

International Business News

Malaysia exports surge in March

AFP, Kuala Lumpur

Malaysia said Tuesday that its key exports rose 36.4 percent in March on the back of stronger demand for electronic goods.

The trade ministry said shipments jumped to 59.44 billion ringgit (18.5 billion dollars) while imports were up 45.3 percent to 45.09 billion ringgit.

International trade minister Mustapa Mohamed said the volume of exports were at their highest since September 2008 when the global financial crisis kicked in.

The ministry said the increase was due to stronger demand for electrical and electronic products (up 31.8 percent), chemicals and chemical products (60.8 percent) and palm oil (49.3 percent).

Electrical and electronic items account for more than one-third of Malaysia's total exports to key markets such as China, Singapore, Japan, Thailand and the United States.

For the three months to March, exports fell 0.2 percent to 158.73 billion ringgit compared with the previous quarter, while imports contracted 5.4 percent.

China's Agricultural Bank applies for Hong Kong IPO

AFP, Hong Kong

Agricultural Bank of China on Tuesday filed its application with the Hong Kong stock exchange ahead of what could be the world's largest initial public offering.

The application officially kicked off the bank's plan to launch a dual listing in Hong Kong and Shanghai to raise as much as 30 billion US dollars, people familiar with the situation told Dow Jones Newswires.

If approved, the bank will be the last of China's big four state-run lenders to be listed.

However, it has not yet filed in Shanghai, a source said.

Agricultural Bank's IPO may exceed 22-billion-US-dollar stock offering by Industrial & Commercial Bank of China (ICBC) in 2006 and Visa Inc.'s 19.7 billion dollar IPO in 2008, data provider Dealogic said.

The rural lender aims to list on both bourses in July at the earliest.

Another source said Chinese authorities were determined to push ahead with the listing before other lenders try to raise more capital.



Workers stand on concrete slabs where a high floor apartment and office building are being constructed in Singapore yesterday. Singapore's housing sector is still sizzling despite government measures to cool it down, with demand fuelled by a strong economy and foreign investor confidence.

Most lenders agree to Dubai World's debt plan

AFP, Dubai

Most Dubai World creditors have agreed to the terms for restructuring the troubled conglomerate's debts, a state-owned daily said Tuesday.

"Most of the banks have agreed on the offer after studying the size of the obligations remaining on the group and the amounts it will pay," Al-Bayan said, citing an unidentified negotiator who represents the banks.

It is likely "that all the banks will sign the contract presented by the company," the newspaper quoted him as saying. He said the banks would respond within two weeks, the report added.

"Standard Chartered welcomes the deal," a senior bank official, requesting anonymity, told Dubai-based Emirates Business daily.

Others, like Royal Bank of Scotland CEO Stephen Hester described the proposal as "a welcome start," while HSBC Bank's Middle East CEO Simon Cooper called it "fair," the daily said.

Vietnam to spend billions on islands amid China dispute

AFP, Hanoi

Vietnam has announced an 8.5-billion-dollar economic and defence development plan for a string of islands along its resource-rich coastline, as a broader sovereignty dispute simmers with China.

A copy of the plan, dated April 28, was obtained by AFP on Tuesday.

It calls for development over a 10-year period of a string of islands stretching from Phu Quoc near Cambodia in the southwest to Cat Ba off Haiphong in the north near China.

The document says authorities aim to boost seafood, tourism, agro-forestry and other sectors under the plan, which will require an estimated investment of 162.5 trillion dong (8.5 billion dollars) over 10 years to 2020.

"That's a significant wad of cash for Vietnam to be spending," said Ian Storey, a fellow at the Institute of Southeast Asian Studies in Singapore.

COLUMN

Telecom trumps borders, not

ROHAN SAMARAJIVA

The Wagah border crossing on the Grand Trunk Road, between Lahore and Amritsar, is world famous for elaborate rituals of nationalism enacted at sundown everyday. High stepping soldiers in ceremonial dress glower at each other cheered on by large crowds on both sides, whipped up to (different) nationalistic frenzies by words and music that do not sound very different to foreign ears. 'Zindabad' sounds and means the same in both Urdu and Hindi.

Despite the carefully choreographed belligerent poses, there were two handshakes, one at the beginning of the performance and one at the end. The handshakes and the symmetries of the dual ceremonies signified the unavoidable communication and coordination that was needed for these two nuclear-armed nations to coexist. Except for a faint smile on an officer's face, there were no indications that the Manmohan Singh-Yousuf Raza Gilani handshake in Thimphu a few hours earlier had percolated down the capillaries of these belligerent behemoths.

As I was walking towards the border, the arbitrary Radcliff Line drawn by the colonial power as a prelude to partition, I received a number of texts, welcoming me to Vodafone and giving me exchange rates for India. I was physically in Pakistan, but my mobile phone had decided that I was in India, based on the relative signal strengths.

My handset's behavior was probably an idiosyncratic interaction of handset design and prioritising of roaming agreements. But the fact remains that telecom is preeminently a connecting technology ("connecting people" is Nokia's tagline; "reconnect with PTCL" appears to be what the Pakistan fixed-line incumbent is saying these days, as it tries to woo back those who have left it) that does not respect arbitrarily drawn lines, which national borders are.

Despite the guns and grimaces, telecom was doing what came naturally: connect.

CONNECTING SOUTH ASIA

Since the time of the previous Saarc Summit in August 2008, I have been making the case that intra-Saarc communication should be made cheaper than communication to countries outside the region. This not only makes common sense (why have a regional cooperation organisation, if it is easier to cooperate outside its bounds than inside?), but it is official government policy in all eight Saarc countries, having been included in the Final Declaration of the Colombo Summit, agreed to by all the heads of state and government (<http://www.slmmission.com/statements/88-ministry-statements/109-colombo->



In this handout picture released by the Indian Press Information Bureau on April 29, Indian Prime Minister Manmohan Singh (L) shakes hands with his Pakistani counterpart Yousuf Raza Gilani ahead of a bilateral meeting on the sidelines of the South Asian Association for Regional Cooperation Summit in Thimphu.

[declaration-of-the-15th-saarc-summit.html](http://www.slmmission.com/statements/88-ministry-statements/109-colombo-declaration-of-the-15th-saarc-summit.html)).

But as is too common in this region, policy rarely translates into action at a pace faster than the glaciers melt in the Himalayas. The presidents and prime ministers may speak, but the regulatory agencies with authority over the subject have simply danced around the topic, doing nothing.

Two Sri Lankan operators dropped call charges to India to levels below what they charge for distant Canada and USA. But it still costs an arm and a leg to roam in Saarc

countries. In any case, the lowering of call charges to India does not complete the job. And these were voluntary actions, having nothing to do with regulation.

The Sri Lanka regulator should have taken the lead, since Sri Lanka inserted the language. But all that the former regulator cared about were brownie points from demonstrating that he too could have ideas. After that he moved on to the next ceremony. And the president? As the person who inserted this language and to whom the regulator reported to, did he follow up to see

if the Telecom Regulatory Commission was on the job? Apparently not. He did fire the regulator, but not because of a failure to implement.

The Indian regulator at the time was also the chair of the South Asian Telecom Regulators Council (SATRC). He expressed interest not only in lowering intra-Saarc phone calls, but also in lowering roaming charges. My organisation was asked to provide evidence on roaming charges. We did so, together with information on calling charges (<http://lirneasia.net/2009/11/progress-on-lowering-prices-of-calling-among-saarc-countries/>). I even arranged to visit Delhi while the SATRC was having its annual meeting, so that I could assist their deliberations if required. End result? Nothing.

I looked up the Thimphu Declaration to see if there was anything more on the decisions from Colombo. Here is what Article 5 said:

The leaders agreed that the scope and substance of cooperation had expanded to diverse fields. However, a number of these had not translated into meaningful and tangible benefits to the people. They, therefore, highlighted the need for more efficient, focused, time-bound and people-centric activities and called for appropriate reflection of all the Saarc decisions into the national policies and programmes of member states. They resolved that the Silver Jubilee Year should be commemorated by making Saarc truly action oriented by fulfilling commitments, implementing declarations and decisions and operationalising instruments (<http://pib.nic.in/release/release.asp?relid=61202>; italics added).

Guess there is little else to do than to ask the Saarc regulators to read the words of their heads of state. And to ask the Saarc heads of state to walk their talk, by checking the last few declarations to see which, if any, of their directions are being implemented.

If half the grand resolutions passed at the Saarc Summits were implemented, there would be fewer calls for its abolition. Connecting people through road, rail, plane and ship has been the subject of innumerable resolutions. Let's recognise this is hard, as long as the belligerence displayed at Wagah is present and terrorist bombs bedevil our cities and villages. Let's allow people to talk across Saarc borders as easily and as at low a cost as they now do within their borders. Then there is a chance of less strutting and shouting at Wagah; of more handshakes and perhaps even brotherly embraces. Then we can all say Saarc Zindabad.

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DEBT CRISIS

Europe warns Greece on austerity plan

AFP, Berlin

Greece must adhere strictly to its austerity programme or risk having loans withdrawn, Germany's finance minister warned Tuesday, as signs of frustration with large-scale protests in Athens grew.

"Every three months, Greece's government must give a comprehensive report to the European Commission and the IMF (International Monetary Fund) about how it is implementing its plan," Wolfgang Schaueble told the Rheinische Post daily.

"If there are any violations, payments will be stopped. Then Athens will once again be threatened with bankruptcy," he added.

Schaueble was speaking a day after Chancellor Angela Merkel's cabinet approved its slice of a 110-billion-euro (145-billion-dollar) three-year loan package for ailing Greece.

Berlin agreed to stump up some 22.4 billion euros over the three-year period, with 8.4 billion euros this year.

In Austria, Finance Minister Josef Proell said that Europe was losing patience with Greece, as a new wave of protests against government austerity measures in Athens loomed.

"Regarding the protests in Greece, I, along with the rest of Europe, am near the end of my tether," Proell said late Monday.

He also noted the aid would be dependent on Greece carrying out its promises, adding it "will be dished out step by step, when (austerity) measures have been carried out."

"A new European policy (is needed) when dealing with such states," he said, calling for better budget controls at the EU level.

In Slovakia, Prime Minister Robert Fico insisted that his government would not consider providing its share of some 800 million euros of rescue money to Greece unless Athens began to cut welfare spending.

"We can't give Greece any loan before we



A Greek police officer deployed in front of Parliament in Athens holds a red rose given to him by demonstrators yesterday during a protest by private school staff. Demonstrators stormed the Athens Acropolis and civil servants launched a walkout ahead of a general strike against massive austerity spending cuts.

see them doing their homework," Fico told reporters.

France's Finance Minister Christine Lagarde has also reserved harsh words for Athens, telling Le Monde newspaper Monday that Spain and Portugal were not in the same boat as Greece because they "did not provide false figures, talk nonsense over their deficits."

The Greek government has vowed a series of punishing budget cuts and tax increases in exchange for the unprecedented joint EU-IMF bailout agreed on Sunday.

But the measures have run up against

fierce opposition at home, with demonstrators staging a protest on the Acropolis Tuesday and civil servants kicking off a two-day walkout.

Pensioners were also holding a separate demonstration while a full-blown general strike has been called for Wednesday to protest the unpopular wage cuts and tax rises.

The bailout is also hugely unpopular in Germany, where a key regional election takes place on Sunday that could see Merkel's coalition lose control of the upper house of parliament.

On Tuesday, Germany's most widely-

read paper, Bild, launched a scathing attack on the decision.

"Why are our politicians breaking the EU Treaty?" the paper screamed on its front page, printing a copy of article 125 of the Lisbon Treaty which forbids one member state from assuming the liabilities of another.

Inside, the paper urged its readers to send a letter to their member of parliament to demand they contribute personally to the Greek bailout with their annual salary.

Germany's portion of the package must now be approved in a parliamentary vote on Friday.