

International Business News

Ericsson lands contracts worth \$1.8b in China

AFP, Stockholm

Swedish telecom giant Ericsson said Monday it had won contracts to provide equipment to two of China's largest operators, China Mobile and China Unicom, to the tune of 1.8 billion dollars (1.3 billion euros).

"With a potential customer base of 1.3 billion, telecom operators are now taking steps to further expand and boost China's communication infrastructure and related services," Ericsson said in a statement, adding that it had signed "2G/3G frame agreements with China Mobile and China Unicom.

The Swedish company said it had won a one-billion-dollar contract with China's top operator China Mobile to this year provide it with equipment to "dramatically boost the capacity of the network and evolve it into an IP network."

Ericsson had also agreed to provide China Unicom with a faster 3G network, and to supply IP routers, fiber access and other technologies worth 800 million dollars, also by the end of this year.

"A steadily rising number of the Chinese population is going mobile.... Today, 99 percent of the population has mobile coverage, thanks to operators' recent network expansion to rural areas," Ericsson said.

China to grow 12pc in first quarter: State media

AFP, Beijing

China is expected to grow 12 percent in the first three months of this year due to faster-than-expected factory output, a senior government researcher was quoted by state media as saying Monday.

But the pace of growth might slow in the second quarter, said Yu Bin, a director at the State Council Development Research Centre.

Yu did not provide a reason for the expected slowdown. Some private economists have raised their first-quarter forecasts to 13 percent from 11 percent previously after industrial output in February grew 20.7 percent on-year from 18 percent in the December quarter, the Shanghai Securities News said.

Industrial output figures for January are not available. Industrial production measures activity in China's thousands of workshops and factories and is considered one of the main barometers for growth in the export-dependent economy.

The world's third largest economy expanded 8.7 percent in 2009 and 10.7 percent in the fourth quarter of 2009 -- the fastest pace in two years -- on massive public spending and rampant bank lending.



British Prime Minister Gordon Brown (2nd R) signs a low-carbon energy agreement as President and CEO of German industrial giant Siemens AG Peter Loescher (Front L), British Energy and Environment Secretary Ed Miliband (2nd L), and Business Secretary Lord Mandelson (R) look on in London yesterday.

Greece issues seven-year bond

AFP, Athens

Greece launched a seven-year bond issue on Monday to raise billions of euros, the government debt office said, four days after the European Union agreed on a financial safety net for the debt-laden country.

No figures were available for the operation, but a market source said the amount would depend on investor demand.

Greece has an urgent need to raise money because it has to ensure funding by May to repay debt of 20 billion euros (27 billion dollars).

The Greek debt problem has caused a deep crisis in the European Union and eurozone, and has caused the euro to fall.

The yield on Greek 10-year bonds rose again on Monday to 6.208 percent compared to 6.193 percent late Friday. The rate had gone up to almost seven percent earlier this year as investors worried over a default.

Rapid US growth could come soon: IMF chief

AFP, Warsaw

The US economy looks set to return to relatively rapid growth soon, International Monetary Fund chief Dominique Strauss-Kahn said here on Monday.

"The US economy, whilst it has been hard hit by the crisis, may recover rather rapidly," Strauss-Kahn said in a speech at the Warsaw School of Economics, during a visit to Poland.

"It's a flexible economy," noted Frenchman Strauss-Kahn, who is managing director of the Washington-based global lender.

"We'll see how rapid the recovery in the US economy can be. But I'm rather confident that the US economy will grow rather rapidly again quite soon," he added.

INTERVIEW

Recipe for celebration

CanCham president is upbeat on annual trade between Bangladesh and Canada

REFAYET ULLAH MIRDHA

Bangladesh's exports to Canada grew by 26 percent in the troubled year of 2009, when the world suffered the worst of financial crises.

It is time to celebrate. Canada Bangladesh Chamber of Commerce (CanCham) is set to mark a milestone achievement in annual two-way trade worth \$1.4 billion tomorrow.

In times of a financial crisis, exporting countries generally need to diversify products and markets to stay afloat. In its own way, Bangladesh has tackled the first phase of the recession with robust growth of the readymade garments sector with diversified export destinations.

Canada is one of the bright spots for Bangladesh apparels. Bangladesh exported goods worth \$808 million to Canada in 2009, up from \$648 million in 2008. Garments and textile products took up about 96 percent of total exports in 2009, followed by fish and leather products.

After India, Bangladesh is the second largest exporting country to Canada from the South Asian region, enjoying duty-free market access since 2003.

"We have immense potential for export to Canada and we should explore it," said Masud Rahman, president of the Canada Bangladesh Chamber of Commerce (CanCham) in Bangladesh, in an exclusive interview with The Daily Star.

Canada exported \$626 million worth of goods to Bangladesh in 2009, which is a 118 percent rise from \$286 million a year ago. Of total domestic imports, agri-food commodities accounted \$542 million and machinery, metal, pulp and paper for the rest.

Canada's primary imports included readymade garments (RMG), fish, bicycles, textile fabrics and yarn, footwear and ceramics. The main Canadian exports included iron and steel, vegetables, cereals, machinery, oil-seeds, electric machinery and pharmaceutical products, Rahman said.

He said Bangladesh could export porcelain or china, jute and quality jute goods, ceramic tableware and kitchenware to Canada. ICT is also a bright export worthy sector for Bangladesh because of an abundance of cheap labour, he added.



Masud Rahman

Rahman said over 30,000 information and communication technology firms in Canada make over \$140 billion in revenues a year. Their global appeal lies in particularly strong wireless and security technologies, digital media, software and computer services, and e-health.

The CanCham boss also said IBM, Ericsson, Electronics Arts, Ubisoft, SAP, EDS, Microsoft, Motorola, Nokia and Intuit are either operating in Canada or working closely with Canadian partners through

direct investment, partnerships, strategic alliances and joint ventures, subcontracting, and research and development (R&D) collaborations.

The Communication Research Centre Canada (CRC) is the Canadian government's primary laboratory for R&D in advanced telecommunications. CRC is the only national laboratory with expertise in wireless, broadcasting, satellite and fibre optics, components and systems.

"Bangladesh can approach Canada to materialise its 'Digital Bangladesh'

programme," Rahman said. "Bangladesh should negotiate with Canada as this North American country has become an important trade partner."

Since, the power and energy situation is taking a toll on the economy, the government can seek assistance from Canadian experts in this connection, he said. The North American nation has vast expertise in gas exploration, he added.

On prospects of FDI, Rahman said the doors have been opened for Canadian investors to invest in Bangladesh.

A lot of Canadian investors are coming to Bangladesh, either individually or for joint ventures, to invest in RMG or pharmaceuticals, he added.

He suggested both the government and private sector investors to arrange roadshows at Calgary, the centre point for oil and gas companies, to attract potential Canadian investors in the energy sector.

Bangladesh can import Bombardier aircraft from Canada to increase regional air connectivity, he said, adding that many Bangladeshi businessmen can import such kind of small aircraft to fly to countries like India, Pakistan, Nepal and Bhutan.

Rahman said Bangladesh can enjoy the facilities of the Export Development of Canada (EDC), which is Canada's export credit agency and a crown corporation that provides financing and risk management services to Canadian exporters and investors in up to 200 markets worldwide.

In 2007, EDC's services and deal structuring capabilities helped facilitate \$77 billion in transactions for Canadian companies, he said.

Approximately 90 percent of EDC's customers are small and medium sized businesses. Canadian companies utilise EDC's services in virtually every world market, however, these services can be particularly effective in facilitating trade and investment in emerging markets that are opportunity rich, but may also pose increased levels of risk, he said.

The Bangladesh government must address the issues over power and gas, and standard infrastructure to ensure FDI, he concluded.

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AVIATION

Fresh BA strike spreads crisis

AFP, London

British Airways cabin crew and their bosses faced off Monday for a fresh day of industrial action, in a dispute that has fuelled an increasingly fierce row between the prime minister and his rivals.

Employees from the Unite union, which represents 12,000 BA cabin crew, entered the third day of their four-day strike, heaping fresh misery on thousands of weary passengers.

The airline and the union spent the weekend trading blows over the impact of the strike, which is the second bout of industrial action by the crews in a week over the carrier's planned changes to pay and conditions.

BA claimed the number of cabin crew who had turned up for work Saturday was 63 percent, which they said was higher than during last week's strike -- but Unite disputed this claim and said more than half had joined the strike.

Just weeks before an election expected on May 6, opposition Conservative leader David Cameron used the strike to attack Prime Minister Gordon Brown, whose Labour party receives much of its funding from Unite.

Cameron told the BBC Sunday that Brown had displayed "weakness" in his response to the BA dispute and another planned strike by railway workers, saying this was "partly because he's hocked to the unions".

"The unions have scented weakness in the government and that's one of the reasons why we're seeing quite so many strikes," he added.

Brown hit back in a separate BBC interview, saying there had been "far greater industrial peace" in the past 13 years of the Labour government than there had been



British Airways aircraft sit parked at London Heathrow Airport during the third day of a four-day strike yesterday.

in the previous 18 years of Conservative rule.

"We have been very tough about this British Airways strike, we've said its not in the public interest, it's not in British Airways' interest and we've said we don't think it's in the workers' interest," he said.

Talks between BA and Unite, Britain's largest trade union, broke down on the eve of the first strikes on March 20 and there is no date for them to resume.

The strikes centre on what the union says is BA chief executive

Willie Walsh's "slash and burn strategy" to cut costs, which Unite claims would lead to a two-tier workforce and damage standards of customer service.

But Walsh has warned the loss-making airline could fold in a decade unless the changes he wants are carried out.

"We are trying to transform the way we operate because the industry is changing and the economic conditions have changed so radically that we've got to change," he told the Daily Telegraph Saturday.

He added: "If we don't do this, BA won't exist in 10 years."

Striking cabin crew set up picket lines outside Heathrow airport on Sunday, waving flags and banners and singing derogatory songs about Walsh, who the union has accused of bully tactics.

Heathrow's Terminal 5, which operates only BA flights, was quiet Saturday and some passengers voiced anger at the walkout.

"I think the strikers are the ones in the wrong. I just think that in a recession they should be grateful

for a job," said 22-year-old Josh Philpotts, who nearly lost work because of a cancelled flight but managed to book another.

In an internal message to staff, Walsh said that on Saturday, the strike's first day, 63 percent of crew scheduled to work had reported for duty, which was six percent more than last weekend's walkout.

But Unite claimed 331 cabin crew had declared themselves on strike with a further 21 sick, which meant more than 50 percent of those rostered to work had joined the walkout.