

International Business News

Sri Lanka economy poised for faster growth: Central bank

AFP, Colombo

Sri Lanka's economy is poised to expand by 6.5 percent this year, the central bank said Monday, after slower growth in 2009 due to the operation to crush the Tamil Tigers and the global crisis.

The Central Bank of Sri Lanka in its annual review of the economy said the intense fighting was one reason for growth of just 3.5 percent in 2009.

Other factors that curbed growth were lower farm output, a slump in global demand for Sri Lankan clothing and tea and foreign hedge funds pulling out money from government bonds.

The agricultural sector grew by 3.2 percent, less than half the pace of the 7.5 percent logged in 2008, while the industrial sector expanded by 4.2 percent in 2009, down from 5.9 percent a year earlier.

The services sector, which includes telecoms, ports, banking and aviation, grew at a slower 3.3 percent, down from 5.6 percent, the bank said.

The economy managed to post positive growth partly thanks to a 2.6-billion-dollar bailout by the International Monetary Fund, the bank said.

President Mahinda Rajapakse, re-elected in January after crushing the Tamil Tiger rebels last May, has vowed to spend more than a billion dollars to build new ports, roads and power plants in 2010.

Chinese PM to visit Indonesia to talk investment

AFP, Jakarta

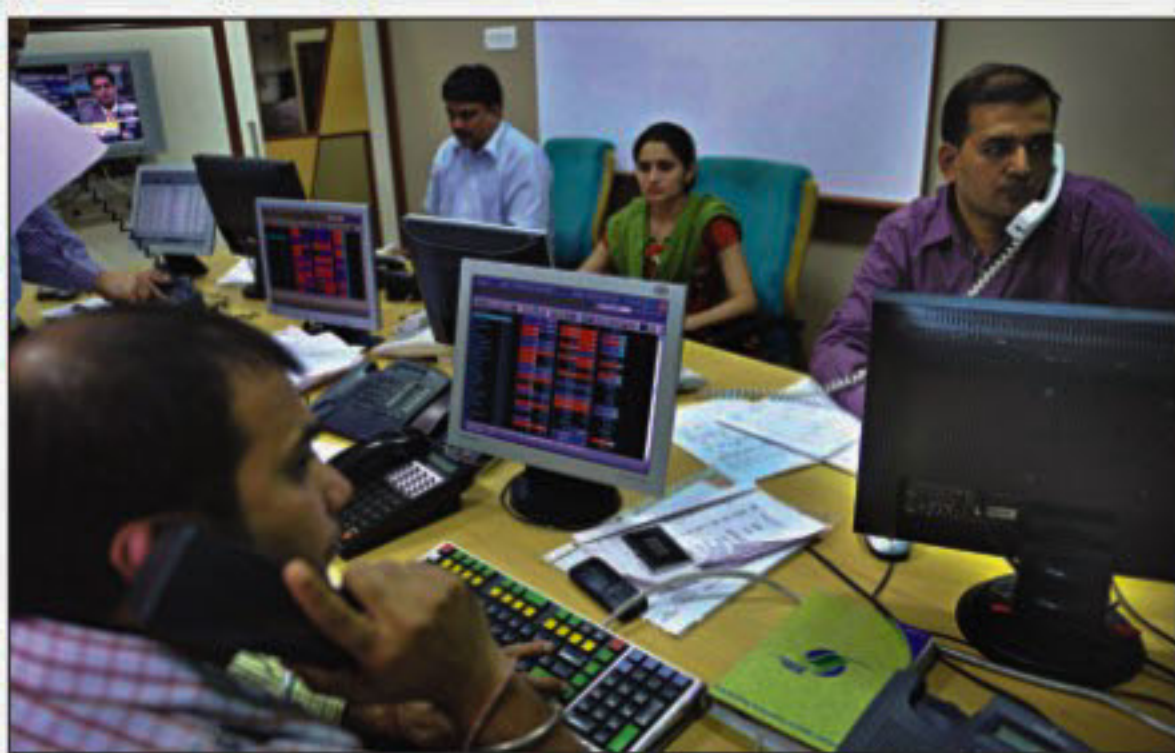
Chinese Prime Minister Wen Jiabao will visit Indonesia this month for talks focusing on infrastructure investment, Coordinating Minister for Economic Affairs Hatta Rajasa said Monday.

"The Chinese trade minister has confirmed that the prime minister will visit Indonesia from April 23 to 24," Rajasa told reporters.

China has agreed to lend two billion dollars for infrastructure investment in Indonesia, deemed vital to achieving the country's growth target of seven percent a year by 2014. Growth last year was 4.5 percent.

Beijing will give Jakarta 1.8 billion dollars worth of preferential export buyer's credits as well as a concessional loan of 263 million dollars, Trade Minister Mari Pangestu said Saturday after meeting Chinese Minister of Commerce Chen Deming.

Indonesia plans to spend 140 billion dollars in the next five years to improve its poor infrastructure such as toll roads, bridges, ports and power stations.



AFP

Indian stock traders trade at a brokerage firm in Mumbai yesterday. Indian shares rose 1.37 percent, an over two-year-high, on optimism that economic growth in the country could accelerate in coming years. The benchmark 30-share Sensex closed up 243.06 points to 17,935.68. Last week, India's Finance Minister Pranab Mukherjee said the economy could grow by up to 8.75 percent in the year to March 2011, led by strong demand in the manufacturing and services sectors.

South Korean govt, central bank to coordinate policy

AFP, Seoul

South Korea's government and central bank agreed Monday to cooperate closely in economic and monetary policy, a statement seen by analysts as ruling out an early interest rate rise.

"Both sides agreed to share information and work closely for harmonised economic and monetary policies," they said in a joint statement after a meeting between Finance Minister Yoon Jeung-Hyun and the new Bank of Korea governor, Kim Choong-Soo.

Kim, a close associate of President Lee Myung-Bak, took office last Thursday. Despite reaffirming the central bank's independence, he was expected to keep the benchmark rate at a record low at least until the end of the second quarter in line with government policy.

Yoon in an interview last month said South Korea would not change policies to stimulate the economy until at least November when it hosts a G20 summit.

Cambodia approves foreign property ownership

AFP, Phnom Penh

Cambodia's parliament on Monday approved a law allowing foreign ownership of property such as apartments and office buildings, in a measure intended to increase economic growth.

The draft law, which will permit foreigners to buy leaseholds on buildings and apartments, but not own the land beneath them, was passed when 85 of 96 members of parliament who attended the Monday meeting voted in favour.

Land management minister Im Chhun Lim told the national assembly the law would boost the kingdom's real estate market and bring in more foreign investment.

The law will take effect after approval from Cambodia's Senate and promulgation from King Norodom Sihamoni, which are both considered formalities.

TELECOM

Get off to a new start

Robi boss explains reasons for rebranding

MD HASAN

It was a blurred image, with no clear positioning. The brand was working, but no sparks were flying.

Here comes a new name 'Robi' for Aktel. The target is to fill a vacuum in terms of branding and secure a top position in the six-operator mobile market.

"Our plan is to become a brand, which is relevant to Bangladesh and its people, to meet their immediate needs and be recognised as a specific operator. Aktel did not really fit in."

This is the way Michael Kuehner, managing director and chief executive officer of Axiata (Bangladesh) Ltd, the owning company of Aktel, explains his company's new branding move, in an exclusive interview with The Daily Star.

He said Aktel was attractive in a way. "But whenever we talked to people about what was really missing, we found that customers in general could not identify what it stands for as a company or an operator."

"I think the challenge is to change this position of Aktel into a new and bigger position. With the launch of a new name, we want to start all over again in terms of creating a perception or picture," he says.

"In addition, it is not only that we want to have a new name -- we want to be a new company altogether."

Axiata (Bangladesh) Ltd is a joint venture company between Axiata Group Berhad, Malaysia and NTT DOCOMO INC, Japan.

Formerly known as Telekom Malaysia International (Bangladesh), Axiata (Bangladesh) Ltd commenced operations in 1997 under the brand name of Aktel. The company changed its brand name to Robi on March 28.

In terms of a subscriber base, Aktel slipped to a third position from its second at the end of 2007. The company has 10.31 million customers in the 54.15 million mobile customer market.

The mobile penetration rate in Bangladesh is about 34 percent. So Robi's clear target is the rural population.

To market and disperse the benefits of mobile communication technology or any way of communication to people with low incomes, a really competitive proposition is required all together, said Kuehner, the former head of Nokia Siemens Networks (India, Nepal Sub-region).

He said telecom operators in Bangladesh,

including Robi, have focused more on the urban population than rural, even though 80 percent of the market remains rural. Aktel was a clearly urban brand with a focus on some cities.

"So we began the journey to develop and analyse the positioning of the brand to go for rural operations," said Kuehner, who has 31 years of experience in the telecommunications and IT industry.

Refusing to reveal all that is in store for customers under the new brand name, he said: "I think we studied our customers well in the last few months. We do not want to offer affordable services alone; we want to offer something relevant to the customers."

Robi will come out with details on new offers soon.

On rebranding, he said: "To do a new brand, it is quite a long-term exercise. It's not a one-day activity."

"The first reaction from all sides, such as consumers, partners and the media, was positive. We are encouraged that we are on the right track. However, we are aware that this is not enough, as we have to deliver promises and deliver new things."

Axiata has an investment of \$170 million in 2009. The company plans to invest substantially this year for network and data service development.

Axiata is one of the 3G spectrum seekers in the market. But operators are already divided on whether an auction or a beauty contest will be apt for the Bangladesh market.

Kuehner said if the cost of 3G is high, services will be expensive. "Possibly, a beauty contest method will be the better way," he said.

From his six months of experience here, Kuehner found the Bangladesh market to be more talkative than other markets he worked for.

In Bangladesh, people are more inclined to use voice to communicate, which is different from Japan, where people prefer to use email or data applications on their phones.

Typically, if you go to the Japanese subways, you will see everybody is looking at their phones, not speaking to someone on the other end.

Secondly, people are more cost-conscious, as the general income level is not too high.

"They are good at comparing tariffs, times of tariff and the way they deal with. These are different from other markets."

hasan@thedailystar.net



Michael Kuehner

LIFESTYLE

French halal market booms

AFP, Paris

Halal foie gras, non-alcoholic champagne, sauerkaut garnished with pork-free sausages: Muslim-friendly food is moving away from its immigrant roots and merging with mainstream French tradition.

While the fine wine and gourmet food exports that underpin the French food industry have been hit hard by the global crisis, the halal niche market has been growing fast.

The boom went largely unnoticed until a hamburger chain tried a halal menu in some of its restaurants, sparking charges of "communautarisme" -- a term roughly meaning "ghettoization", which grates against the French insistence on integration.

The growth of halal products is largely thanks to young descendants of Arab and African migrants, who want to enjoy the same culinary diversity as their non-Muslim French neighbours while remaining true to their cultural roots.

"It's mostly driven by the second and third generations," said Antoine Bonnel, director of the Paris Halal trade show held this week.

"It's not a case of the Muslim community withdrawing into itself, but rather one of integration, since they want to be able to buy halal sauerkaut or spring rolls," he said.

Bonnel was referring to the increasing number of Muslims joining the French middle classes and expanding their culinary horizons, a trend that has even spawned a new term -- "bourgeois", a slightly ironic mix of "bourgeois", or middle class, and "beur", slang for North African.

French sales of halal food are forecast to hit 5.5 billion euros (7.42 billion dollars) in 2010 and move "from the ethnic market to the mass market", said Bonnel.

The word halal -- meaning "lawful" in Arabic -- applies to



People walk behind a stand of halal food products on March 31, shown during the halal foods expo, part of the "Foods&goods" fair at the Porte de Versailles exhibition centre in Paris. The expo is a professional trade show for sellers and buyers, devoted entirely to halal foodstuffs such as food and beverage, cosmetics, fashion and consumables.

food that has been prepared according to the prescriptions of the Koran.

Islamic law requires meat to be slaughtered under religious supervision and forbids the consumption of pork and alcohol.

The halal market, targeting France's estimated five-million-strong Muslim population, has obvious attractions for retailers and restaurateurs, and market researchers say it is growing rapidly.

There are kosher products, so why not halal?

Supermarket chain Casino has created a halal brand, Wassila, and fast food chain Quick is trying out a halal menu in eight of its 350 burger joints.

But the increasing presence of

halal in French life has raised some hackles in this staunchly secular country.

Several politicians from both right and left have complained that providing halal options will divide French society rather than help welcome Muslims into the culinary mainstream.

Quick's introduction of halal options in some areas with Muslim populations was attacked by a mayor from the opposition Socialist party, who threatened legal action, and by members of President Nicolas Sarkozy's own ruling right-wing UMP party.

"I am not in favour of anything that smacks of communitarianism," said UMP party leader Xavier Bertrand.

No-one at the Halal Expo agreed with their concerns.

"There are already kosher products and sections for world foods in the supermarkets - why not halal?" asked Anisa Bouarbi of Paris Hallal, a firm which lists restaurants online for a young smartphone-equipped audience.

"Discrimination means not allowing people to follow their tastes."

Around her in the exhibition hall, the products on show seemed to support the view that the burgeoning market is encouraging Muslims to eat and drink the same products as other French people, just in halal form.

Halal is also providing fresh business for French businesses.

Christine Darcon, director of Corico, which produces the turkey often used to replace pork in halal versions of European dishes, said

that her company was simply supplying "a clientele which is asking for specific products".

"Halal is on the way to outselling organic products in the supermarket," boasted Hakan Cetin, sales manager of Oz Pa, which produces gelatin free halal sweets and biscuits.

He and his colleagues feel that the politicians' concerns will evaporate, as firms rush into the growing market segment, and the only problem they foresee is the lack of a unified halal certification scheme.

Manufacturers currently use a wide variety of organisations to establish their credentials, or even certify their products as halal themselves. This has led to consumer demand for a single halal stamp of approval.