

International Business News

Toyota repairing leaky oil hoses in US, Japan

AP, Tokyo

Toyota is repairing more than 1.6 million vehicles around the world, including the US and Japan, for potentially leaky oil hoses -- the latest in a spate of quality problems battering the world's biggest automaker.

The fix affects 1.3 million vehicles in North America, including repairs that have yet to be officially announced on 100,000 Highlander crossovers and 215,000 Sienna minivans, Toyota Motor Corp. spokeswoman Riko Takeuchi said Tuesday.

Repairs on 45,000 vehicles in Japan have already been rolled out since October. The problem affects an additional 230,000 vehicles in 90 other nations, Takeuchi said. The models involved in Japan are the Harrier luxury model, Estima minivan, Blade hatchback, Mark X Zio sedan and Vanguard crossover.

Toyota does not consider the latest repair a recall because the problem doesn't endanger safety, and categorizes it as a "service campaign," with owners receiving notices through dealers about the needed repair.

"This is a routine measure," said Takeuchi. "We are not hiding anything."

Taiwan signs 20-year LNG deal with Papua New Guinea

AFP, Taipei

Taiwan's state oil supplier said Tuesday it has signed a 20-year contract with Papua New Guinea to import liquefied natural gas as the island seeks to diversify overseas energy sources.

CPC Corporation Taiwan said that under the agreement it will import 1.2 million metric tonnes of LNG from US energy giant ExxonMobil's Papua New Guinea project each year beginning from December 2013.

The deal, resulting from two years of talks, follows "the government's policy of expanding the use of liquefied natural gas," CPC said in a statement.

It would begin "a new and lasting relationship between Taiwan's largest energy importer and PNG's first LNG project," said ExxonMobil Gas and Power marketing's vice president for LNG, Ron Billings.

Billings said the deal was a significant step for the 15 billion US dollar PNG project, which is tapping into huge Asian demand for cleaner-burning fuels, with all of its production capacity now committed on a long-term basis.

Lufthansa reports switch into annual net loss

AFP, Frankfurt

German airline Lufthansa on Tuesday reported a 2009 net loss of 112 million euros (151 million dollars) after net earnings of 542 million euros in 2008.

The company said that consequently it would not pay a dividend.

Lufthansa, suffering from a sharp slide in demand in response to the financial crisis last year, said sales fell 10 percent to 22.3 billion euros.

But at the operating level, the company managed to turn a profit of 130 million euros, albeit well off the 2008 figure of 1.3 billion euros.

A company spokesman said the annual net loss was Lufthansa's first since 2003.

Despite the shortfall, Lufthansa was showing a gain of 2.14 percent to 11.34 euros in mid-day trade on a Frankfurt market that was stronger overall.

The company is to provide a fuller account of its annual figures on March 11.

ArcelorMittal loses court challenge on emissions

AP, Brussels

The world's largest steel maker ArcelorMittal SA on Tuesday lost a legal challenge that sought to exempt it from the European Union's greenhouse gas cap-and-trade system.

The EU's general court said the company could not annul the EU law that issues pollution permits to major carbon dioxide emitters and loads them with costs if they pollute more than allowed.

The court said ArcelorMittal's claims that the EU program damaged its right to do business and to own property were "inadmissible." It also says the company has no grounds to seek damages. The company can appeal the ruling within two months.

ArcelorMittal spokesman Jean Lasar said the steel maker is still concerned that the European emissions trading system "might put an excessive strain on the EU steel industry's competitiveness and threaten steel making jobs."



A private security officer stands guard during preparations for India Aviation 2010 show at Begumpet Airport in Hyderabad yesterday. The five-day event kicks off today and will wrap up March 7. Over 200 companies will showcase the latest global aerospace technology at the exhibition, which offers opportunities for them to do business in India.

LIFESTYLE

Economic life carved in history

Asiatic Society seminar turns the spotlight on 400 years of Dhaka

SAYEDA AKTER

It was a special end to the celebrations to mark 400 years of Dhaka. Seminars and sessions focusing on different aspects of history, economy and culture were nearly fairytale-like -- just crafted with facts.

Experts and historians from Bangladesh and India reminded the audience that the economic life of Dhaka was fairly busy even before the city became the capital of Bengal Suba in 1608.

In his paper titled Economic Life of Dhaka (1608-1947), Dr M Mufakharul Islam, professor of history at Dhaka University, said developed indigenous industries and better transport through rivers of this region were the two major factors that promoted economic growth.

He wrote the paper jointly with Delwar Hassan for the three-day international seminar on 'History, Heritage and Urban Issues of capital Dhaka', organised by Asiatic Society of Bangladesh at Dhaka University last month.

"At that time, growth was mainly led by famous fine muslin makers and spice traders, who made international footprints by exporting goods through waterways, where Dhaka's rivers and canals played a vital role," he said.

"According to Chinese and Greek travellers, Savar and Bikrampur, the adjacent areas of Dhaka, started flourishing as trade centres mainly from the 11th century during the end of the Pala dynasty and initial period of the Sena dynasty," the history professor added.

Along with trade relations with China, Greece and Italy, the ancient city's economic life was dependent on agriculture and craftsmanship, supported by recent excavation at Wari-Bateswar.

However, Dhaka emerged as a thriving commercial and industrial centre after the Mughal rulers shifted the capital of Bengal from Rajmahal to Dhaka.

The political change brought significant transformation in the local economy, as the Mughals brought a huge number of artisans and royal court staff, who introduced a new economic way of life



Handcrafted textile was a major trade item in the Mughal era.

with multiple professions, he said.

"Then, as a manufacturing town, a centre of conjunction and a Saha Bandar, Dhaka attracted merchants and traders from different parts of India and overseas.

It also created a great number of shroffs, bankers, podders and mahajans, who played a vital role in the city's economic and social life," said Islam.

"Handcrafted textiles, milk products, jewellery, pottery, paper making and boat building were the principal trade items during the Mughal and Nawabi era," he said. "Dhaka's commercial excellence and economic prosperity presented lucrative opportunities for traders from Armenia, France, Portugal, Greece and the United Kingdom."

The influx of foreign traders influenced gradual economic growth and socioeconomic aspects of the city considerably, as they had set up their Kuthir, agency houses and factories in and around Dhaka, Islam added.

However, the transition from

Mughal to the East India Company rule in Bengal led to many institutional changes, especially to manufacturing and economic systems.

Modern banking evolved in Bengal in the British period with the establishment of the Hindustan Bank in Calcutta (now Kolkata) in 1700.

But the Bengal Bank, established in 1784, is considered to be the first British-patronised modern bank in India to start trading in credit and money, which had loan offices in major towns in the then East Bengal.

When the city lost its political and administrative significance in the early eighteenth century, the indigenous industries declined due to the unfavourable British policy towards the textiles industry in the subcontinent.

With other crafts remaining more or less unchanged, muslin weavers were converted into farmers, goldsmiths or got involved with trading activities at the time.

In the eighteenth century, a huge trading and manufacturing class developed in Dhaka, includ-

ing foreign mercantile companies, factory weavers, banians, gomostas, brokers, pikers, mohajans, podders, craftsmen, washer men, palanquin-bearers, painters, weavers, craftsmen, gold and silver smiths and shopkeepers.

"All these imply at the existence of a high consumer class as well as a working class in Dhaka," said Islam.

"A mint-house, where the official coins of a country are made, was set up to meet demand, and podders, sheth and bankers flowed in from different parts of Bengal."

Among the locals, Sahas and Basaks, two entrepreneur classes, led Dhaka's business considerably, the paper said.

In addition, the rise of landed market, large pieces of land generally belonging to a family for several generations, was another significant aspect to the city's economy. The participation of company servants in Dhaka's business was an added factor to this effect, he explained.

Trade in European goods

became a new source of wealth for the city. Although the textiles industry was declining by that time, there was gradual growth in the leather and jute industries, and this commercial revival gave a new boost to the economic life of Dhaka.

Dhaka recaptured its royal status when it was again made the capital of Eastern Bengal and Assam in 1905, though the cancellation of the Bengal partition in 1911 was a setback to economic growth of the city, said Mufakharul Islam of Dhaka University.

At that time, revival of jute markets and business marts in and around Dhaka and emergence of Narayanganj as a substantial port city configured a new pattern in economic order, according to the paper.

However, in 1947, Dhaka again experienced a new socioeconomic life at the arrival of migrants following the partition of India, when the city became the capital of East Pakistan.

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AUTOMOBILE

GM joins recall race

AFP, Washington

General Motors has announced it will recall 1.3 million cars in North America over a potentially faulty power steering motor following a federal probe into the problem in January.

The recall would cover 2005- through 2010-model year Chevrolet Cobalts and 2007-2010 Pontiac G5s, along with similar models in Canada and Mexico, the top US automaker said in a statement late Monday.

Complaints had been filed about power steering failures that could make the vehicles difficult to control.

"After our in-depth investigation, we found that this is a condition that takes time to develop. It tends to occur in older models out of warranty," GM vice president of quality Jamie Hresko said in the statement.

"Recalling these vehicles is the right thing to do for our customers' peace of mind," he added.

The US National Highway Traffic Safety Administration launched a probe of 905,000 Chevrolet Cobalts earlier this year after receiving more than 1,100 consumer complaints, which included reports of 14 crashes and one injury.

GM WILL MORE THAN TRIPLE TURNAROUND FUNDS

Another report from Frankfurt adds: The automaker said Tuesday it would more than triple its contribution to a rescue of ailing European division Opel/Vauxhall, providing more than half the total after calls from European governments.

Opel said in a statement that GM would invest 1.9 billion euros (2.6 billion dollars) "as part of its commitment to the European viability plan," more than three times an initial offer of 600 million euros.

Opel/Vauxhall chief executive Nick Reilly called the decision "the right course of action"



The photo taken on August 3, 2009 shows GM cars on sale at a dealership in Yonkers, New York. General Motors has announced late Monday that it will recall 1.3 million cars in North America over a potentially faulty power steering motor following a federal probe into the problem in January.

for the company and said it "should clearly signal our determination to fix our business."

The funds would be provided in the form of both equity and loans, Reilly added.

GM had initially estimated Opel/Vauxhall

would need 3.3 billion euros to get back on track, before European governments called for an additional 415 million "to offset the potential impact of adverse market developments," the statement said.

With GM putting up 1.9 billion euros of the new total, 3.7 billion euros, governments would be asked for less than two billion euros in loan guarantees, compared with 2.7 billion initially, it added.