International Business News

Pressure mounts for swift Greek bailout

AFP, *Washington*

Europe faced mounting pressure to quickly bail out debt-stricken Greece on Saturday amid fears the crisis could spread and threaten the global economic recovery.

US Treasury Secretary Timothy Geithner huddled with key officials from Greece, the IMF and European Union in Washington, a day after Athens asked for a massive bail-out to stay afloat.

Focus quickly shifted to the speed of that rescue effort, as economic powers worried the crisis could spread to other eurozone nations, with Portugal, Italy, Spain and Ireland all in the firing line.

The Treasury Department said Geithner pressed Greek Finance Minister George Papaconstantinou and EU officials to quickly implement fiscal reforms and roll out the bailout.

"Secretary Geithner encouraged them to move quickly to put in place a package of strong reforms and substantial concrete financial support," a statement said.

Greece on Friday ended weeks of speculation that had permeated the eurozone by asking the EU and IMF for 45 billion euros to pay looming debts.

But Germany, the eurozone's biggest member, has balked at the idea of a bailout without substantial budget cuts.

IMF says 'many challenges remain' for global recovery

AFP, *Washington*

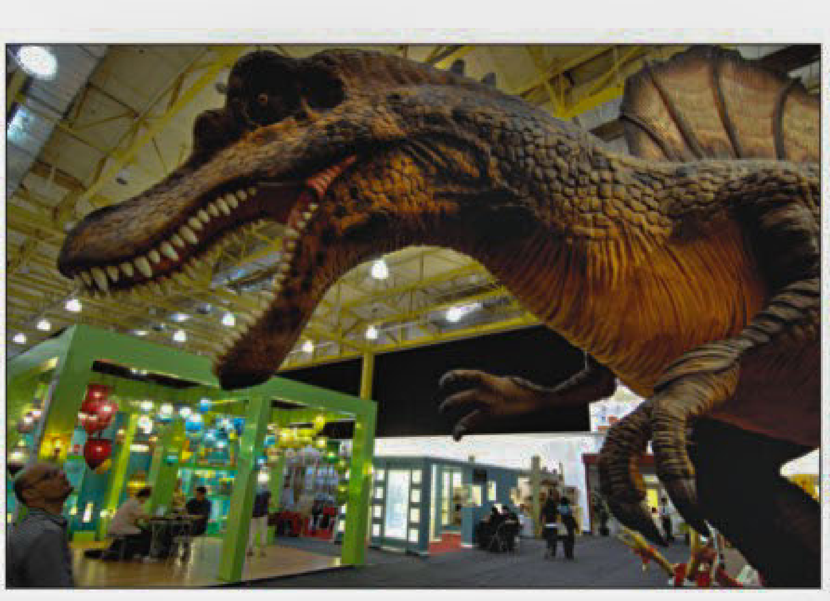
The IMF welcomed on Saturday signs that a global economic rebound was on track but said many challenges still stood in the way, in particular those related to government finances.

"Signs of a strengthening economic recovery are encouraging but many challenges remain that need to be tackled collaboratively," a statement said following a meeting of the International Monetary Fund's financial committee.

The IMF's 186 members added that "we are strongly committed to ensuring sustainable public finances and addressing sovereign debt risks," after the meeting was overshadowed by Greece's financial crisis.

Earlier in the day, US Treasury Secretary Timothy Geithner pressed European Union leaders and the IMF to hammer out a rescue plan for Greece, which has become the poster child for problems caused by fiscal mismanagement.

Geithner met Greek counterpart George Papaconstantinou and representatives of the EU and IMF and "encouraged them to move quickly to put in place a package of strong reforms and substantial concrete financial support," his office said in a statement.



AFP

A costumer looks up at a dinosaur on display at the Manila FAME International, Asia's Boutique Show at the World Trade Centre in Manila on Saturday, where it showcases trade platform for home and fashion lifestyle products in the Asia Pacific.

Emerging countries to demand bigger say at World Bank

AFP, *Washington*

Raising money for global aid and giving emerging countries more say in how it is distributed are core World Bank issues to be mulled Sunday at a meeting in Washington.

Bank president Robert Zoellick has said its 186 shareholders will be asked to approve a "once-in-a-generation request" to raise the bank's capital by five billion dollars, more than half of which would come from developing countries.

The bank also planned to "decide on whether to give developing countries a bigger say in the running of the institution," he said ahead of the meeting, as the iconic world body reflected a shift in influence away from traditional global powers.

Emerging countries now have 44 percent of voting rights in bank decisions following a first phase of reforms in 2008, Zoellick noted.

Israel ends ban on iPad imports

AP, *Jerusalem*

Israel has ended its ban on Apple's iPad tablet computer, imposed over concerns its wireless signal could be disruptive.

Israel's Communications Ministry says that after a technical review, officials have decided to allow the popular device into the country.

Israel banned iPad imports after their U.S. release earlier this month, after fears that the powerful gadget's wireless signals could disrupt other devices. At least 10 iPads were seized at the country's international airport.

The ministry says officials determined the iPad meets local standards. Beginning Sunday, they were to be allowed into the country.

The iPad combines the features of a notebook computer with the touch-pad functions of the iPod. It is set to launch internationally in late May.

COLUMN

Branding Bangladesh

MAMUN RASHID

"A name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors" -- that is how marketing guru Philip Kotler defines "Brand". In other words, a brand is basically a name used to identify and distinguish a specific product, service, or business.

Nation branding is substantially different from product branding and can be explained in many different ways. Nowadays we hear catchy tag lines used by several nations for promoting tourism in their countries, for example "Malaysia -- Truly Asia", "Incredible India" and "Amazing Thailand". However, the function of nation branding is not just limited to tourism. According to Simon Anholt, widely considered as the "Father of Nation Branding", the concept of nation branding refers to developing an identity for a nation that encompasses several components of national accounts including foreign direct investments, exports, culture, sports, migrants, international relations and many other aspects.

Although the underlying principles are same, there exist differences between branding a product and branding a nation. The traditional promotional tools such as advertising and public relations activities do not apply in the same manner to nation branding. Nations do not give ads in newspapers or distribute promotional leaflets. Instead, nation branding involves a holistic and well-concerted effort to highlight the key competitive advantages offered by the nation. The government has a huge role to play in this regard. It is the duty of our leaders to showcase our achievements to the world. However, this responsibility does not lie on the shoulders of the government alone. It is a responsibility shared by each and everyone of us being citizens of this nation. Each and every member of the civil society and business community are therefore the nation's brand ambassadors.

SK ENAMUL HAQ

Bangladesh is already known to the world for microfinance that has benefitted the rural poor.

Moreover, the scope of branding activity and the impact of the same are significantly vaster and far-reaching for nation branding compared to product branding. Whereas, product branding affects a particular company, the impact of nation branding affects our entire economy and hence the standard of living of the citizens concerned. However, there also exists an integral connection between the two concepts. In other words, one can be used for the benefit of the other. Sometimes we get to know a nation through the great companies originated in that country and the product brands they offer. Some of those national brands also build enough equity to graduate to the status of global brands, such as Nokia of Finland, Coca-Cola or McDonald's of the USA and Toyota of Japan. So much so that, we begin to associate these countries with their national brands. Today, India is famous for its well-known brands like Tata or Reliance.

Andreas Markessinis highlighted in his article "Nation brands and national brands: making the most of them" that one of the basic principles of nation branding is that there is often an internal relationship between a nation brand and national brands and both can be worked for mutual benefits. For example, South Korea does not have a great image as a country due to its political turmoil, but the brand equity of South Korean companies like Samsung, Hyundai and LG is much higher than that of the nation brand itself and that has greatly helped to improve the perceived brand image of the country.

As a nation we have to realise that the very concept of nation branding is not only for foreigners, rather, we, the people of the country, are the biggest stakeholders of this concept; without our support and embodiment of the brand identity all nation-branding efforts will be futile. We have to remember that nation branding needs effort, time, dedication and persistence. In most cases it takes years to see results.

Now, the question is in a third world country like Bangladesh on which products should we invest? We are already known to the world for "microfinance". Today, countries all over the world are reshaping their identities to gain a competitive edge over their neighbours. For example, if we want to brand Bangladesh as a readymade garment exporting country, we must question ourselves as to what extent that would be sustainable in the long run. We must ensure adequate capacity building, improvement in productivity, healthy industrial relations, professional management and new export destinations to remain competitive. We all know that uncertainty is more dangerous than instability. So far our RMG industry has shown remarkable resilience in terms of sustaining the turbulence during 2006 and 2007 when the country was facing political turmoil. Moreover, the sector also seems to have survived the global financial meltdown relatively unscathed. However, uncertainty still shrouds the future of our RMG industry. There is also cloud concentration with regard to future of microfinance industry, vulnerable to slip on a banana skin.

In this age of cutthroat competition, nation branding has become a necessity rather than an option. Long has our country suffered due to negative brand image created by misrepresentation in the media, both at home and abroad. The time has come to rebrand our country -- to highlight the amazing accomplishments of our people despite the hardships. That is what makes our nation truly remarkable and unique. Nation branding is therefore our sacred duty and all of us must answer the call.

The writer is a banker and economic analyst. Views expressed are his own.

Shanghai dreams get boost from expo

AFP, *Shanghai*

Shanghai has commissioned a new landmark to be unveiled during the World Expo that captures the city's rising global ambitions: a beefed-up replica of Wall Street's "Charging Bull".

The red-tinted sculpture on the city's historic Bund river-front is intended to have a more vibrant look than its US counterpart and will face skyward -- a symbol of the city's lofty dreams of becoming a world financial centre.

Those ambitions are expected to get a major boost from the six-month Expo, which will bring the world to Shanghai with 192 countries showcasing their best for up to 100 million expected visitors, most of them Chinese.

"Expo will help lift Shanghai's image in the world. It's an opportunity to show off China's achievements," Lu Xiongwen, dean of Shanghai's Fudan University School of Management, said. "A successful Expo will bring greater resources and confidence."

The central government has declared it aims to build the city, which has long been China's business heart, into an international financial hub by 2020.

And the Expo, the latest display of China's growing clout following the successful Beijing Olympics, is seen as accelerating the city towards that goal.

"Shanghai will make major breakthroughs this year in building a world financial centre," Shanghai Mayor Han Zheng told reporters last month.

The city has reportedly poured 400 billion yuan (58 billion dollars) into infrastructure ahead of Expo.

It added hundreds of kilometres (miles) of new tracks to its Metro system, built new airport terminals, and restored the Bund, the strip of historic riverfront buildings dating from a time when foreign powers dominated the city.

Shanghai's stock market has also seen radical changes in the weeks before Expo as China moves past the financial crisis.

Short-selling, margin trading and stock index futures have been introduced, giving investors more sophisticated investment options. The Shanghai Stock Exchange is expected to see its first foreign listing this year.

HSBC has said it hopes to be the first. The banking giant was founded in the 19th century and helped the Bund earn the nickname the "Wall Street of Asia".

"Since the crisis has subsided, the logjam has been unblocked," Standard Chartered China economist Stephen Green said.

"There's lots of signs of research being done by regulators on how to move things forward."

However, those financial ambitions depend on liberalising the flow of money in and out of China, Green said. Strict controls make it hard now to borrow overseas and even to bring in money earned from stock listings in Hong Kong.

Although loosening capital controls is probably part of Beijing's long-term plans, it is not yet ready to do so, Green said. He noted that while Shanghai is China's centre for equities, Beijing is home to China's banks, the main source of financing in the country.

"The market is under development, therefore the people making the development decisions are very important and they're all in Beijing," he said.