

International Business News

Thai economy grows 5.8pc in Q4

AFP, Bangkok  
Thailand's economy grew for the first time in more than a year in the fourth quarter of 2009, boosted by tourism and rising exports, official figures showed Monday.

Gross domestic product (GDP) for the last three months of 2009 was up 5.8 percent year-on-year after four consecutive quarters of contractions, according to data from the National Economic and Social Development Board.

"The growth improved due to positive figures in exports and tourism," said Ampon Kittiampon, secretary general of the board, adding that government stimulus packages had also helped.

Full-year GDP saw a contraction of 2.3 percent, and the board now forecasts growth of between 3.5 and 4.5 percent for 2010, up from a previous forecast of between 3.0 and 4.0 percent.

But Ampon warned that growth could still be hampered by the current suspension of industrial projects worth billions of dollars on Thailand's eastern seaboard owing to environmental concerns.

Exports were forecast to rise 15.5 percent in 2010 while imports are likely to grow by 24.0 percent, with a trade surplus of 11.3 billion dollars and a current account surplus of 12.2 billion dollars.

Rusal says aluminium output down 11pc in 2009

AFP, Moscow  
Russian metals giant Rusal cut its annual aluminium output by 11 percent in 2009 but could increase it this year, the company said in its full year production results Monday.

The world's largest aluminium producer reduced its total aluminium output to 3.9 million tonnes, compared to 4.4 million tonnes in 2008, the company said, calling 2009 "one of the toughest years on record for the global economy."

In the same period, the company slashed its alumina production by 36 percent and bauxite production by 41 percent.

The company predicted an upturn in 2010, saying in a statement that if demand grows as forecast, it plans to produce three percent more aluminium and seven percent more alumina than in 2009.

The company plans to increase aluminium production at its plants in Siberia, Nigeria and Sweden, it said.

Experts forecast a 12.6 percent growth in demand for aluminium in 2010 compared to 2009, "driven primarily by continuing economic growth in China and India," the company said.



AFP  
Customers walk past a clothing shop in downtown Taipei yesterday. Taiwan said it had emerged from its worst post-war recession. Taiwan said it had emerged from its worst post-war recession, as the export-dependent island saw a pick-up in demand from top buyer China and other key markets in the region.

RBS chief to forgo bank bonus

AFP, London  
The boss of Britain's state-controlled Royal Bank of Scotland will refuse his bonus for 2009, the Financial Times reported on Monday.

RBS chief executive Stephen Hester will waive his right to a possible 1.6 million pounds (1.8 million euros, 2.5 million dollars), the bank is set to disclose on Thursday when it unveils annual results.

"He will do whatever is necessary to secure the future of the bank," the FT quoted one person close to Hester as saying.

The bank is 84-percent owned by the British government after a series of enormous state bailouts.

The FT report comes after Barclays bank last week announced that its top executives had shunned their latest annual bonuses amid outrage over pay.

There is widespread public anger about the banking sector's bonus culture, which some observers blame for encouraging excessive risk-taking and helping to tip the world economy into recession.

Novartis gets US approval for meningitis vaccine

AP, Basel, Switzerland  
Swiss drugmaker Novartis AG said Monday that its meningitis vaccine Menveo has been approved for use in teenagers and adults by the US Food and Drug Administration.

Menveo is a vaccine against four common types of bacterial meningitis, which affects between 1,000 and 3,000 people each year in the United States.

The US regulator approved the drug for people between 11 and 55, Novartis said.

Bacterial meningitis causes swelling of the membrane that covers the brain or spinal cord and can lead to death within 48 hours.

Novartis said it is continuing clinical trials for the use of the vaccine in other age groups.

The drug received a positive recommendation from the European Union's regulator in December, and Novartis says it expects full EU approval in the coming months.

TRANSPORT

Electric bikes on a roll in China

AFP, Tianjin  
Chinese commuters in their millions are turning to electric bicycles -- hailed as the environmentally-friendly future of personal transport in the country's teeming cities.

Up to 120 million e-bikes are estimated to be on the roads in China, making them already the top alternative to cars and public transport, according to recent figures published by local media.

"This is the future -- it's practical, it's clean and it's economical," said manufacturer Shi Zhongdong, whose company also exports electric bikes to Asia and Europe.

The bikes have been hailed as an ecologically-sound alternative in a country which is the world's top emitter of greenhouse gases, with their rechargeable batteries leaving a smaller carbon footprint than cars.

But some have expressed concerns about the pollution created by cheaper lead batteries, calling for better recycling and a quick shift to cleaner, though more expensive, lithium-ion battery technology.

More than 1,000 companies are already in the e-bike business in China, with many of them clustered in the eastern coastal provinces such as Jiangsu and Zhejiang, which both border Shanghai.

Another 1,000 firms are producing e-bikes on an ad hoc basis, Shi told AFP during a visit to his Hanma Electric Bicycles factory in the port city of Tianjin, about 120 kilometres (75 miles) north of Beijing.

"The business has exploded since 2006," Shi says, while admitting that the company took a hit last year due to the financial crisis.

Some e-bikes can reach speeds of more than 35 kilometres an hour (21 miles per hour), and a few manufacturers boast their models can last up to 50 kilometres on a single battery charge.

Battery chargers are simply plugged into an electricity socket at home. Most e-bikes also have pedals, except for the bigger, scooter-like models.



AFP  
A worker stands next to electromotive bicycles at the workshop in Tianjin Hanma Electromotive Bicycle Factory in China's northern city of Tianjin on January 13.

Shi was an electrical engineer who worked for a state-owned firm for most of his career, but as he turned 55 and retirement was beckoning he founded Hanma in 1999, investing about 500,000 yuan (75,000 dollars) of his own money.

He is wary of giving exact production figures, but says Hanma is churning out between 50,000 and 100,000 e-bikes a year.

In his company's icy, old-fashioned workshops, several models are lined up: from electric bikes with "green" lithium batteries, made especially for export, to some that look more like mini-scooters.

They are everywhere in the

streets of Beijing -- no licence plates, no driver's licences needed. Enthusiasts say they are a godsend in a city where the number of scooter and motorcycle drivers is restricted.

"I get around traffic jams so easily," said one Beijinger before speeding off from an intersection in the capital, where more than four million vehicles are clogging the roads and polluting the already thick air.

But not everyone is on the e-bike bandwagon -- "real" cyclists have complained bitterly that their once peaceful lanes are now clogged with irresponsible, uncontrollable speedsters.

In December, authorities tried

to re-impose a maximum speed limit of 20 kilometres (12 miles) per hour on e-bike riders, along with licence rules, but the plan caused such a public and industry uproar that it was suspended.

"The rules will never go through. Hundreds of factories would be forced to shut down. And what would those who already own e-bikes do?" Shi says.

In a report released last June, the Asian Development Bank said e-bikes could become "perhaps the most environmentally sustainable motorised mode available" in China.

But it called for the replacement of lead acid batteries and better regulations on the allow-

able weight and speed to keep accidents at a minimum.

Shi says nearly a third of his production goes abroad -- to Asia, notably India, to the European Union and even to the United States.

"There is a big future for electric bikes in Europe, where people are very concerned about saving the environment," he said, explaining that the models with safer but more costly lithium batteries are shipped to EU nations.

Shi says he sells the export models for 400 dollars, as opposed to just 240 dollars for those sold in China. But the bikes can sell for a whopping 1,200 dollars in France and Germany.

MIGRATION

Singapore to curb hiring of workers

AFP, Singapore  
Singapore said Monday it will raise levies to curb the hiring of foreign workers, amid growing unease among locals over the influx of guest workers and immigrants in recent years.

The phased-in increase from July 1 is aimed at reducing dependence on foreign workers, who already comprise almost a third of the city-state's total workforce, Finance Minister Tharman Shanmugaratnam said.

"We should moderate the growth of the foreign workforce and avoid a continuous increase in its proportion of the total workforce," he said in presenting the 2010 fiscal year budget in parliament.

"There are social and physical limits to how many more (foreign workers) we can absorb."

But instead of imposing quotas, Shanmugaratnam said the government will raise the levies paid by companies for every worker they hire.

"This allows the foreign workforce to fluctuate across the economic cycle and enables employers who are doing well and need more foreign workers to continue to hire them rather than be constrained by fixed quotas."

He said the rise in the levies will be phased-in over the next three years.

The government will allot 5.5 billion Singapore dollars (3.9 billion US) in the next five years to help upgrade the skills of local workers to boost their productivity, resulting in higher salaries.



AFP  
People walk past a window display in the financial district of Raffles Place in Singapore yesterday. Singapore said it will raise levies to curb the hiring of foreign workers, amid growing unease among locals over the influx of guest workers and immigrants in recent years.

The move to slow the influx of guest workers follows a recent public backlash over Singapore's open-door policy, with locals complaining that they were having to compete for jobs, housing, medical care and other needs.

Foreign workers have also been blamed for soaring property prices. Singapore had earlier taken

steps to sharpen the distinction between locals and permanent residents in a bid to placate critics that immigrants were getting almost the same benefits.

Singapore's first Prime Minister Lee Kuan Yew recently warned against reducing the number of foreign workers drastically, warning of "low growth, maybe even zero growth" for Singapore as a result.

However, analysts said the move to raise the levy will affect labour-intensive sectors but will ultimately benefit the economy.

"In the short term, it will be more expensive for labour-intensive businesses... like construction," said Ho Woei Chen, an economist with United Overseas Bank.

But in the long-term, it will push the economy towards higher

productivity business activities," she told AFP.

Much of Singapore's growth over the past decade took place between 2004 and 2007 when gross domestic product grew an average 8.0 percent a year.

The workforce surged 5.0 percent annually during those four years, with foreigners accounting for about half of that growth, said Shanmugaratnam.