

International Business News

Malaysia's auto sales to hit record high in 2010

AFP, Kuala Lumpur

Malaysia's auto sales rose 19.8 percent in the first half of 2010 and are tipped to hit a record high this year in Southeast Asia's biggest passenger car market, an industry group said Tuesday.

The Malaysian Automotive Association (MAA) revised its 2010 sales forecast for 2010 to 570,000 units, from 550,000 units estimated previously, as the nation's economy recovers.

"Positive consumers' sentiment is expected to continue owing to greater stability in the employment market," the MAA said in a statement.

The association said sales for January to June stood at 301,077 units, compared to 251,305 units sold in the same period in 2009.

Local carmaker Perodua led the sales with a 31.5 percent market share, followed by national carmaker Proton with 26.6 percent while Japanese auto giant Toyota came in third with 14.8 percent.

The MAA said it was optimistic the industry would break an all-time record of 552,316 units sold in 2005.

"The new forecast (of 570,000 units) will definitely be achieved," MAA president Aishah Ahmad said, according to Dow Jones Newswires.



AFP Unemployed Americans attend a National Career Fair at the Airport Radisson Hotel as they search for work in Los Angeles on Monday. New claims for US unemployment benefits fell more than expected last week, hitting levels not seen since August 2008 as factories cancelled summer closures.

Sharp to join e-reader business war

AFP, Tokyo

Sharp said Tuesday it would launch an e-reader this year able to handle text as well as video and audio content, in a bid to challenge Apple and other rivals in the lucrative market.

The Japanese electronics giant said it had updated its e-book format with the "next-generation XMDF" platform, an advanced multimedia version of the XMDF format for text and still images that it launched in 2001.

"The next-generation XMDF enables easy viewing of digital content including video and audio and allows automatic adjustment of the layout to match and meet publishers' needs," Sharp said in a statement.

Sharp plans to begin the service and sell two types of e-readers, which resemble Apple's iPhone and iPad, by the end of the year in Japan and will then also export the gadgets.

"Now there is a lot of attention on the e-publishing business," Masami Obatake, a senior Sharp official, told a news conference. "Launching it by the end of this year will be good timing."

Asked if Sharp can cope with the competition, Obatake said: "Since we have a new system, I think we will be able to compete sufficiently."

Honda to sell electric cars, plug-in hybrids by 2012

AFP, Wako, Japan

Honda said Tuesday it will roll out an electric car and a plug-in hybrid in Japan and the United States in 2012 as it seeks to catch up in the race to make clean, battery-powered cars.

Japan's number-two carmaker plans to launch the compact electric car as well as mid and large-sized plug-in hybrids that will run up to 60 kilometers on a litre (140 miles on a gallon) of petrol, said president and CEO Takanobu Ito.

"The next 10 years will be very critical for Honda to survive in the midst of major changes, at a time of increased environmental awareness and changes in the global economic structure," Ito told reporters at a press conference.

He said details of the cars will not be released until the end of the year.

The plug-in has been a pet project of Ito, who headed Honda's research and development section before taking over the company in June last year.

The announcement that Honda will embrace the technology means a turnaround in the company's vision. In 2007 then president Takeo Fukui said that plug-in hybrids offered too few environmental benefits to be worth pursuing.

Airbus says Chile airline LAN to buy 50 A320s

AFP, Farnborough, United Kingdom

European aircraft maker Airbus said here on Tuesday that Chilean airline LAN intended to order 50 single-aisle A320 passenger planes worth a combined 4.2 billion dollars.

"LAN Airlines, one of Latin America's leading passenger and cargo airlines, announced today its intention to order 50 new eco-efficient Airbus A320 family aircraft," Airbus said in a press release.

"The Memorandum of Understanding signed today at the Farnborough International Airshow - will be the largest single airline order for Airbus in Latin America," it added.

INTERVIEW

Protecting copyrights

WIPO official talks to The Daily Star on intellectual property

JASIM UDDIN KHAN

Bangladesh should protect the copyrights of the local authors and artists by establishing a link between the creators and users of copyrighted works, says an expert on intellectual property rights.

The official of World Intellectual Property Organisation (WIPO) suggests Bangladesh form a collective management organisation to safeguard intellectual properties, create indigenous talents and explore international markets.

"Without protecting intellectual properties, a country can't get a talented pool of writers and artists, and its image abroad is not portrayed strongly," Candra N Darusman, deputy director of WIPO, Singapore, told The Daily Star yesterday.

He says books and songs from South East and Far East nations such as India, China, Malaysia and Singapore grabbed a huge global market as the countries launched vigorous efforts in protecting their local talents.

Darusman came to Bangladesh to deliver lecture at a two-day international forum on intellectual property that ended yesterday.

WIPO and the industries ministry co-organised the conference.

He also suggests a strong enforcement of copyright regulations and massive awareness campaign.

"The country has a huge market. Individual artists, authors or performers can earn a lot if any of their work becomes popular and if their work is protected from piracy," the WIPO official says.

He stresses massive awareness campaign so all the stakeholders know about the benefits of copyright and protecting piracy.

Darusman proposes formation of a collective management organisation (CMO) by the artists and authors to protect their rights properly.

He says composers, writers, musicians, singers, performers and other talented individuals can form the CMO, which can be affiliated with WIPO to protect their



Candra N Darusman

rights. "The CMO works to develop their talent and encourages them to create. We have to give those individuals incentives," he says.

The CMOs, acting on behalf of their members, negotiate rates and terms of use with the users, issue licences authorising

uses, and collect and distribute royalties. The individual owner of the rights does not become directly involved in any of these steps.

CMO is an important link between the creators and users of copyrighted works because it ensures that, as the owners of

rights, the creators receive payment for the use of their works.

CMO membership is open to all the owners of copyright and related rights, whether authors, composers, publishers, writers, photographers, musicians, or performers.

India, Malaysia, Japan, Iran, Indonesia, Philippines, South Korea and many developed countries have such organisations.

As part of its international development cooperation activities, WIPO works closely with these organisations, and also with others, such as International Federation of Actors, International Federation of Musicians, and International Federation of the Phonographic Industry.

The aim of the WIPO is to assist developing countries, upon their request, in establishing CMOs, and to strengthen existing organisations to ensure that they can be fully efficient and effective, among other things in their response to the challenges of the digital environment.

Such activities are carried on under the WIPO Cooperation for Development Program, Darusman says.

Collective management renders a valuable service to the world of music and other creative arts. By managing their rights, the system is rewarding creators for their work, and the creators in turn are more inclined to develop and apply their talents in an environment that provides adequate copyright and related rights protection and an efficient system for the management of rights.

Such a situation encourages the creators to contribute to the development of the cultural sector, attracts foreign investment and generally enables the public to make the most of a broad array of works.

Many CMOs have developed systems for online delivery of information related to the licensing of works and content, the monitoring of uses and the collection and distribution of remuneration for various categories of works within the digital environment, Darusman says.

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ANALYSIS

IMF to Asia: Change economic habits

REUTERS, Beijing

That warm glow and soft purring emanating from South Korea was the International Monetary Fund trying, yet again, to put the Asian financial crisis behind it.

The IMF needs Asia on its side. As the fastest-growing part of the world economy, the region will wield more clout at global institutions like the IMF and provide more of their funding.

The problem, to put it bluntly, is that Asia does not need the IMF or like the IMF, whose invasive policy prescriptions are blamed in the region for having exacerbated the 1997/98 meltdown.

Hence the charm offensive by the fund's managing director, Dominique Strauss-Kahn, at a big conference in the central South Korean city of Daejeon last week.

"Let me be candid: we have made some mistakes," he said. "We have learned the importance of focusing on essential policies, and of protecting the most vulnerable, when tackling a crisis."

Declaring that he wanted Asian countries to see the IMF as a second home, Strauss-Kahn added: "Asia's time has come in the global economy, and so it must be at the IMF"

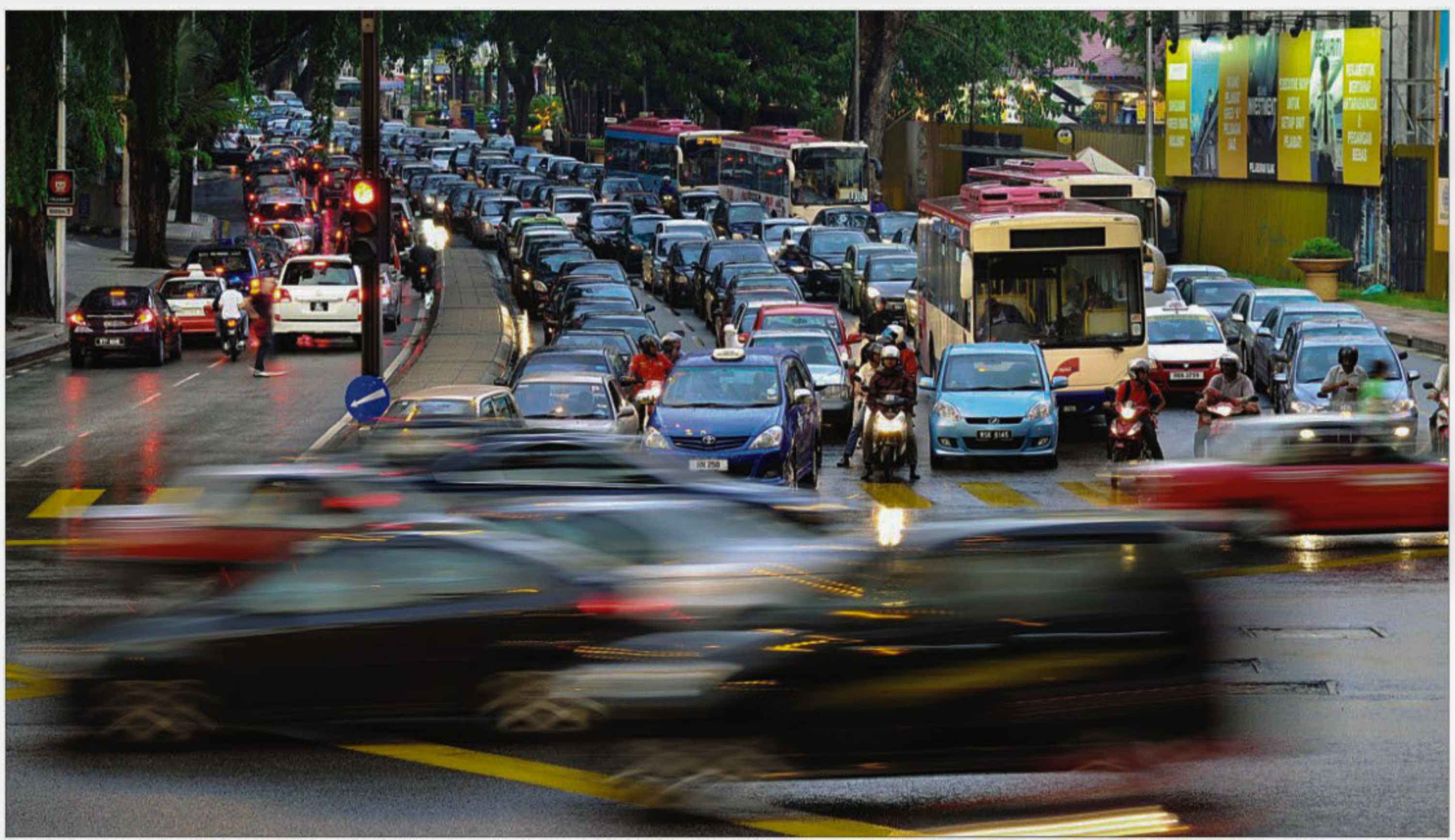
But there was an implicit quid pro quo. In return for a bigger role, Asia had to take more responsibility for reducing global imbalances. Governments had to nurture a "second engine of growth" -- domestic demand -- instead of relying so much on exports now that Europe and America face years of belt-tightening.

In a nutshell, Strauss-Kahn seemed to be saying, the IMF is ready to change. Is Asia? "The decisions made now will impact Asia's performance for decades to come," the IMF chief said.

Against that background, it's reasonable to ask whether Asia will be able to rise to his challenge.

Shares in Indonesia are near record highs, reflecting confidence in economic reforms. India and Malaysia have both cut domestic fuel price subsidies to reduce their budget deficits.

Yet some contributors to a



A view of evening traffic passing through downtown Kuala Lumpur. Malaysia is among such countries where there was little political pressure on state-owned and government-linked firms to distribute their income to boost domestic consumption.

recent VoxEU.org publication, "Rebalancing the Global Economy: A Primer for Policymaking," wonder whether Asia really can change its spots.

The most striking imbalance in Asia is that it saves too much, and a major reason for that thriftiness is beyond the control of governments: the bulk of Asians are in their prime working years when people salt away money for their old age.

But policymakers could do much more to promote more balanced growth, for example by building social safety nets to lessen the need to save for a rainy day, allowing currency appreciation and reducing corporate savings.

Jong-Wha Lee, chief economist at the Asian Development Bank, said governments should give priority to enhancing the investment climate; Asia's current account surpluses reflect in part a paucity of domestic investment,

especially in long-term infrastructure, he argued.

"The business environment across the region lags behind the world's competitive economies because of serious shortcomings in regional institutions and skill shortages. Remedying these weaknesses will help translate domestic savings effectively into domestic investment," Lee wrote.

His case is buttressed by a new World Bank report, "Investing Across Borders, 2010," which examines the openness of 87 economies to foreign direct investment.

East Asia and the Pacific score poorly, with more curbs than any other region in the world on foreign equity ownership, starting a local business and accessing industrial land.

Underdeveloped financial sectors are also holding up Asia's economic transformation.

The old model of a bank-dominated financial system that

paid depositors a pittance and funnelled cheap loans to exporters and manufacturers is past its sell-by date. People would need to save less if they got higher returns on the money they do save.

"The process of creating diverse financial institutions has happened too slowly relative to the needs of the rising middle class and aging demographics," Andrew Sheng, an adjunct professor at the University of Malaysia and Tsinghua University in Beijing, wrote in the latest East Asian Bureau of Economic Research newsletter.

Deeper foreign exchange and capital markets would also help countries to absorb capital inflows instead of imposing administrative controls on them, as Indonesia and South Korea have done recently.

Linda Lim, a professor of business strategy at the University of Michigan, said financial sector liberalization had helped Asian rebalancing but was incomplete

because of nationalist objections and resistance to increased competition.

One example was the continued dominance of China's state-owned banks, Lim wrote in the VoxEU.org e-book.

"But it is the corporate restructuring necessary to reduce high corporate savings rates that is likely to prove most politically intractable, requiring authoritarian and semi-authoritarian governments to relinquish state control of economic resources and activity on which their political power is partly based," Lim added.

Lim singled out Singapore, Malaysia and China as countries where there was little political pressure on state-owned and government-linked firms to distribute their income to boost domestic consumption.

Yung Chul Park, a professor at Seoul National University, also put economic rebalancing squarely in a political context.