

International Business News

British economy grows by 0.4pc in fourth quarter

AFP, London
The British escaped from a record-length recession in better-than-expected shape during the fourth quarter of 2009, official data showed on Tuesday.

Gross domestic product -- the value of all the goods and services produced in the economy -- grew by 0.4 percent in the three months to the end of December, the Office for National Statistics (ONS) said in a statement.

The third and final estimate was stronger than the previous reading of 0.3-percent expansion that was given last month. Market expectations had been for no change.

The upward revision was driven by improved readings in the services, construction and agricultural sectors.

As a result, the ONS said the economy shrank by 4.9 percent last year, which was a slight improvement on the prior estimate for a contraction of 5.0 percent.

News of stronger-than-expected economic growth comes with just weeks before Prime Minister Gordon Brown is expected to face a general election on May 6.

The last three months of 2009 marked the end of a deep recession following six successive quarters of contraction.

On an annual basis, British GDP shrank 3.1 percent in the fourth quarter, compared with the October-December period in 2008, the ONS added. That was marginally less than the previous reading of a 3.3-percent contraction.

Toyota promises quicker response on quality issues

AP, Toyota, Japan
Toyota promised Tuesday to respond faster to customer complaints as it held its first meeting of a committee of quality experts set up to help salvage a reputation battered by massive recalls and reports of runaway vehicles.

Toyota Motor Corp. appointed chief quality officers in key regions - including North America - where the biggest problems have surfaced to convey customer complaints quickly to its headquarters. It promised to include outside experts in evaluating quality measures.

"Listening to consumer voices is most important in regaining credibility from our customers," said Toyota President Akio Toyoda at a news conference after the quality committee met. "We are setting up a system to respond more quickly to complaints."

The quality committee meeting brought together 70 executives and autoworkers from Toyota's global operations at the automaker's headquarters in central Japan.

At the news conference, Toyoda said the company needs to listen more carefully to proposals for better quality, including what drivers are saying.

The company said the quality committee will issue its first report in June and will meet regularly to exchange insight and tackle safety issues.



Indian pedestrians walk past the entrance to a Standard Chartered bank in Mumbai yesterday. British based Standard Chartered Bank plans to raise over \$500 million through an Indian depository offer, becoming the first foreign firm to list through this route in India, the bank said.

HK's Hutchison Whampoa reports 12pc rise in profits

AFP, Hong Kong
Hong Kong's Hutchison Whampoa said Tuesday net profit rose 12 percent last year, as gains from property sale and the sale of assets more than offset losses at its energy and 3G technology units.

The port-to-telecoms conglomerate, headed by Hong Kong's richest man Li Ka-shing, said in a statement to the city's stock exchange that net profit was 14.17 billion Hong Kong dollars (1.8 billion US) in 2009, up from 12.68 billion dollars in 2008.

The result was lower than the average forecast for a net profit of 15.54 billion dollars in a poll of six analysts by Dow Jones Newswires.

The group's total revenue dropped 14 percent to 300.55 billion dollars, mainly because of a business slump at its Canada-listed affiliate Husky Energy resulted from sharp declines in oil and gas prices last year, it said.

And income at its ports division dived 16 percent due to lower trading activity amid the global financial crisis, the statement said.

McDonald's to nearly double China outlets in three years

AFP, Shanghai
McDonald's said Tuesday it plans to nearly double its number of outlets in China by the end of 2013 as the US fast-food giant seeks to expand its presence in the world's biggest developing economy.

The company aims to boost the number of its outlets in China to 2,000 from around 1,100 in three years, Dow Jones Newswires reported, citing Tim Fenton, the company's president of Asia-Pacific, Middle East and Africa.

McDonald's will open 150-175 outlets in the country this year, its China chief executive Kenneth Chan said.

The company, the epitome of free-market US capitalism, opened its first outlet in communist China in the southern boomtown of Shenzhen in 1990 and now employs more than 60,000 people around the country.

WORKPLACE CASUALTIES

On-the-job safety a must

FARHANA URMEE

Deaths at workplaces continue every year because of the government's failure to go by the existing safety laws, or bring culpable factory owners to book.

The accidents occurred at different workplaces in the last 11 years, claimed 4,092 lives, with the highest casualty rate in construction and readymade garments sectors, reveals a study.

The Bangladesh Institute of Labour Studies (BILS), the conductor of the study, also points to the injuries sustained by scores of workers during the time.

According to the Labour Force Survey 2005-06 by Bangladesh Bureau of Statistics (BBS), 23.8 million workers are employed in major sectors such as manufacturing, electricity, gas, water, construction, transportation, storage, communications, trade, hotels and restaurants, public administration and personal services.

Experts say majority work in perilous conditions, risking their lives.

On March 5, three workers died from inhaling toxic gases at Apex Tannery in Hazaribagh, Dhaka. Nine others were injured. On February 25, 21 workers died in a fire at Garib & Garib Sweaters in Gazipur.

Although most incidents are linked to non-compliance with the existing laws and a lack of safety measures in the factories, none has yet been punished in connection with any accident.

The February 2006 fire at KTS Factory in Chittagong can be cited as example of such lapses in bringing the persons responsible for any accident to book. Some 10 cases were filed after the accident, which caused deaths of 54 workers, with seven being filed by the Inspectorate of Factories, a government body. But the employers were acquitted.

Ibrahim Hossain, a dyeing operator at KTS, said, "As fire broke out, workers scurried to find a way out as there was inadequate



Relatives break down in tears after 21 workers died in a fire at Garib & Garib Sweaters in Gazipur on February 25.

lighting. Fabrics were also piled everywhere, making it more difficult to navigate the obstacle."

Sewing Operator Ismail Hossain, another fortunate worker who managed to survive the fire, said workers could not flee the blazing factory, as there were not enough stairways.

In another accident, 65 workers died in a building collapse at Spectrum Sweater Factory in Savar in April 2005. Police failed to prove any employer to be guilty at court and they were acquitted in 2009.

Factory owners go unpunished in most cases, as few cases are filed, said an official at the Inspectorate of Factories.

Accountable owners got acquitted as the Inspectorate of Factories and Police failed to press charges despite abundant evidence, said lawyer Tanjib-ul Alam,

adding that no legal action has been taken to prevent accidents at workplaces, except giving some compensation. And even if legal action was taken, follow-ups were not carried out, Alam pointed out.

The factories that are alleged to be non-compliant, and also vulnerable to fire and collapse must be shut, he added.

"The industrial policy, now under process, will address issues associated with environmental hazards and workers' health and safety," Industries Minister Dilip Barua said.

"Employers must ensure security of their workers' lives. In case of accidents, employers must be penalised for violating law, which will ultimately bind any employer to comply with workers' safety rules in future," said Shirin Akhter, executive director of Karmojibi

Nari, a nongovernmental organisation advocating the rights of women and workers.

Apart from deaths and injuries, workers are vulnerable to other forms of violence and hostility as well. In 2009, at least 18 workers were raped, 378 kidnapped, four acid-burnt and 40 tortured. Nineteen also committed suicide in separate incidents.

The BILS survey, based on newspaper reports, also detected causes of the accidents. The survey covered RMG, construction, domestic workers, ship breaking, rice mills, port workers, electric workers, migrant workers, transport, stone collection and cleaning sectors.

It said the accidents were resulted mostly from fire, electrocution, boiler or cylinder blast, gas suffocation, thunderbolt and

rolling with the ribbon of machines.

In every case, employers did not compensate the victims -- some 15 cases were filed in the Chittagong division for not paying compensation.

The Dhaka division has no case of unpaid compensation, with the RMG industry paying the due compensation in time.

According to Section 309 of the Bangladesh Labour Act 2006, there are five offences specifically related to health, safety and welfare, which include selling of unguarded machinery, failure to give notice of an accident, a breach causing death and a breach causing any harm.

Experts say labour law needs to be reformed in a way that protects the rights, health and life security of workers.

REFORMS

Malaysia plans major economic overhaul

AFP, Kuala Lumpur

Malaysia Tuesday unveiled plans for bold economic reforms including an overhaul of racial preferences for majority Malays, in a roadmap to achieve developed-nation status by 2020.

Prime Minister Najib Razak, who came to office last year, said the "New Economic Model" was designed to boost growth, create a high-quality workforce, and attract badly needed foreign investment.

He acknowledged he faced obstacles in targeting a decades-old affirmative action policy for Muslim Malays and indigenous groups -- collectively known as "bumiputra" -- which has been criticised as uncompetitive.

"We need a new way of doing things. While the recovery has begun, we must act now to position Malaysia for the future," Najib said in a speech.

"And this is the choice we now face: To rise out of the 'middle-income' trap that will be a precarious position for any nation in the new global economy, or to stick to what we know, and what is comfortable."

Analysts said Najib had outlined some ambitious plans, but that there was no detail on how the goals were to be realised by a government that has already backed away from unpopular initiatives like a value-added tax.

"There will be huge scepticism amongst potential investors whether the reforms will actually be implemented and enforced effectively," said Robert Prior-Wandesforde, a senior economist with HSBC in Singapore.

Malaysia's economy shrank 1.7 percent last year as its crucial export markets dried up during



Malaysian Prime Minister Najib Razak speaks at an investment conference in Kuala Lumpur yesterday. Najib mapped out an ambitious strategy to attract much needed investment to boost country's export dependent economy.

the global downturn.

The central bank has forecast 5.5 percent expansion this year but as the region powers back to health, competition for investment has become fierce, with Thailand, Indonesia and Vietnam eroding Malaysia's attractiveness.

"We want to see a Malaysia that makes a quantum leap from the current 7,000 dollar per capita annual income to 15,000 dollars in 10 years," Najib said. That would meet a developed-nation yardstick of income of 15-20,000 dollars.

"Bold reform measures will unlock investment, drive labour

productivity and boost efficiency, lifting real growth rate to an average of 6.5 percent per annum over the 2011-2020 period," he said.

The model also aims to stem Malaysia's "brain drain" with measures to retain skilled professionals, and make markets more competitive by phasing out price controls and subsidies.

James Chin, an analyst from Monash University's campus in Kuala Lumpur said that Najib would have trouble winding back the affirmative-action policy which hands bumiputras privileges in housing, education and business.

"How do you take away free lunches and free dinners that you have been providing for the past 35 years?" he said.

The policy, introduced in the 1970s to close the wealth gap between bumiputras and the minority ethnic Chinese community, is accused of breeding over-reliance on the state among Malays and improperly benefiting the elites.

Najib said in his speech that "past practices that gave rise to unhealthy and pervasive rent-seeking and patronage activities will be discontinued", but did not

give details on how far the bumiputra policy would be reformed.

The ruling coalition was deserted by ethnic Chinese and Indian minorities in 2008 elections and now risks losing the support of Malays, who have long been its bedrock, to the resurgent opposition.

Any measures that could further alienate voters are now highly unpalatable for the Barisan Nasional coalition, which has ruled since independence in 1957, and which must call the next polls by 2013.