International Business News

Nokia Siemens buys $1.2b of Motorola assets

REUTERS, *Helsinki*

Nokia Siemens Networks (NSN) is buying Motorola Inc's telecom network equipment business, boosting its position in North America and taking number two spot in the cut-throat mobile gear market.

The $1.2 billion cash deal will leave only a few players in the consolidating sector, with Ericsson, China's aggressive newcomer Huawei and NSN the strongest survivors.

NSN, a 50-50 joint venture of Nokia and Siemens -- has struggled to make a profit in the $82 billion market, which was hit hard by the recession.

But under Chief Executive Rajeev Suri the group has started to seek growth more aggressively and fight back against market leader Ericsson and Huawei, former number two.

An NSN spokesman said the deal would be financed from the company's existing reserves and financing agreements.

Nokia Siemens tried to build a position in North America through an acquisition last year, but lost out on two major auctions of assets from bankrupt Canadian rival Nortel: first to Ericsson and then to Ciena Corp.

Both companies paid 0.57 times annual revenues for the Nortel business units. Nokia Siemens is paying 0.32 times annual revenues of $3.7 billion at the Motorola business.

HK to tighten regulation on credit rating agencies

AFP, *Hong Kong*

Hong Kong's financial watchdog said Monday that it planned to tighten monitoring of the city's credit rating agencies to meet new standards set by the European Union and other overseas jurisdictions.

The Securities and Futures Commission (SFC) said it planned to launch the regulatory regime as soon as early next year, including a new licensing regime for agencies and their analysts.

Under the proposal, Hong Kong-based credit rating agencies (CRAs) and their analysts would have to disclose how they assess companies and investment products to obtain a licence.

That licence could be revoked if they did not follow assessment procedures, or were found to have invested in products that they themselves had rated.

"We consider that it would be in the public interest to establish a regulatory regime to enhance investor protection and to enable credit ratings prepared by Hong Kong-based CRAs to be serviceable in other jurisdictions," Julia Leung, the city's Undersecretary for Financial Services and the Treasury, told lawmakers.

AFP

Air hostesses pose in front of a Boeing 787 Dreamliner aircraft following its arrival at the Farnborough Airshow, Hampshire, on Sunday. Aerospace giant Boeing said that it might delay to 2011 the delivery of the first 787 Dreamliner aircraft scheduled at the end of this year.

Philips says lifestyle goods boost profits six-fold

AFP, *The Hague*

Products for lifestyle and lighting, and emerging markets, helped electrical equipment and electronics giant Philips to boost quarterly net profit six-fold, it said on Monday.

Net profit for the second quarter rose to 262 million euros (340 million dollars).

This was a rise from 45 million euros in the same period last year and from 201 million euros in the first quarter of this year.

Philips said its profit was based on a 12-percent rise in sales on a 12-month comparison to 6.19 billion dollars.

"Philips delivered another strong quarter, with good top-line growth and strong profitability in all three operating sectors," Philips president Gerard Kleisterlee said in a statement.

"Sales performance was especially strong in emerging markets."

Emerging markets sales growth accelerated to 29 percent, now representing over one-third or 34 percent of total sales, said the company's quarterly report.

Unilever sells Italian frozen foods arm

AFP, *The Hague*

Anglo-Dutch food and cosmetics giant Unilever said on Monday it would sell its Italian frozen foods business for 805 million euros (1.04 billion dollars).

"Unilever today announced that it has signed a binding agreement for the sale of its Italian frozen foods business, Findus, to a company in which Birds Eye Iglo has a significant stake, for a consideration of 805 million euros," it said in a statement.

It would not name the company nor the size of the stake held by Britain-based Birds Eye Iglo.

Unilever said that all 650 of Findus' Italian-based factory and head office employees would go to work for the new company.

The sale included Findus' factory in Cisterna, Italy, and brands 4 Salti in Padella, Sofficini, Capitan Findus and That's Amore, and a dedicated factory in Cisterna, Italy.

INTELLECTUAL PROPERTY

IP rights deal shifts into focus

PID

Prime Minister Sheikh Hasina speaks at the launch of the Regional Forum on Intellectual Property for the Policymakers of Least Developed Countries in the Asia-Pacific Region at Sonargaon Hotel in Dhaka yesterday. Hasina urged the World Intellectual Property Organisation to give another 15-year waiver for Bangladeshi drugs of complying with the intellectual property rights regime. (Story on page 16)

STAR BUSINESS REPORT

Least-developed countries (LDCs) yesterday demanded extension of an agreement on intellectual property rights by 15 more years for the protection of their own markets.

In line with the World Trade Organisation (WTO) rules, the agreement on the trade-related aspects of intellectual property rights (TRIPs) will expire in 2016.

After the deal expires in 2016, most of the 49 LDCs will not be able to manufacture medicines with their own patents, meaning the prices of the lifesaving drugs will go up abnormally in those countries.

"Many people in the LDCs will not be able to purchase medicines at higher prices after 2016. So, we need extension of the TRIPs deal for another 15 years," said Mohammad Akhter Hussain, director (operation) of Biopharma Laboratories Ltd, a local pharmaceuticals company.

Hussain presented a keynote on 'IP (intellectual property) and Public Health: Policy and Strategy Considerations for LDCs' at the two-day 'Regional forum on Intellectual Property for the policy makers of the LDCs of Asia and the Pacific' that began at Sonargaon Hotel in Dhaka yesterday.

He said the LDCs are yet to develop any strong patent of medicine, as the countries have not enough fund for research and development. Now, most of the LDCs are dependent on the generic versions of medicine.

The US, EU, Japan and Australia hold the major patents, Hussain said.

Bangladesh has utilised the TRIPs agreement and secured the strongest drug-manufacturing base among the LDCs as the country now exports its medicines to 72 countries meeting 97 percent local demand, he added.

Bangladesh imports 80 percent of its active pharmaceuticals ingredients (API) for manufacturing purposes, he said.

Hussain suggested the government complete the construction of the API park within 2012.

The annual market size of medicine in Bangladesh is $850 million and the annual growth rate is 16.82 percent with 249 registered pharmaceuticals companies, he said.

Globally Bangladesh's market share of medicine is 0.1 percent, he added. The share of domestic pharmaceuticals companies in the local market is 88 percent, and 12 multi-national companies have the rest.

The country has 500 registered generic medicines and 117 varieties are on the list of essential drugs, he said, adding that the TRIPs agreement has helped Bangladesh achieve all the successes in drug making.

The industries ministry and the World Intellectual Property Organisation (WIPO) jointly organised the seminar, which was attended by government high-ups from the LDCs, experts, academicians and businessmen.

Meanwhile, in another technical session on 'the strategic importance of transfer of technology and technological capacity building for the development of LDCs', M Kamal Uddin, a teacher of Bangladesh University of Engineering and Technology (Buet), pushed for proper management of technologies for the national development.

Kamal Uddin also said technology transfer is taking place in Bangladesh in different ways, but people can hardly utilise the technologies, as Bangladesh has no national technology transfer centre.

"We must have the readiness for reaping the benefits of technology transfer. The growing private sector also needs high attention for taking the opportunities of technology transfer," he said.

There are a lot of innovations also in Bangladesh, but the applications of those innovations are rare. "We should facilitate commercialisation of innovations," he said.

Industries Minister Dilip Barua moderated the sessions.

Rangunia EPZ eyes green light

JASIM UDDIN KHAN

The government is expected to approve the operations and land acquisition of Rangunia Export Processing Zone tomorrow, which will be home to 300 industrial units.

Entrepreneurs of the initiative hoped they would be able to begin development work of the locally owned EPZ by December. The project is expected to complete by 2011.

A meeting with Prime Minister's Principal Secretary Abdul Karim is scheduled to be held tomorrow at the Prime Minister's Office (PMO) to jumpstart the private EPZ.

An official of the PMO said the government considers approving the EPZ as dozens of foreign investors in the last couple of months have sought industrial plots in Dhaka or Chittagong.

"Foreign investors are mainly seeking industrial plots at the two cities as they said that facilities are not adequate at other places for them to stay," the official said.

Due to a surge in demand for industrial plots at the two cities, the government felt the need to develop several other EPZs, he added.

Other issues, including authority for industrial registration, lease of land, building code and reforms to private EPZ Law of 1996, are to be discussed.

The Rangunia EPZ is proposed to be located within 50 kilometres of Chittagong on about 400 acres of government fallow land and family-owned land.

The EPZ will employ about 50,000 people and receive investment worth about $1 billion.

In addition to private entrepreneurs, bilateral and multilateral donors and financial organisations are ready to fund the project, sources said.

"We completed a topographic and contour survey of the site and we expect to start development work by this winter," said Kayum Chowdhury, managing director of Chittagong Industrial Park Ltd (CIPL), the owning company of the Rangunia EPZ.

He said they already received dozens of proposals from different local and foreign entrepreneurs to establish different industries.

"We are mainly interested in setting up agro-based and information technology based industries at the EPZ. Besides, we will accommodate several shoe factories who want to relocate from Taiwan and China," Chowdhury added.

The agro-based industries will be able to produce fruits and vegetable processing industries. Farmers of these localities have long been deprived of fair prices due to a supply demand gap and a lack of necessary processing factories.

Chowdhury said they are planning to develop contract farming at these areas, so that the farmers are get better prices for their produce.

CIPL initiated the Rangunia EPZ project in 1999 and got its licence in 2000, but it was held up for the last decade due to political reasons.

The present government has a strategy to set up more industrial parks for local and foreign investments.

The previous Awami League led government in 1997 allocated lands to set up the Korean EPZ in Chittagong, under the Bangladesh non-government EPZ Act, 1996.

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IMMIGRATION RULES

British curry houses in trouble

AFP, *London*

Spicy, steaming hot, scooped up in naan bread and washed down with a cold beer, there are few dishes more favoured by the British than the curry for a takeaway or a late-night meal after the pubs shut.

But restaurateurs are in a sweat about the future of the industry, which this year celebrates its 200th birthday, after the government introduced tough new immigration rules that threaten the influx of chefs from abroad.

Ever since officers of the British Empire brought home the spices and dishes of South Asia, Britons have embraced the curry -- a name used to describe a wide variety of food from the region -- while adapting it along the way.

This included inventing the chicken tikka masala, a lightly-spiced, creamy, tomato-based stew proclaimed as a "true British national dish" by then foreign secretary Robin Cook in 2001 and which now sells 49 million portions annually.

But the industry still relies on foreign cooks, largely from Bangladesh -- and it is warning that a cap on non-European Union immigration introduced on July 19 by Britain's new coalition government has put its future in jeopardy.

"Cooking curry is a special art," said Bajloor Rashid, president of the Bangladesh Caterers Association, which represents 12,000 Bangladeshi restaurants employing 100,000 people directly in Britain.

"You just cannot have anyone from here or there and becoming a chef -- they have to enjoy the cooking, they have to have the art of the cooking, otherwise it's not going to work."

He is lobbying against the new cap, warning it would "seriously affect us" by exacerbating existing shortages in the curry industry, which the BCA estimates at about 34,000 jobs.

"It's taken us a long time to build this industry so it's not easy just to put a cap on it and let it go," Rashid told AFP.

The first foreign-owned curry house in Britain was the Hindostanee Coffee House, opened in London in 1810 -- meaning the industry brings up its double century this year.

The owner of the Hindostanee Coffee, Dean Mahomed, was Indian, but these days 95 percent of restaurants are owned and managed by Bangladeshis.

One of these is Cafe Naz, a modern, spacious restaurant on Brick Lane, a street in London's East End which houses more than 100 curry houses and is buzzing with food lovers, day and night.

In the kitchen upstairs, 29-year-old tandoor chef Adeel Ashraf pulls a skewer of melt-in-the mouth marinated chicken out of a clay oven heated to a blistering 300 degrees Celsius (572 degrees Fahrenheit).

He has been in Britain for five years but cannot speak English, so his colleagues translate as he explains tandoor cooking, both of meat and the soft dough he sticks on the side of the oven to make naan flatbreads.

Fellow Bangladeshi cook Dewan Toughid, 38, who has also been here five years, says there is an art to the tandoor but one that many people cannot grasp. "English people are not working -- it's much too hot," he says.

He complains about a lack of cooks, a lament repeated by his boss, Cafe Naz owner Muquim Ahmed, who blames a first tightening of the immigration system under the previous Labour government.

"That's why my business is collapsing, because I can't get the right staff," said the 56-year-old Ahmed, who arrived in Britain from Bangladesh in 1974.

His son is studying computer science at university and has no interest in taking over. Nor do his peers, meaning restaurants must look to either locals or EU workers -- allowed to come here freely -- to replace retiring cooks.

But they argue that Britons or EU citizens cannot fill the gap without more training facilities, so they are forced to look to migrants.

Britain already has a professional culinary diploma, and following consultation with the business world, from September this will include units in Indian, Bangladeshi, Thai and Chinese cuisine.

Immigration Minister Damian Green said these would "train the chefs of the future" and said: "The government expects employers to make the most of them."

While the temporary cap on immigration was introduced on July 19, Green is still consulting on a permanent cap due to be implemented next April.

But he warned: "Employers should look to recruit from the UK before looking to recruit from the rest of the world.

"Our over-reliance on migrant labour has done nothing to help the millions of unemployed and low-skilled British citizens."

AFP

In a file picture taken on April 23, 2010, an chef serves a prawn curry to guests during the Britain Curry Festival. Restaurateurs in the UK are in a sweat about the future of the industry, which this year celebrates its 200th birthday, after the government introduced tough new immigration rules that threaten the influx of chefs from abroad.