

International Business News

India plans stress test of banks

AFP, MUMBAI
India plans to stage "stress tests" twice a year on its banks following the lead of US and European financial regulators, a report said Wednesday.

The central bank said Tuesday it had carried out rudimentary tests during the worldwide financial slump to monitor credit and interest rate risks, according to the Financial Times.

But the Reserve Bank of India said it would carry out more sophisticated tests to build up confidence in the country's banking network, which largely weathered the global financial crisis.

The newspaper quoted bank governor Duvvuri Subbarao as saying India was "learning on the job" in its review of capital, liquidity and other standards.

A central bank spokesman could not be immediately reached for comment on the report.

India needed to have more rigorous stress tests, in which bank balance sheets are checked to see how much financial pressure they can withstand in a simulated future crisis, the governor was quoted as saying.

The comments come days after Europe released the results of stress tests of the region's leading financial institutions.



AFP
A worker passes by a store at a mall in Bulacan province, north of Manila yesterday. The new Philippine government said yesterday it was aiming to achieve sustained economic growth of up to 8 percent annually as investor confidence grew and red tape was cut.

Nissan to offer breathable Vitamin C in new cars

AFP, Yokosuka, Japan
In a riposte to those who think a reliance on cars is unhealthy, new Nissan models will feature air conditioners that pump breathable vitamin C and stress-reducing seats, the firm said Wednesday.

The group is also looking to install "friendly" speedometers that can further improve the in-car atmosphere with timely reminders of wedding anniversary dates or birthdays, in the event the driver forgets.

"We want drivers to feel that they are healthier staying in the car instead of on the outside," a Nissan engineer said Wednesday at a test drive event outside Tokyo.

The automaker plans to introduce air conditioners in its cars that spray vitamin C to moisturize skin and as well as air purifiers developed by Sharp.

Nissan also expects to equip its cars with heating "easy chairs" that incorporate NASA research to enable better blood circulation and reduce the chances of back pain during long drives.

The innovations were announced along with a raft of driver safety features the automaker plans to equip its new cars with in the next two to three years, including anti-collision technology.

China moves to calm local govt debt fears

AFP, SHANGHAI
China's banking regulator has moved to ease concerns after reports said nearly a quarter of loans to local governments were at serious risk of default.

Century Weekly magazine said this week that 23 percent of the 7.66 trillion yuan (1.1 trillion dollars) extended to local governments' financing vehicles were in danger of turning sour.

It cited estimates by the China Banking Regulatory Commission.

However, the agency downplayed the risks to the banking system in a statement sent to AFP.

"Currently Chinese banks have enough provisions and good capability to withstand risks," it said.

The statement acknowledged some of the loans "do not comply with regulations" but added that with appropriate measures "their risks can be controlled and resolved".

Regulators will carry out spot checks at commercial banks in the third quarter to ensure banks can cope with potential non-performing loans, according to the statement.

Soros to buy 4pc stake in Bombay bourse

AFP, Mumbai
Billionaire investor George Soros is close to sealing a 40-million-dollar deal to buy Dubai Holding's 4.0 percent stake in the Bombay Stock Exchange (BSE), the Financial Times reported Wednesday.

If the purchase goes through, it would be the latest in a series of strategic foreign investments in India's stock and derivatives exchanges.

Soros Fund Management is planning to pay 40 million dollars for the stake in Asia's oldest stock exchange based on a total valuation of around one billion dollars, a person involved in the negotiations told the Financial Times.

ubai Holding is owned by the emirate's ruler, Sheikh Mohammed bin Rashid al-Maktoum.

Investor interest in the BSE has been spurred by an overhaul instigated by its chief executive, Madhu Kannan, who has focused on building the BSE brand name, upgrading technology and improving transparency.

INTERVIEW

TV star has big heart

Voice of Lisa Simpson is inspired by Muhammad Yunus

EMRAN HOSSAIN

At 46, the actress, writer, painter and vocal artist known for voicing the role of Lisa Simpson in the 26-year-old hit American animated television series The Simpsons, is committed to working ever harder to help the poor of the world -- including Bangladeshis -- stand on their feet.

Yardley Smith, who has voiced the role of Lisa since its debut, was touched by seeing the faces of poverty in here and abroad. "It makes me want to work even harder, so that I can be more successful; and then I have more resources to give," Smith told The Daily Star.

After visiting Haiti three times, Smith became a "firm believer" in micro-credit. She recently visited Grameen institutions in Bangladesh to witness how social business, micro-credit and micro-finance institutions changed poor people's luck.

A silent donor to many organisations in the United States over the years, Smith decided to use her reputation to promote micro-credit, as she believes "it's the best way out of poverty." Smith recently met Grameen Shikha scholarship recipients, visited Grameen Danone, Grameen Eye Care Hospital, Grameen Shakti Solar Home System and Grameen Bank branches.

"I think that if you have an opportunity to get the message out -- about something that is worthwhile, that means something to you, that helps make the world better place -- then you almost have an obligation to promote that in some way," said Smith.

The idea of micro-credit, social business and micro-finance captivated her when she



SHAWKAT JAMIL
Yardley Smith, who has voiced the role of Lisa since its debut, was touched by seeing the faces of poverty in the world.

watched an interview of Nobel laureate Muhammad Yunus on the popular Oprah-Winfrey show on television. "And I do think it's the next step, it's the future," Smith said.

For her the idea is "brilliant", as it ensures proper use of the money, improves the condition of a borrower, and at the same time keeps hope alive for others, as the money grows continuously during the process.

Smith donated \$1 million to Grameen to help the poor. She does not mind that interest will be charged on her donation, as she

thinks it necessary to keep the micro-credit business healthy.

"The thing is that the poor can't get loans from commercial banks. I actually don't think that interest rates are a problem. I think they are fair, and again, that gives the poor an opportunity to help other villagers."

Sharing her experience of development in Haiti, she said, "What you see in the faces of the women there who have received this lends at various levels, whether they are a long-term borrower or they are just beginning, is you see the light come back into

their eyes; and, you know, its remarkable.

"It's so hopeful when you consider the enormity of the problem of poverty [. . .] And then you see the change that small loans make in these women's lives. It makes you feel like enormous progress is being made."

Smith, who made her film debut in 1985, plans to set up a women shoe factory, the proceedings of which would go directly to micro-finance institutions across the globe.

She thinks Bangladesh is more developed than Haiti, though the sight of slums from her hotel room in Bangladesh is very stirring to her compared with the US.

"But the one thing that strikes me about Bangladesh is that everybody is really busy," Smith says. "I hardly ever see anybody just sitting around. The population seems to be incredibly enterprising. Even the beggars are working out on the streets. By and large, people seem to be involved in some sort of work. They are not waiting around for somebody to give them a hand out."

Smith became professional actress in 1982 after graduating from a drama school. She received the Emmy Awards for Outstanding Voice-Over Performance in The Simpsons in 1992.

Despite its poverty, Bangladesh has given something back to the actress, who was captivated by our hospitality. "I would say the hospitality has been amazing. I have never been served so much tea in all my life. It has been really fascinating."

Cameron woos India for trade, jobs



AFP
British Prime Minister David Cameron gestures after delivering a speech at Infosys Campus in Bangalore yesterday. Cameron, accompanied by a bevy of top ministers and a small army of business leaders, arrived in India late July 27, at the head of the largest British delegation to travel to the former jewel in its colonial crown in recent memory. It has been tagged as a mould-breaking mission to redefine what Cameron's government sees as a long-neglected relationship with one of the world's fastest growing economies.

REUTERS, Bangalore

British Prime Minister David Cameron tried to persuade India on Wednesday to do more business with Britain as he seeks new sources of economic growth to offset deep cuts in public spending at home.

On his first visit to India since taking office in May, Cameron leads a delegation including six ministers and more than 30 senior executives from top UK firms, to show that Britain is serious about boosting economic exchanges with the Asian giant.

"I want this to be a relationship which drives economic growth upwards and drives our unemployment figures downwards," he said in a speech to young Indian business leaders at the high-tech Infosys campus in Bangalore.

"This is a trade mission, yes, but I prefer to see it as my jobs mission," he said.

India belongs to the "BRIC" group of rapidly growing emerging economies along with China, Brazil and Russia. Cameron has often lamented that Britain trades more with Ireland than it does with all the BRICs combined and he has vowed to remedy that with vigorous pro-trade diplomacy. Among the executives on

Cameron's plane is Richard Olver, chairman of defence group BAE Systems, who will return home with a contract potentially worth \$775 million to supply 57 Hawk training jets to India's air force and navy.

A senior air force official told Reuters in New Delhi that the contract between BAE and state-run Hindustan Aeronautics Ltd would be signed in Bangalore on Wednesday.

Other business leaders visiting India as part of the British delegation include the CEOs of banking giant Barclays, infrastructure group Balfour Beatty, insurance firm Aviva and private equity firm 3i.

One industry that stands to benefit from Britain's increased economic focus on India is the civil nuclear sector.

British government sources told reporters in Bangalore that London would start granting licences to its civil nuclear firms to export to India, opening up business prospects potentially worth billions of pounds.

Cameron's coalition government says the British economy is too dependent on the public sector. It plans to cut public spending to reduce the budget deficit, which has swollen to a peacetime record, but critics say this will worsen unemployment. The coalition says private busi-

nesses should be the engine of growth, and one of its strategies is to focus diplomatic efforts on fast-growing emerging markets to promote trade. On his way to India, Cameron visited Turkey on a similar mission.

"In Britain, we're waking up to a new reality," he wrote in a column in Wednesday's edition of the Hindu newspaper. "Economic power is shifting -- particularly to Asia -- so Britain has to work harder than ever before to earn its living in the world. I'm not ashamed to say that's one of the reasons why I'm here in India."

In his speech in Bangalore, he challenged India to "take on vested interests" and further open up its markets.

"We want you to reduce the barriers to foreign investment in banking, insurance, defence manufacturing and legal services -- so that we can both reap the benefits," he said.

With the World Trade Organisation's Doha round of multilateral talks making little progress, Britain sees a free trade deal between the European Union and India as the next big step forward. Cameron said he was determined that such a deal should be reached before the end of the year.

Can video games boost your career?

Videogames have long been thought of as distractions to work and education, rather than aids. But there is a growing school of thought that says game-play, in moderation and in your free time, can make you more successful in your career.

John Hagel III, co-chairman of a tech-oriented strategy centre for Deloitte, has been studying the effect that playing videogames has on the performance of young professionals in the workplace. "We're finding that the younger people coming into the teams who have had experience playing online games are the highest-level performers," he says "because they are constantly motivated to seek out the next challenge and grab on to performance metrics."

Elliot Noss, chief executive of domain name provider Tucows, has spent the past five years training to become a better leader by playing "World of Warcraft" for six hours a week.

"You have these events [in "World of Warcraft"] that are very leadership-driven," Noss says. "For example, when you're in a raid that's poorly led, it's really easy to see how valuable are skills like managing the social dynamic, making sure there was the right level of preparation and making sure that there was a clear hierarchy in terms of who is performing what roles."

Noss does a regular lunchtime series called "Tucows Lore." Around 20 employees come to each session. Noss plays the company poet, telling tales of Tucows over the years -- its heroes, villains, battles with large telecommunications companies or the early days of the domain registration market. "The feedback is fantastic. It helps people feel they are part of something bigger," Noss says.

Noss' efforts seem to be paying off. He says he has seen employee satisfaction rise and turnover decrease.

Hagel cites Stephen Gillett, a gamer who became chief information officer of Starbucks while still in his 20s. By playing "World of Warcraft" Gillett developed the ability to influence and persuade people through leadership rather than trying to order them around.

A book published in April called "Your Career Game" discusses how online Xbox games like "Modern Warfare 2" can teach players about game theory. The strategies gamers learn in interacting and competing with others in games, assessing different motivations and finding and utilizing mentors can help employees get ahead in the workplace or help job-seekers get an edge in their search. The book was co-authored by Nathan Bennett, a management professor at Georgia Tech, and Stephen Miles, vice chairman of executive search firm Heidrick & Struggles.

Videogames can also inspire entrepreneurship. In 2004 then 22-year-old David Storey entered the Guinness World Records as having bought the "most valuable object that is virtual," a virtual island in the online game "Project Entropia," for a whopping \$26,500.

Far from being a digital sucker, Storey had money-making in mind: He now runs the island as a virtual game preserve, making \$100,000 a year from taxes he charges hunters on his island. Being a virtual property owner, says Storey, has taught him a lot more about business than he ever thought a game could.

Does that mean entries like "guild leader" or "virtual island business owner" will become more common on resumes? Not yet; but, says Hagel: "I anticipate in the not-too-distant future this will be as standard a part of your resumé as where you went to school."