

International Business News

Mitsubishi returns to profit, announces Peugeot tie-up

AFP, Tokyo

Mitsubishi Motors announced a return to profit and a collaboration with France's Peugeot Tuesday, while Mazda's earnings also improved, as the Japanese auto industry rebounds from the economic slump.

Japan's fourth-biggest automaker Mitsubishi saw a return to the black and announced a tie-up with PSA Peugeot Citroen to launch a new sports utility vehicle in Europe, amid an ongoing wave of carmaker collaboration.

It booked a net profit of 30.5 billion yen in the quarter ended March, with consumer demand returning after being eroded by the financial crisis.

Cost-cutting and improving demand for new vehicles, particularly in Asia, enabled Mitsubishi to offset the impact of a stronger yen and book a net profit of 4.75 billion yen (50 million dollars) in the fiscal year, it said.

The result compares with a heavy loss of 54.88 billion yen a year ago, with demand being aided by "economic stimulatory measures introduced by national governments," the carmaker said.

It warned, however, that "the realization of robust recovery is far off."

Hong Kong exports jump 32.1 pc

AFP, Hong Kong

Hong Kong's exports jumped 32.1 percent in March, official data showed Tuesday, as shipments returned to pre-financial crisis levels due to a strong rebound in regional trade.

The total value of shipments rose to 231.8 billion Hong Kong dollars (29.72 billion US) last month, the fifth consecutive month of year-on-year growth, according to the Census and Statistics Department.

The rise was led by exports to Asia, which grew 44.4 percent from a year ago. The strongest increases were registered for shipments to Malaysia, Korea, India, Thailand and mainland China, all of which were up about 50 percent.

The value of exports to destinations outside Asia, such as the Netherlands and the US, showed mild growth.

But the department recorded decreases in total shipments to some overseas countries, including the United Kingdom and Germany.

A government spokesman said that merchandise exports expanded strongly in March because of the vibrant resurgence of intra-Asia trade and the continued normalisation of global trade flows.



AFP

RJD Party activists stop a train during a nationwide demonstration against the price hike of essential commodities near Patna Junction yesterday. Anger over food prices -- up nearly 20 percent over 12 months -- saw buses burnt in the northern city of Lucknow, protests in southern Hyderabad and a mass strike in the eastern communist-run city of Kolkata.

Spain jobless rate above

20pc in Q1

AFP, Madrid

Spain's jobless rate surpassed 20 percent in the first quarter, its highest level since 1997, a newspaper reported Tuesday citing figures accidentally posted by the national statistics institute INE ahead of schedule.

The number of unemployed surged by 286,200 people during the first three months of the year over the final quarter of 2009 to reach 4.612 million people or 20.05 percent, conservative daily ABC reported.

The figure was posted on INE's web site on Monday for several minutes, it said. INE will publish first quarter unemployment figures on Friday.

Spain's unemployment rate stood at 18.83 percent in the fourth quarter of 2009 with 4.326 million people out of work, according to INE figures published on January 29.

In a statement, INE confirmed that a technological "incident" had made "certain data" from its quarterly unemployment study visible on its web site but it did not confirm the figures published by ABC.

Ford posts \$2.1 b profit

AFP, Washington

Ford Motor Co. said Tuesday it earned a 2.1-billion-dollar profit in the first quarter of 2010, as global sales swelled.

"The basic engine that drives our business results -- products, market share, revenue and cost structure -- is performing stronger each quarter, even as the economy and vehicle demand remain relatively soft," said Ford chief executive Alan Mulally.

Ford said its growth came from across the globe, as its US market share rose to 16.6 percent, a jump of nearly three percentage points.

The firm's net earnings more than doubled those of the previous quarter and approached total profits of 2009.

"The Ford team around the world achieved another very solid quarter, and we are delivering profitable growth," Mulally added.

Revenue was up 3.7 billion dollars from the first quarter of last year to 28 billion dollars.

FARMING

Flowers that pay off

SOHEL PARVEZ

The sun blazes down on the thickening greenery in Shadullapur, a quiet village in Savar.

Home yards with vegetables and native trees are covered with roses in full bloom, in gestures to greet a newcomer with love and good wishes.

To an onlooker, it may appear that these gardens were developed out of a hobby of landscaping. But that would be far from it.

"It is simply for business. We grow flowers, which is more profitable than farming vegetables," said Mohammad Nazimuddin, a farmer at Shadullapur.

The gardens lay quiet during the wee hours of the morning. But as the sun shines brighter, the gardens are abuzz with gardeners plucking flowers that are to be sold at dawn the next day in Dhaka.

Every dawn, these farmers load the flowers, mainly roses and gladiolus, onto about five minibuses and head for Dhaka.

Such a practice expanded in Shadullapur of Savar as a growing number of farmers joined floriculture to profit from the rising urban demand for flowers on celebrations, such as weddings, parties and moments with loved ones.

Nazim expanded the area he allocates to flower farming by eight times to 240 decimals since the time he began in 1992. Each day, he plucks nearly 1,500 roses from his field and earns between Tk 1,500-2,500 depending on the supply-demand situation.

The net profit, according to the 45-year old, stands at nearly Tk 1,000 a day.

"Initially, only a handful of farmers grew flowers for sale. But in the course of time, many farmers shifted to floriculture from vegetables, encouraged by higher profitability," he said.

The high margins also lured thousands of other farmers in other parts of the country to shift to floriculture.

According to flower traders and agriculturists, flowers are being grown in about 20 districts, such as Jessore, Jhenidah, Chuadanga, Bogra, Rangpur, Dhaka, Manikganj, Narayanganj, Gazipur, Mymensingh, Chittagong and Sylhet.

Official data on flower cultivation is not available, as official agencies do not compile national level data on floriculture.

But traders and floriculturist say flowers are being grown on about 5,000-10,000 hectares.

"Flower cultivation is expanding by 10 percent a year because farmers are making high profits amid rising demand," said Babul Proshad, president of the flower traders' body, Dhaka Ful Baboshayee Kalyan Samity.

According to traders, farmers in these areas are growing several different flowers, such as roses, tuberose, marigolds and



SOHEL PARVEZ

Farmers stack roses at a garden in Shadullapur, Savar. Farmers here have found flower cultivation more profitable than vegetable farming.

gerberas, of which, roses, gladioluses, marigolds and tuberose are produced at greater quantities locally while gerberas, orchids, carnations and lilliums are imported to meet domestic demand.

Almost all flowers arrive at Shahbagh and Khamarbari in Dhaka everyday to reach consumers.

The flower trade has also created other areas of trade, including nurseries, transport service providers, wholesalers, middlemen and flower retailers, and garland and ribbon makers, creating jobs for many, especially poor women.

"Two decades ago, we sold flowers worth Tk 30,000-40,000 a day. Today we sell flowers worth Tk 20-25 lakh a day," said Babul. "Once, only the well-off bought flowers to colour festivals. Now, even the low to mid income groups love to present flowers on beautiful moments."

According to traders, the yearly domestic market for flowers, which has sprung over time amid a steady rise in per capita income and consumption, now stands at about Tk 100 crore.

However, a bulk of the retail value goes to middlemen, as a majority of farmers sell

their produce to wholesale representatives in their localities.

On April 25, farmers at major floriculture zone of Godkhali in Jhikorgacha, Jessore, had to sell a rose at Tk 0.50-0.60, much below the retail price of Tk 3.

Insiders blamed factors, such as a low quantity of production by individual farmers and a long distance away from the main wholesale market of Dhaka, as reasons behind the low prices at farmer levels.

In addition, a lack of an availability of quality seeds, inadequate knowledge on production and post harvest management practices, such as preservation, also act as bottlenecks for farmers.

In addition, traders, especially wholesalers, face losses due to inappropriate packaging and an absence of cool transportation systems.

"We lose a portion of production because of a deterioration in the quality for poor packaging and lack of proper transportation," said Md Russel Uddin, a flower wholesaler, who buys flowers from farmers at Gadhali through a local representative.

Floriculturists and traders said problems in production, harvesting, packaging and

transportation are dampening the prospects of flower exports, although Bangladesh has the potential to gain from floriculture due to its favourable agro-climate.

Government support to encourage extension of floriculture is also lacking, insiders said.

"The present cultivation practices, post harvest management practices and transportation systems are old and need to be upgraded, to tap the global flower market," said Dr Kabita Anzu-Man-Ara, senior scientific officer of Floriculture Division of Horticulture Research Centre (HRC) of Bangladesh Agricultural Research Institute.

Despite all the difficulties, flower cultivation is paying off for farmers.

"It was difficult to run my household with earnings from vegetable cultivation. But after I started to grow flowers, I am in a much better situation," said Abdul Latif, a small flower grower at Shadullapur, Savar.

"I lived in a mud house prior to entering floriculture. Today, I live in a tin-shed building."

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MEDIA

Wall Street Journal takes on NY Times

AFP, Washington

In one corner, The New York Times. In the other, The Wall Street Journal.

The two newspaper heavyweights are poised to do battle as Rupert Murdoch's Journal challenges Arthur Sulzberger's Times on its home ground -- New York.

The Journal unveils a New York edition on Monday in what promises to be a bruising competition for readers and advertising dollars with the publication that has long dominated the city.

It's the type of aggressive move Murdoch has become known for during his decades building News Corp into a newspaper and entertainment titan -- and the Australian-born mogul appears to be relishing the fight.

The 79-year-old veteran of the London circulation wars, throwing down the gauntlet to the Times last month, said the Journal's New York section would feature full color and would be "feisty."

"We believe that in its pursuit of journalism prizes and a national reputation, a certain other New York daily has essentially stopped covering the city the way it once did," he said.

Murdoch, whose New York Post has been tussling with the city's other tabloid the Daily News for years, said the Journal will "cover everything that makes New York great: state politics, local politics, business, culture, and sports."

Since purchasing the Journal's parent Dow Jones from the Bancroft family for five billion dollars in 2007, Murdoch has gradually transformed the newspaper into a more general publication from one focused near exclusively on business.

In an interview earlier this month with journalist Marvin Kalb, Murdoch professed admiration for the Times -- if not its politics.

"I've got great respect for the Times, except it does have very clearly an agenda," he said. "You can see it in the way they



AFP

An issue of The Wall Street Journal is viewed in New York. The Wall Street Journal started a New York edition that will directly compete with The New York Times. The new section of the paper, recently purchased by Rupert Murdoch, will feature local news, culture and sports.

choose their stories, what they put on Page One -- anything (President Barack) Obama wants."

"And the White House pays off by feeding them stories," he said.

Times publisher Sulzberger, whose family has run the newspaper for more than a century, has largely stayed above the fray. It was Times Co president and chief executive Janet Robinson who responded to Murdoch's challenge last week.

"When you're the lead dog people are constantly going to go after you, whether it be The Wall Street Journal or (others)," Robinson said. "We've had many competi-

tors not just one, for many years.

"We don't shy away from the competition, we never have and we never will," she said. "We fully understand how to compete and in fact we enjoy it."

Robinson said that she does not expect advertisers to abandon the Times for the Journal, even if it does cut advertising rates by as much as a reported 80 percent.

"From a volume perspective certainly they will increase volume by giving away a lot of free advertising," she said. "We are not doing that."

"Advertisers are very well aware that a free ad in any vehicle may not necessarily be

as effective as a paid ad in a property that has a very, very responsive audience," Robinson said.

The Times Co executive also sought to highlight the newspaper's larger reach in print and on the Web compared with that of the Journal.

"Advertisers are aware of the fact that our audience is 22 million in print and online versus the Journal's 13 (million)," she said.

The Times may currently have the edge when it comes to readership in the New York market, but News Corp chairman Murdoch is the one with the deeper pockets if it comes to a long, drawn-out fight.