

International Business News

India outsourcers angered by US job visa hike

AFP, New Delhi

India's flagship outsourcing industry reacted angrily Saturday to a new US law tightening security at the Mexico border with measures paid for by steep hikes in American work visa fees.

The 600-million-dollar legislation, signed into law Friday by US President Barack Obama, will nearly double visa fees for some Indian information technology workers entering the United States.

"The US is giving a very strong signal foreigners are not welcome," said Som Mittal, president of the National Association of Software and Services Companies (NASSCOM), which represents India's leading software exporters.

"The law is discrimination," Mittal told AFP.

The row comes as India readies to host Obama later this year and as anti-outsourcing anger in the United States has been stoked by high unemployment.

The law, passed in the run-up to November US polls, earmarks funds from the visa fee hike to pay for the US government's plans to boost security along its border with Mexico to crack down on illegal immigration and drug smuggling.

IMF asks Malaysia to take decisive action on reforms

AFP, Washington

The IMF asked Malaysia Friday to take "decisive" action on reforms under a model program aimed at revamping a controversial four-decade-old affirmative action policy.

Malaysian Prime Minister Najib Razak announced in March a "New Economic Model" or NEM, aimed at reforming elements of the policy favouring the country's majority ethnic Malays in a bid to boost economic competitiveness.

Details of the reform program, including its timing, have not been announced yet.

The Washington-based International Monetary Fund said Friday it was looking forward to the NEM's rollout.

In a report after annual consultations between the IMF executive board and the Malaysian government, the fund acknowledged the "ambitious vision" of Najib's administration for a far-reaching economic transformation over the longer term.

The board directors "agreed that the comprehensive structural reform agenda, at the heart of the New Economic Model, holds out promise of faster and inclusive growth," the report said.



AFP

Union leader Richard Trumka who is the AFL-CIO President addresses a protest of several thousand people and unionists demanding jobs outside City Hall in Los Angeles on Friday. A US Labour Department report showed 131,000 jobs were lost in July and the unemployment rate remained stuck at 9.5 percent.

Goldman CEO, others get millions from options

REUTERS, New York

Goldman Sachs Group Inc on Friday said several top company officials, including Chairman and Chief Executive Lloyd Blankfein, exercised stock options this week and obtained millions of dollars of profits by selling the resulting shares, regulatory filings show.

Blankfein exercised 90,681 stock options at a strike price of \$82.875, and obtained a \$6.09 million gross profit by selling the resulting shares on Wednesday at prices between \$148.97 to \$152.00.

In similar options exercises and sales, President Gary Cohn exercised 73,653 options and had a \$4.95 million profit, Chief Financial Officer David Viniar exercised 67,326 options and had a \$4.52 million profit, and General Counsel Gregory Palm exercised 47,895 options and had a \$3.22 million profit.

Goldman said the options were granted in November 2000 and scheduled to expire this November. It disclosed the transactions in US Securities and Exchange Commission filings.

VW sales up 2.9pc in July

AFP, Frankfurt

Germany's Volkswagen, Europe's biggest automaker, said Friday its July sales rose 2.9 percent to 572,200 vehicles worldwide.

In the seven-month period from January through July, the VW group sold more than four million vehicles, the first time it has made that many, it added.

"After a very successful first six months we got off to a good start in the second half of the year," VW sales director Christian Klingler said in a statement.

But the 12-month increase in July was off the pace of the preceding six months and Klingler said beating the competition in the coming months "will be a challenge, given an operating environment that is again becoming difficult."

VW also would not regain this year the levels seen prior to the global economic crisis, Klingler said.

The group's fortunes mirror those of Germany as a whole as Europe's biggest economy posted stellar second quarter growth of 2.2 percent on Friday, in part owing to strong auto exports.

It was the country's best quarterly result since east and west Germany were reunified in 1990.

By 2018, VW, which also owns the Audi, Lamborghini, Porsche, Seat and Skoda brands among others, aims to surpass Toyota as the world's biggest automaker.

EMPLOYMENT

The lost generation

Ambitious youths have found landing a good job as elusive as a mirage



SAJJADUR RAHMAN

Monoara Akhter, 27, was the daughter of a policeman and had a safe, lower-middle class upbringing. She completed a master's degree in management four years ago, but is still looking for a good permanent job -- and her anxiety is growing.

Her contract with Development Initiative for Social Advancement (DISA), a Dhaka-based NGO that helps abused children, lasts only until January. It is her prime time for marriage; she turns 28 in two months.

"I am trying for a good job since 2007 when my master's result was published," she says, smiling but frustrated. "I have applied for jobs in several banks and government offices, but have yet to get any." A bank or government job offers the security and benefits that will surely land a husband with a career.

Like Akhter, hundreds of thousands of university graduates have been looking for a good job for years. They are often seen queued up to submit job applications or for interviews that few will get, despite all being qualified. It is a bleak picture.

Nationwide, more than 2 million youths were unemployed in 2009, according to the latest study, obtained by The Daily Star. And many more are underemployed, say the

study, carried out jointly by Bangladesh Planning Commission and the United Nations Development Programme.

A lucky few are successful in the stiff competitions that often hire just one of every 6,000 applicants. But most remain unemployed or underemployed. And on average, 1.5 million fresh faces enter the market every year, according to a 2008 Bangladesh Bank study.

The national youth unemployment rate was just 2.9 percent in 1995. But it then soared to 8 percent in seven years, and to 13.4 percent in 14. That is a lot higher than other nations in the region, such as India's 11 percent (see graphic).

Pubali Bank, a leading private sector commercial bank in the country, is recruiting hundreds of employees, including junior officers, officers, senior officers and hardware engineers. That's the good news.

"We have received over 30,000 applications against some 500 posts. Many of the candidates are four first class holders," says Helal Ahmed Chowdhury, managing director of the bank.

Every private employer in Bangladesh faces a similar problem during recruitment. And when the government seeks applications for jobs the odds are longer still.

Some 150,000 candidates compete with each other for posts in the 30th BCS (Ban-

gladesh Civil Service) Examination. Less than two out of every 100 will get in.

Unemployment is rising almost everywhere in the world, of course. But among Bangladeshi youth it is acute. With few paid internships, many never get their foot in the door.

The cause is simple. A rapid rise in population, coupled with rising expectations among youths who studied hard, got good grades and dreamt of middle class jobs, has created a huge gap in qualifications and market demand for these.

The Bangladesh Bank study noted that the total labour force grew by 8.8 million to 49.5 million in 2006. Of these, nearly 35 percent were youth aged 15-29. And ever fewer are beating the odds.

Problems are magnified when youths see their odds of getting a job shrink. A survey conducted by the Bangladesh Bureau of Statistics shows that annual employment growth was 2.2 percent during 2003-2006, compared to 4.4 percent in 2000-2003.

On the other hand the study reveals the unemployment rate increased from 16.6 percent in 2000 to 24.5 percent in 2006.

Rushidan Islam Rahman, research director of Bangladesh Institute of Development Studies (BIDS), says mismatch between the qualification of the youths and the demand for qualification of the manufacturing sec-

tor is contributing to a rise in unemployment.

She proposed some solutions. "Quality education, technical education and labour-intensive industries can solve the problems," says Rahman, who has vast research work on employment and unemployment in Bangladesh.

A professor of psychology department at Dhaka University says unemployment makes a youth depressed and frustrated. It creates social problems, such as drug abuse and hijacking.

"Long time unemployment can create mental disorder to a youth," Prof Shaheen Islam says.

A official in the Planning Commission says that globally, youth unemployment rate increased to 13 percent, up from 11.9 percent just before the global downturn in 2007, according to an International Labour Organisation report.

Monoara Akhter, who is staying with her younger brother in a small room in the city's Mirpur area, hopes to marry after getting a good job. Her mother also hopes so.

"We have done everything from our point of view," says Shahana Akhter, the widowed mother of Monoara. "Now, a decent job could lead her to a bright and prosperous life."

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LIFESTYLE

China 'gold' brings Egyptians taste of luxury

AFP, Cairo

A Cartier ring for just eight dollars? In Egypt, "Chinese gold" -- an affordable imitation of the precious metal -- has swamped the jewellery market, granting the poor a little taste of luxury.

As in many other countries, the Egyptian market has been flooded with Chinese goods -- everything from electronics to plastic cigarette lighters have been shouldering locally made goods out of the way.

And in a country where 40 percent of the 80 million population lives on less than two dollars a day, the so-called Chinese gold has been widely welcomed, particularly by young couples who struggle to afford the traditional marriage dowry.

The current price of one gram of 24 carat gold in Egypt stands at 218 Egyptian pounds (38 dollars), while the Chinese version -- a mixture of aluminium, iron and other metals -- only costs around 20 to 30 Egyptian pounds (four to five dollars) per gram.

"Chinese accessories are cheap and elegant, the styles are varied and the best thing is that they look just like gold," said 31-year-old Amira showing off her Chinese trinket.

Ancient Egyptians considered gold the skin of gods, lending it spiritual as well social value.

A walk down Old Cairo -- lined with jewellery shops -- is a testament that the pharaohs' modern-day compatriots still hold high regard for the precious metal.

But as unemployment and rising inflation weighs down on a large part of the population, Egyptians are looking to alternatives for their coquetterie.

Just a short walk from the Khan al-Khalili tourist bazaar is Haret al-Yahud, the old Jewish quarter where gold workshops churned out designs from simple wedding bands to elaborate necklaces.

But many of the jewellers there have switched to selling Chinese gold to improve business.

Amira, an accountant, says she goes to the area especially to buy herself the Chinese goods.

"They look like gold, and most importantly, they are affordable," she said.

"Few have the means to buy real gold these days, which is why the Chinese gold is so in demand," said a woman selling the faux-bijoux in the quarter, who gave her



AFP

Egyptian jeweller Ramiz Missiha arranges his shop's window display with "Chinese Gold", stylish and affordable accessories that mimic real gold, in old Cairo on July 20.

name only as Nora.

"We have very nice rings, imitation Chanel and Cartier for less than 50 Egyptian pounds (around eight dollars)," said Azza Riad, who, making the most of the high demand, has just opened a store in the popular Ain Shams district in northwest Cairo.

"A woman can now by herself an imitation Bulgari set which includes a bracelet, a necklace and earrings for around 150 Egyptian pounds (26 dollars)," she said.

Moreover, "these accessories have the great advantage of keeping their colour for around two years," said Riad, who also owns a shop in Khan al-Khalili.

For young couples struggling to start a new life together, the arrival of Chinese gold has removed at least one obstacle to the costly traditions that surround marriage, including the dowry or "shabka".

A groom is required to offer his bride a shabka of gold -- or diamond for those who can afford it -- in order to seal the marriage deal. This is in addition to him providing housing and furnishing a new apartment ahead of the wedding.

"More and more young couples buy just the wedding bands in real gold and then they buy the rest of the accessories in Chinese gold to complete the shabka," said Riad.

Even many of Cairo's more well-off residents have enjoyed the Asian import.

"I bought Chinese accessories, I wear them often. They allow you to follow fashion trends without ruining your budget," said Faten Faltas, a stay-at-home mother from the affluent neighbourhood of Heliopolis.

"When I wear them, people think it is gold, so why not?", she said.

But Mohamed al-Felawi, who runs a

well-known jewellery shop, snubs the Chinese import, saying that to sell it diminishes a jeweller's prestige.

"I would never sell this so-called Chinese gold in my shops. As a jeweller, it would be a scam for me to sell Chinese gold," he said.

Some clients say they can do both, buy Chinese gold for fun and leave real gold to more serious matters, like the shabka.

"I bought earrings for 30 Egyptian pounds (five dollars), it's almost nothing and no one can tell that it's not real gold," said Sylvia Tamer, 43.

But, she concedes, she would never allow her daughter to marry without having received a diamond shabka.

Wasfi Wassef, who owns a jewellery shop in Khan al-Khalili selling real gold, said his business has been hurt by the new accessories on the scene, adding that the imports could be a health hazard.