

International Business News



Nissan Motor CEO Carlos Ghosn (C) with Nissan Motor Indonesia President Takayuki Kimura (L) and Indomobil Group President Sindhuwinata Gunadi (R) stands beside the Nissan March during its launching in Jakarta yesterday. Ghosn said the Japanese carmaker plans to invest \$20 million in its Indonesian assembly plant to double production capacity for the growing local market. Nissan targeted more than 10 percent growth in Southeast Asia's biggest economy in 2013 and compared the local market to rapidly growing emerging economies such as Brazil and Russia.

China and Taiwan sign historic trade pact

AFP, Chongqing, China

Taiwan and China signed a historic trade pact Tuesday in the boldest step yet towards reconciliation between the former archfoes, 60 years after the civil war that drove them apart.

The Economic Cooperation Framework Agreement, hailed by both sides as a milestone and a commercial imperative in an era of strong regional cooperation, was signed by senior delegates in the southwest Chinese city of Chongqing.

The signing of the agreement, by far the most sweeping ever between the two sides, marks the culmination of a Beijing-friendly policy introduced by Taiwan President Ma Ying-jeou after assuming power in 2008.

"Signing this agreement is not only an important milestone in economic ties between the two sides," said the leader of the Taiwanese delegation, Chiang Pin-kung.

"It's also a huge step forward for the two amid the trend of regional economic integration and globalisation."

Kraft announces sale of Wedel to Japanese Lotte Group

AFP, Warsaw

Kraft Foods said yesterday that it had agreed to sell Cadbury's Poland-based E. Wedel brand chocolate and confectionary operations to the Japanese Lotte Group, which makes chewing gum, for an undisclosed sum.

Claiming annual revenues of some 40 billion dollars (32.5 billion euros), the Tokyo-based Lotte Group, ranks as the biggest chewing gum manufacturer in Asia and the third biggest in the world.

"The sale, which is subject to customary regulatory approvals, includes the E. Wedel business, its related brands and a manufacturing facility in Warsaw," said the statement published on the Kraft website.

The divestment follows approval by the European Commission for Kraft Foods' acquisition of Cadbury plc on the condition that Kraft sell of Cadbury E. Wedel in Poland and another Cadbury unit in Romania in compliance with EU anti-monopoly regulations.

"Approximately 1,000 Cadbury Wedel employees will transfer to Lotte Group," it said.

Majority of Germans want to ditch the euro

AFP, Berlin

A majority of Germans wants to scrap the euro and bring back the old currency, the deutschemark, according to a new poll published yesterday.

The Ipsos survey showed 51 percent of people in Europe's top economy wanted their beloved deutschemark back, with 30 percent wanting to keep the euro. The remainder was undecided.

Older Germans were keener to return to the deutschemark, with 56 percent of those over 50 years old saying they wanted the old money back in their pockets. In contrast, only 42 percent of those between 16 and 29 shared this view.

Sentiment in favour of the euro, which replaced the deutschemark as legal tender in 2002, has suffered in traditionally pro-European Germany following an unpopular multi-billion-euro (dollar) bailout for Greece.

The latest Eurobarometer poll published by the European Union in February 2010, before the Greek debt crisis, showed 66 percent of Germans were in favour of the euro, with only 29 percent against.

S Korea's SK Telecom invests \$100m in Malaysia

AFP, Kuala Lumpur

South Korea's top mobile network operator SK Telecom Tuesday announced a 100 million dollar investment in a Malaysian firm to tap into regional high-speed Internet services.

The move gives SK Telecom a 25.8 percent stake in Packet One Networks, Malaysia's leading provider of high-speed wireless broadband with about 175,000 subscribers.

SK Telecom, which controls more than half of South Korea's mobile market, is hoping to use the investment as a springboard for expansion in Southeast Asia.

Under the deal, the two companies will share their technology and network expertise as well as customer products portfolio.

SOCIAL BUSINESS

Solve a problem with tech

SOHEL PARVEZ

Tending to an expectant mother, a health worker keys answers to a set of questions into her smartphone. The information is then sent to a local clinic by the internet-enabled phone for a follow-up.

If the situation is deemed risky, doctors respond by sending an SMS alert back to the health worker to bring the patient to hospital for further attention.

This is how Grameen Intel Social Business Ltd helps reduce maternal mortality through the use of software applications on modern devices, such as laptops, netbooks or smartphones.

"We are implementing the 'proof-of-concept' at selective trial locations in Bangladesh. We want to replicate the tech-based solution in other areas with a social objective of reducing maternal mortality," says Kazi I Huque, chief executive of Grameen Intel, a joint venture between Intel Corp and Grameen Trust.

Incorporated in 2009, the social business was formed to address the unmet needs in developing countries, while focusing on the lasting impacts and financial sustainability by combining Intel's know-how in technology innovation and Grameen's experience in serving the disadvantaged segment of society.

"Our goal is to create digital solutions that address specific social problems. Our main objective is to serve the needs of the impoverished segment of the population who could potentially benefit from technology."

He said the solutions that Grameen Intel intends to provide consist of small software applications that are developed within the company, tailored to meet local needs, and coupled with a mobile computing device to constitute a complete solution package.

The idea of providing IT-based solutions to social problems came about, as nearly 70 percent of more than 650 crore of the world's population is yet to benefit from IT.

"When we look at statistics, we can see that it's the individuals, companies and large corporations that have primarily benefited from IT," he says. Intel is inter-



Kazi I Huque

ested in looking at ways to bring technology to the majority of the people who are yet to benefit from it, he adds.

He said Grameen Intel wants to provide low-cost solutions to address specific problems of society, like reduction of maternal mortality, vaccination for infants and soil-testing services for farmers.

The social business venture has already developed software to help assess high-risk pregnancies. "We provided the solutions to two of the Grameen clinics as part of the pilot project," he says, adding that about 60 pregnancies were diagnosed as high-risk by using the IT solution.

The company is also working on developing another software -- Vaccine Tracker --

to give alerts on pending vaccinations. For example, in many developing countries, nine different vaccinations are recommended for the first 18-24 months of an infant's life. The Vaccine Tracker generates automatic notifications based on the date of birth of the child.

The company estimates that the solutions will require a \$300-500 upfront investment for entities or entrepreneurs who want to use those to address social problems.

"But at the end of the day, technology cannot solve these problems in its entirety. It can enable solutions by gathering and analysing the necessary information," he says. "You have to have a coordination

among all stakeholders to benefit from technology to address the specific social problems."

He said the company would work on recruiting entrepreneurs or local entities to provide these services.

Huque expects Grameen Intel to grow and expand within the constructs of a social business from a business model standpoint, and attract more companies if the business model proves sustainable.

"The sustainability angle for the Grameen Intel business is yet to be proven, given our formative stage. If we can prove that, more companies will likely be interested in the social business model." sohel@thedailystar.net

WORLD CUP

South Africa sees tourism boon



A glimpse of the spectators of the match between Germany and England. South African Tourism head Thandiwe January-McLean admitted this week that the industry wanted the world's tourism giants to stay in the tournament.

AFP, Cape Town

Halfway through the World Cup, tourism officials say football fans have already brought an economic windfall that looks set to keep rolling as a raft of big countries play in the second round.

Business is booming with foreign fans at bars and restaurants, which are also boosted by plenty of local support for big guns like England, Portugal and Brazil after hosts South Africa bowed out.

Cape Town's dockside V&A Waterfront shopping and entertainment complex has proved a magnet for fans ahead of every match at the nearby Green Point stadium, where Portugal plays Spain on Tuesday in a game sure to pack in fans of all stripes.

"On a daily basis it's more or less in the figure of 100,000 coming through with spikes on match day," said Waterfront spokeswoman Annemie Liebenberg.

"These loyal supporters travel with their teams. It's absolutely fantastic to have the

big guys still."

South African Tourism head Thandiwe January-McLean admitted this week that the industry wanted the world's tourism giants to stay in the tournament.

"For us Germany and England and those countries are important because they have been core markets in which we have been working," she said.

"Seeing them qualify is, from a touristic point of view, in our interest, if truth be told."

Gillian Saunders of Grant Thornton consultancy said South Africa looked on track to earn about 8.8 billion rands (1.1 billion dollars, 934 million euros) from tourism during the World Cup.

That's just a slice of the 93 billion rands that the games are expected to have generated for the economy. Most of that amount was construction spending by government to build stadiums and overhaul the transport system over the last four years.

South Africa had to scale down its initially rosy expectations for 450,000 foreign visitors over the four weeks, lowering the number last month to 300,000.

But coming during the winter months that are normally low season for tourism, the football fans have given South Africa a second peak season with numbers that match its busy summer travel months.

The country spent about 100 million dollars on its World Cup marketing campaign, but January-McLean said the marketing benefits were invaluable from hosting one of the world's most-watched sporting events.

"From a touristic point of view this has been a fabulous opportunity, just given the exposure that South Africa has received all over the world."

Hotels are around 85 percent full in Johannesburg, the most convenient jumping-off point for most stadiums, according to SA Tourism.

Cape Town says on average its hotels

have been at 40 percent over the last two weeks, but accommodation closest to the stadium is booked solid and tour operators report a 20 percent jump in business against last June.

For normally quiet towns like the central city of Bloemfontein, where England and Germany face off on Sunday, bars, restaurants and hotels have seen swarms of visitors around games.

Even Port Elizabeth, one of the most distant host cities, has revelled in the flood of visitors.

"It was absolute chaos! From 10 past six until quarter to four this morning, we were upside down, inside out," said Sandy Nel, owner of News Cafe in Port Elizabeth, where England secured its second round entry on Wednesday.

The outlet saw a 200 percent turnover rise and sold 3,135 units of beer, said Nel.

"We sold the most beer we've ever sold in the nine years we've been in existence."