladesh as a hub. So we, as a logistic company, will really be not so smart if we decide that we won't consider using Bangladesh as a hub," Diallo says.

"I think Bangladesh is a natural hub even for distribution from India to India," he adds.

"Given the infrastructure that is put in place and more investments that are taking place in green areas, we think that in terms of effective supply chain, Bangladesh certainly will become a better hub."

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DAVOS SUMMIT

Regulators tell bankers new rules coming

AP, Davos, Switzerland

Government regulators from the United States and Europe laid out their financial reform plans Saturday before a sceptical banking industry, asking financiers for input but adamant that change was coming with or without their support.

Emerging from the two-hour meeting as its unofficial spokesman, US Representative Barney Frank made it clear that governments were now calling the shots after spending billions to bail out the industry.

Top bankers, by contrast, who came into this week's World Economic Forum buoyed by signs of economic recovery, left somewhat subdued even as they called the closed-door meeting constructive.

"No one got up and said, 'Don't regulate us,'" said Frank, a Massachusetts Democrat who heads the US House Financial Services Committee. "It would have been a waste of their time if they did."

The meeting comes after days of tension at this Swiss Alpine resort over government plans for stricter controls on the financial industry to limit speculation and avoid a repeat of the 2008 meltdown that plunged the world into recession. Bankers have protested, saying the US and other countries risk choking off a gradual economic recovery with regulation they see as heavy-handed.

The event was not on the forum's official agenda, but quickly became the most significant development of the day.

"We are determined to do strong, sensible regulation," Frank said, rejecting any notion that President Barack Obama's administration could sink the economy again with too many new controls on the banking industry.

"That's nonsense," Frank told reporters. "What we're trying globally to recover from is a total lack of regulation."

On the government side, those at the meeting included Lawrence H Summers, Obama's top economic adviser, British treasury chief Alistair Darling, French Finance Minister Christine Lagarde and Jean-Claude Trichet, president of the European Central Bank, which oversees the 16-nation euro zone.

Bankers attending the private talks included Josef Ackermann, chief executive of Deutsche Bank AG, Bank of America Corp. CEO Brian Moynihan and JPMorgan Chase & Co Chairman Jacob Frenkel.

"It was the most constructive dialogue I've seen between policymakers and industry officials and hopefully that's a base people can build from," said Duncan Niederauer, CEO of stock exchange operator NYSE Euronext Inc. "It was the first time I've seen both sides go beyond the rhetoric. There were practical suggestions being discussed."

The banks were asked for their input, Frank said, adding that he believed they got the message that tighter controls were coming.

"Frankly it doesn't matter if they did or didn't," Frank said. "They aren't in charge of this."

Frank said the most important element of the meeting was coordinating and better understanding the various approaches that governments are taking to stabilise and prevent excessive risks in their financial industries.

The aim was not to push for a global financial governing system, Frank said, saying each country could deal with the crisis on its own terms.

"A large part of the discussion was on the regulators, to talk about how we can coordinate so we don't create opportunities for (banks) to move from one place to another to escape regulation," he said, adding that some of the strongest concerns over US developments have come from international regulators.

Frank earlier told The Associated Press that some countries "got used to the US being the least regulated and they almost resent the fact we are going ahead with regulations, that we are taking the lead." He declined to say which national regulators he was referring to.

No one at the Saturday meeting elaborated on any concrete proposals or agreements that were discussed. The head of Britain's Financial Services Authority said the banks didn't ask for anything at the talks. "It was not a negotiation or a debate," Adair Turner said.



Queen Rania of Jordan listens as her husband King Abdullah II speaks during a conversation focusing on the global agenda in 2010 from the perspective of the Middle East at the World Economic Forum in Davos on Friday. The forum is attended by 2500 top politicians, captains of industries and civil society leaders.