

International Business News

Apec vows to put economy back on track

AFP, Tokyo

Asian and Pacific countries agreed Sunday to improve the "quality" of their growth and help put the global economy back on track from its crisis.

The accord was reached at a meeting of ministerial-level officials as well as industrial and academic leaders from the 21 countries of the Asia-Pacific Economic Cooperation (Apec) forum.

International institutions including the Asian Development Bank and the World Bank were also represented at the two-day meeting, which ended Sunday in the Japanese resort of Beppu.

It was aimed at paving the ground for Apec leaders to work out an unprecedented "growth strategy" for the region at the forum's annual summit in November in the Japanese port city of Yokohama.

"As the world's leading growth centre, the Apec region has a great responsibility for the future course of the global economy," said a statement from the co-chairmen of the meeting.

"Apec should contribute to improving the quality of growth in the global economy as well through its growth strategy, as envisaged by the Apec economic leaders last year," said the statement posted Apec's official website.

Apple Japan to improve site on iPod Nano overheating

AFP, Tokyo

Apple's Japanese unit has promised to improve website warnings over its first-generation iPod Nano music player after incidents of it overheating and catching fire, a government statement said.

The Ministry of Economy, Trade and Industry said in a weekend press release that Apple Japan had submitted a report about measures it has taken against the incidents -- such as giving warnings or recalling the products.

The report was filed in response to an order issued a week ago by the ministry after recharging problems caused 27 overheating incidents, including six fires, which left four people with minor burns.

"The ministry is in the process of closely examining the report and making additional inquiries to the company," the statement said.

Apple has sold about 1.8 million units of the 2005 iPod Nano model in Japan since September 2005.

The Japanese unit has put information on its website about the problems, including recommending battery replacements. However, the lack of prominence given to the warnings has provoked criticism.



The solar-powered ship "Turanor Planet Solar" makes its way through the Kiel canal near Landwehr, northern Germany, on Saturday. The ship is, according to the PlanetSolar company, the world's biggest solar boat. Equipped with a large array of photovoltaic solar panels, it was constructed by Knerim Yacht Club in Kiel. The multihull vessel left the docks in Kiel for some tests, before the first round-the-world trip powered by solar energy will be attempted in 2011.

China's savings rate to drop in coming decade

AFP, Geneva

China's high savings rate is expected to fall substantially in coming years as its workforce shrinks, the population ages and social security spending increases, a BIS report shows.

In research published by the Bank for International Settlements on the "myth and reality" of China's savings rate, Ma Guonan and Wang Yi found that the Asian giant needs its population to spend more in order to sustain rapid economic growth in coming years.

The researchers, who were writing in their personal capacity, also reject claims that Chinese state firms have been benefiting from high savings thanks to exchange rate distortions and subsidies designed to drive economic growth.

They point out that "less advantaged" and more efficient firms have been the ones posting the greatest gains in earnings in recent years rather than state-owned companies.

Honda's compact hybrid to be cheapest in Oct

REUTERS, Tokyo

Honda Motor Co plans to sell a hybrid version of its popular Fit compact car at around 1.59 million yen (\$18,600), making it the cheapest hybrid in Japan when it goes on sale in October, the Tokyo Shimbun daily said on Sunday.

Thanks to Japanese subsidies on green-car purchases, hybrid cars have become popular in the market for new passenger cars in the past months.

But the subsidies are scheduled to end next month, a move that could trigger a price war with rival hybrid carmaker Toyota Motor Corp.

Honda's Hybrid Fit will cost about 300,000 yen less than Insight, Japan's No.2 auto maker's other hybrid offering and currently the cheapest. It will be priced at about 400,000 yen more than Fit's gasoline-powered version, the daily said.

LIFESTYLE

Outsourcing reshapes Philippine society

AFP, Manila

Daybreak is happy hour in a world turned upside down at a trendy bar in the Philippines' financial district, the clientele young and loud and with a vague California accent.

Vodka cruisers and beer fly by the bucketful as good friends Cici, Pau and Jels go off duty along with the rest of the night shift in the nation's half-million strong business process outsourcing (BPO) workforce.

Even the hors d'oeuvres are edgy -- "drunken" shrimp and green mango soaked in pale pilsen -- reflecting the punishing lifestyles of the partygoers.

"I used to drink eight bottles of Red Horse at a time and still find my way home," said 28-year-old Cici, discussing a local brew known for its high alcohol content and often called "The Devil's Own Juice."

The group of young women really let their hair down on Saturdays, hitting bars, beaches or shopping malls all day so they can socialise with friends outside the industry and sleep at least for one night like a normal person.

Life in many ways is a blast for the young, single and educated in the outsourcing industry.

Entry-level jobs bring salaries of 300 dollars a month with the promise of triple that after a few years' experience -- good wages in a country where a third of the population live on a dollar a day.

Jobs are plentiful and can come with generous perks such as 13th and 14th-month pay, performance bonuses and free medical insurance.



A group of call centre employees relax at a restaurant in the financial district of Manila on July 10. Daybreak is happy hour in a world turned upside down at Dencio's off Ayala Avenue in the Philippines' financial district, the clientele young and loud and with a hint of California accent.

And the outsourcing industry -- which has soaked up millions of call centre, accounting and other back-office jobs from the developed world -- is becoming an increasingly vital part of the nation's economy.

Its 500,000 Filipino employees are the world's second biggest outsourcing workforce behind India.

Its revenues, which already account for 5.0 percent of the country's gross domestic product, are growing at double digit rates annually, according to the industry group Business Processing Association Philippines.

On a more micro-level, entire 24/7 service industries -- including convenience stores, bars and fast-food restaurants -- have sprung up around the new office towers to serve the needs of the booming sector.

However there are concerns about the way the industry is reshaping young adult society, as well as the pressures the workers face as they remotely help customers and clients on the other side of the world.

The odd hours, irate clients, tedious workloads and performance demands often drive staff -- particularly call centre workers -- to early burnout.

DEVELOPMENT

China bets future on inland cities

REUTERS, Gushi, China

China has put big money down on a momentous gamble: rush to build new cities in its poor interior, then wait for people to come and help drive the economy to a new stage of growth.

Here in this corner of the Chinese hinterland, the government has widened farm lanes into highways, turned wheat fields into an industrial park, spent a fortune on government offices, and set up a school for thousands of students in what was a dusty town a few years before.

Old, cracked gravestones have been bulldozed to make way for a housing estate featuring 60 apartment buildings, a winding creek and tennis courts, the latest such development in Gushi.

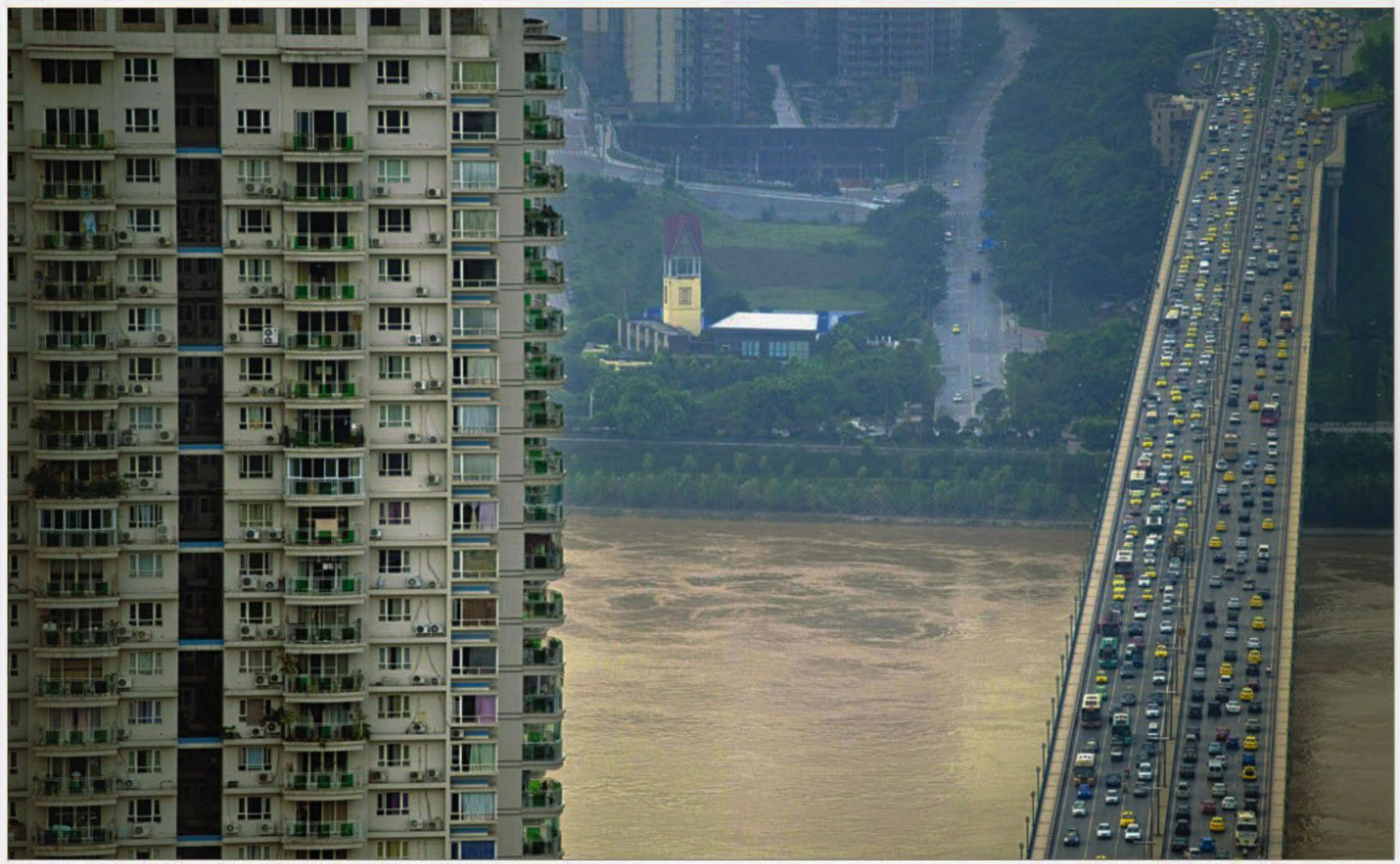
But the roads are mostly deserted apart from the odd goat herd trundling along them. The industrial park features a handful of workshops and no big factories. Vast new housing estates fan out from the original town centre, most of them uninhabited. Skeletons of half-built villas, stained from neglect, are played across fields.

About 1,000km (600 miles) south of Beijing in Henan province, Gushi is a microcosm of this latest face of China's urbanisation, featuring ambitious officials, angry farmers, countryside capitalists, a new batch of consumers -- and empty buildings.

Over the past three decades, rural migrants flocked to big, prosperous cities along the coast. Now, in its revamped model of urbanisation, the government is trying to bring cities to its farmers, a project that could absorb more residents than the entire population of the United States in the coming decades.

Farmers such as Xiang Wenjiang are not at all sure they like what they see rising up from their muddy fields.

"This is my land, but now it's all been sold," said the wiry, sun-beaten Xiang, eyeing a row of apartments under construction advancing toward his hut. "I won't leave until they give us the right



Early morning traffic crosses the Huanhuayuan bridge across the Jialing in southwest China's Chongqing municipality. In China, building new cities is part of an effort to drive the economy to a new stage of growth.

money for moving, not just a few coins."

The apartment complex encroaching on Xiang's land is part of a vast urban development juggernaut that has become a new engine of economic growth as global demand sputters. It offers enormous opportunities for the companies that dig up the raw materials needed to build the new cities; that make the cars for the new roads and the washing machines for the new homes.

But such high hopes come with ample scope for disappointment. If the unprecedented population shift from villages to cities is mismanaged, it could squander resources, radicalise peasants and damage China's prospects.

With 1.7 million people, Gushi is the most populous county in Henan and one of the biggest in the nation. Locals boast it sends

out more workers to cities than any other county in China.

This annual flow from farms to factories is at the heart of how China's economy, a welterweight in global terms in 1980, will become the world's biggest in a little more than a decade.

"You are going to see smaller cities being created out of townships, townships created from villages," said Jing Ulrich, chairman of China equities at J.P. Morgan.

"I do believe in the long-term thesis that playing this urbanization trend, playing consumption growth on the back of urbanisation and income growth, this is probably one of the brighter spots in the global economy."

Like much of central China, Gushi has been in a rush to catch up with the wealthier coastal regions.

"Failing to develop is the worst

An early inspirer of today's leaders

MAMUN RASHID

"The mediocre teacher tells. The good teacher explains. The superior teacher demonstrates. The great teacher inspires." University of Dhaka business professor Hafiz GA Siddiqi is such a great man. For more than 40 years, he has tirelessly moulded future successful leaders in various sectors of our economy.

In addition to teaching, Dr Siddiqi has engaged in research, consultancy and business. A consultant to many world-renowned organisations and adviser to numerous government agencies, he has authored several books, and is considered an authority on the readymade garment industry.

Dr Siddiqi started teaching at Institute of Business Administration (IBA), where he served for 20 years. His brilliant and teaching methods and prolific performance ultimately earned him the director's chair at the institute. He moved to the United States and taught as professor of international business and management at two universities for eight years, after which he returned to his homeland and joined the newly established North-South University (NSU), now one of Bangladesh's top private universities. He is now the Vice Chancellor and CEO of North-South University.

Business education, in a rapidly developing country like ours, is vital to our goal of becoming a middle-income country. A great teacher nurtures the ambitions of budding entrepreneurs, guiding them towards their potential destinations. Many of today's successful businesspeople came from either IBA or NSU. Siddiqi's former students are now at the helm of multinational organisations, in the domestic top corporate tier, or



Hafiz GA Siddiqi

are driving changes in regulatory bodies.

Despite a firm persona, Professor Siddiqi has an amicable and selfless character that is widely admired.

He instils in his pupils the importance of corporate integrity and moral courage. He trained students to become good at businessmen and also good human beings. The professor believes his pupils should not only create value through profit-generation, they should equally focus on protecting the planet. He expects his graduates to serve social and business causes alike, and strive for peace and justice.

His former students are indebted to him. In this competitive and fast-paced world, knowledge is the greatest tool. And so this renowned academician and friend, philosopher and guide, now soon to retire, has been an invaluable enricher of young minds. I am certain I speak for all whose lives he has touched when I quote Shakespeare: "I can no other answer make, but, thanks, and thanks."

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