

International Business News

Google wins EU ruling in fake luxury goods case

AP, Brussels

Google Inc won a key EU court ruling Tuesday that says it did not violate luxury goods trademarks by allowing counterfeiters to buy brand names as advertising links -- but could face legal action if it doesn't pull problem ads swiftly.

The world's most used search engine won some legal protection against future cases after the EU's highest legal authority said it could not be held liable for advertisers' requests to place ads -- as long as it removes them when it is told the ad misuses a trademark.

The company is not completely in the clear, however. The European Court of Justice said the French companies who took the case -- headed by LVMH Moët Hennessy Louis Vuitton -- could still claim for compensation in a French court if it rules that trademark misuse damages their brands.

The EU court left future decisions on Google's liability to national courts, saying they should examine whether the search engine's role in accepting ads directly on its web site is "neutral... pointing to a lack of knowledge of, or control over, the data which it stores."

Germany digs in against Greek rescue

AFP, Brussels

Germany insisted on Tuesday it would not jump to the rescue of debt-laden Greece, digging in against fierce pressure from its euro area partners days ahead of a crucial EU summit.

Despite efforts by the European Commission to push national leaders to agree rescue plans this week, France also softened its position in recognition of deepening divisions in Europe on the crisis.

Commission chief Jose Manuel Barroso said European "solidarity" with Greece would help stabilise the eurozone, in remarks to the Financial Times on Tuesday.

However, Germany, Europe's economic powerhouse, argues that rescuing Greece now would take away the incentive for the Greek government to enact reforms to cut its huge budget deficit.

S Korea govt seeks approval for \$14.6b city

AFP, Seoul

South Korea's government sought parliamentary approval Tuesday to develop a new city into a 14.6-billion-dollar science and education hub, scrapping plans to relocate several ministries there.

The bill submitted to the legislature Tuesday faces an uncertain future, with both the main opposition party and a sizeable faction of the conservative ruling Grand National Party (GNP) opposed to it.

In a politically risky move President Lee Myung-Bak's government in January scrapped a plan announced in 2005 by his liberal predecessor Roh Moo-Hyun to move nine ministries and four agencies to Sejong City.

The Lee government said it would be inefficient to split the nation's capital and instead announced plans to develop a science, business and education hub at the city, under construction 150 kilometres (95 miles) south of Seoul.

Qatar looking to invest more in Germany

AFP, Frankfurt

The Gulf emirate of Qatar is looking for more German investment opportunities after becoming the third biggest shareholder in Volkswagen, a top official told the business daily Handelsblatt.

"In Europe, and particularly in Germany, there is a whole series of interesting companies that we are going to look at," deputy prime minister Abdallah ibn Hamad al-Attiyah said in comments published on Tuesday.

Germany "now seems to be open again to investment," he added in reference to efforts two years ago to limit the access of sovereign wealth funds from Gulf countries, China and Russia to German companies.



Maruti's one millionth car rolls out of the Maruti Suzuki plant in Manesar yesterday. India's leading passenger car company Maruti Suzuki announced it had joined the global club of carmakers manufacturing at least one million cars a year. General Motors, Volkswagen, Toyota, Ford, Honda, Renault, Hyundai, Suzuki and Nissan are among the vehicle companies which boast production of a million units or more each year.

AGRICULTURE

A sub-sector picks up steam

SOHEL PARVEZ

The growing interest of farmers in mechanised cultivation has opened a window of opportunity for imports and locally-made machinery and spare parts.

Overwhelmed with responses, marketers and manufacturers said demand for farm implements are rising by the year.

"The overall market for farm implements and spare parts stood at Tk 3,000 crore in 2009 and it is growing," said FH Ansarey, executive director for ACI's Agribusiness Division.

Power tillers, tractors and engines account for almost half of the total market, he said.

Industry insiders said the market for farm machinery began in 1990. Since then, sales of irrigation pumps, engines, power tillers, sprayers, paddy and wheat threshers, and above all, tractors have increased.

To feed demand for spare parts, repair and maintenance services for agri-equipment, along with the establishment of a foundry industry, around 10,000 engineering workshops have been set up around the country, analysts said. This resulted in the creation of tens of thousands of jobs.

Imported engines, tractors and power tillers meet almost all of domestic demand.

Demand for paddy and wheat threshers and maize shellers is met by local manufactures. Also, locally manufactured spare parts of power tillers and engines are competing with imported counterparts.

However, about 40 local foundries, which are concentrated mostly in Bogra, meet demand for centrifugal pumps for shallow tube wells and low lift pumps, and liners and pistons.

"We (local foundries) meet



Sales of locally assembled power tillers and other equipment register growth, thanks to around 500 manufacturing workshops.

around 80 percent of the demand for spare parts of agricultural machinery," said Ainul Hoque Sohel, president of Foundry Owners Association of Bangladesh (FOAB).

He said most foundries were developed to focus on the need for spare parts in the farm sector.

One factor behind the rise in demand for agricultural machinery is the availability of spares parts and maintenance in suburban areas, said Md Abul Kalam Azad, general manager of Chittagong Builders and Machinery Ltd, one of the oldest importers of power tillers and engines.

"When we began, power tiller importers could sell around 5,000-6,000 units a year. Now, annual sales are close to 40,000 units."

Demand for tractors is also on the rise, said Sadid Jamil, managing director of The Metal (pvt) Ltd, a leading seller of tractors in Bangladesh.

In line with a rise in sales of imported farm machinery, the sales of locally assembled power tillers and other equipment are also registering growth, thanks to around 500 manufacturing workshops.

Gulam Rabbani Chowdhury, managing director of Alim

Industries Ltd, one of the oldest farm machinery makers, said the company has scaled up production of farm implements, such as assembling of power tillers and threshers.

"Initially, we used to make less than 100 threshers a year. Now, we manufacture over 6,000 closed drum threshers a year."

Rabbani said there is huge domestic demand for implements but local manufacturers face difficulties in tapping the potential due to high import duties on some machinery inputs.

"As a sub sector of agriculture, we also cannot enjoy low cost bank

finance," he said.

Ainul Hoque Sohel, president of Foundry Owners Association of Bangladesh (FOAB), also said import duties and taxes on raw materials for spare parts hurt the competitiveness of locally made spare parts against imports.

"We have to bear additional costs to pay duties, VAT and taxes, whereas the import duty on spare parts is nominal," he said, urging the government to develop the local foundry industry.

THE NEXT STORY IN THE SERIES COMES OUT TOMORROW. sohel@thedailystar.net

EMPLOYMENT

Wealth, boredom at heart of Australia's mining

AFP, Cape Preston, Australia

Eyes narrowed through a plume of cigarette smoke, mine worker Anthony Saccoccio stares out across the vast baked plains of Australia's economic powerhouse.

A film of iron-rich red dust lends a tinge of rust to the buildings and cars and there's little respite from the punishing desert heat.

Posters in English and Chinese remind workers to drink often, and much -- up to 10 litres (two-and-a-half gallons) a shift -- while cyclone warning signs are a constant reminder of the Pilbara coast's exposure to Mother Nature's worst.

"Some people bitch, but this is not the Hilton, it's a mining camp," says Texas-born Saccoccio, a senior engineer at Citic Pacific Mining's Sino Iron project.

"I've worked in the Middle East, Russia. I've worked in war zones. Compared to some other jobs this is pretty good."

Saccoccio is among thousands of 'fly in, fly out', or FIFO, workers who converge on the rugged Pilbara region to work in Western Australia's lucrative oil, gas and mining projects.

For two out of every three weeks he calls an air-conditioned shipping container known as a "donga" home, 1,500 kilometres (900 miles) from his family in Perth.

"I come up here to get away from her!" he jokes about his distant wife, offering a resigned shrug. "She's used to it."

Four cyclones have hit the region in as many months, and summer temperatures exceed 50 degrees Celsius (122 F). Pilbara comes from the local Panyjima tribe's name for the area, bilybara, which means "dry".

Western Australia is the engine room of the country's economic "wonder from Down Under". A resource-rich province 4,000 times the size of Singapore but 70 percent desert, it produces more than one-third of Australia's total exports.

About 15 percent of the world's total iron ore exports come from the remote and rugged Pilbara region alone, which accounts for



A train carrying iron ore is emptied for loading onto bulk carriers at Rio Tinto's port facilities near Dampier in Western Australia on March 4. About 15 percent of the world's total iron ore exports come from the remote and rugged Pilbara, which accounts for 35 percent of the global seaborne iron ore trade -- crucial to the booming Chinese economy.

35 percent of the global seaborne iron ore trade -- crucial to the booming Chinese economy.

Most workers are lured to the mines by the money, with salaries starting at 100,000 dollars (92,000 US) per year.

But Saccoccio works long shifts, 12 hours a stretch, and though the mining companies endeavour to provide all the creature comforts -- cable television, tennis courts, a pool -- boredom and depression come with the territory.

"If the Pilbara is the heart of the economy then the workers are its soul, and the conditions are tough," explains Brad Upton, from the Construction, Forestry, Mining and Energy Union.

"It's hot, humid and isolated. There would be no ships full of iron ore, gas or other metals without huge sacrifices made by the workers."

Prohibitive living costs, including weekly rents in excess of 2,000 Australian dollars make it impossible for most families to live in the

Pilbara, with social disconnection and family breakdowns common due to long periods of separation, Upton said.

"Development of new housing to reduce rent and cost pressures in the area is vastly restricted because so much land is situated on flood plains and the coastal area is the most cyclone-prone region in Australia," he added.

Houses with swimming pools, yachts and flat-screen televisions are a common sight in the town of Karratha, established some 50 years ago as a mining centre by Anglo-Australian resources giants BHP Billiton and Rio Tinto.

The palpable wealth jars with the landscape of red dirt and salt flats, but there are vast amounts of disposable income ringing through the tills of the local home electronics store and the town's alcohol stores and pubs.

Hundreds of grimy workers pack into the Karratha Tavern to drink their earnings every night, a sea of dusty coveralls and steel-

capped boots gathering to bet on horseracing and joke with the bikini-clad bar staff.

WA premier Colin Barnett says life in these transient, male-dominated towns is "unusual" and social problems are not uncommon, but rejects descriptions of it as the "Wild West".

"It's not the mining towns of the Gold Rush days and that sort of romantic image. People up there are highly trained, very skilled, and work long hours long days," Barnett said.

"They simply work, eat and sleep and then they fly back."

The influx of workers is set to explode in the next 12 months as construction begins on a series of massive projects in the region -- notably the 37 billion US dollar Gorgon offshore gas plant, which will require 6,000 workers for the first phase alone.

"That project will be one of the largest projects anywhere in the world," explains Anne Nolan, director-general of the office of

state development.

On the most conservative modelling, the Chamber of Minerals and Energy estimates the state will need another 27,000 workers by 2014, and warns the number could be as high as 36,000.

Labour pressures and the housing crisis have serious impacts on the provision of services in mining towns, with a shortage of doctors, nurses, teachers and police officers who, quite simply, have nowhere to live.

It's a situation set only to intensify as the global slowdown recedes and the sector returns to boom times, with the Reserve Bank of Australia predicting stellar growth which could run for at least 20 years.

"Our capacity to achieve that is a major challenge," said Nolan.

For workers like Saccoccio, however, the money will always talk.

"The heat's not so bad once you've got a breeze," he said, stubbing out his cigarette.