

International Business News

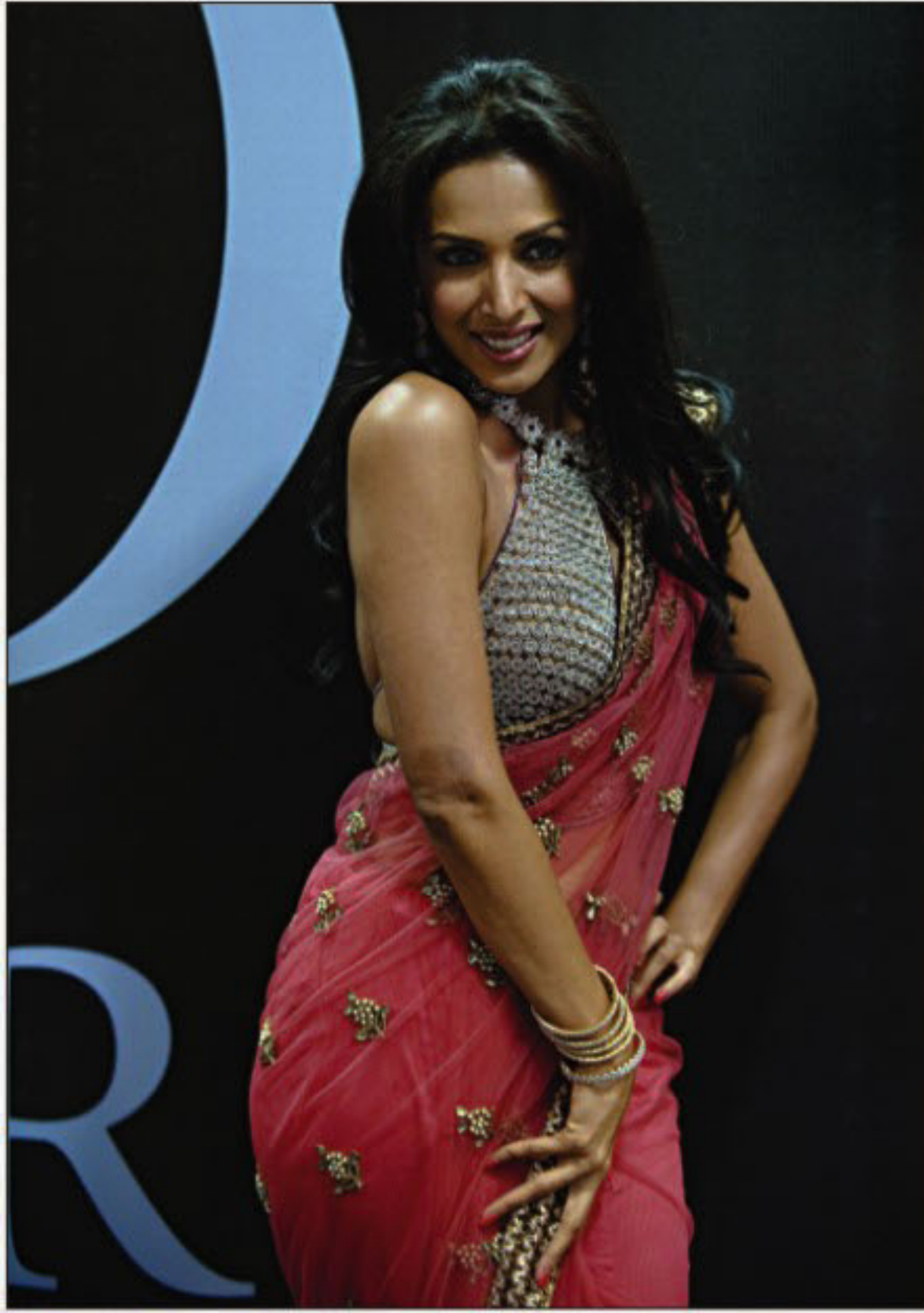
Burger King in talks for possible sale

AFP, New York
Burger King, the second-largest US hamburger chain, is in talks with private-equity firms for a potential sale, The Wall Street Journal reported Wednesday.

Among the interested firms is Britain's 3i Group PLC, the Journal said, noting that the talks had already lasted several weeks and that their status was unclear. Citing sources familiar with the matter, it noted that it was uncertain that the discussions would result in a sale.

Although it has been a public company since 2006, Burger King has already been through several buyout firms.

Faring worse than its bigger rival McDonald's in the wake of the financial crisis, Burger King last week reported a drop of 2.3 percent in its global sales for its 2010 fiscal year, compared to a 1.2 percent gain during the same period last year.



Bollywood actress Malaika Arora poses wearing an Orna bustier during a fashion show in New Delhi yesterday. The bustier is crafted from over 500 carats of Belgian diamonds and is priced at 1 million euros, according to a company press release.

China suspends Huaxia Airlines flights

AFP, Shanghai
China's aviation watchdog has ordered Huaxia Airlines to suspend all flights after the wings of one of its planes scraped the ground while landing, state media reported Wednesday.

The Civil Aviation Administration of China ordered the private carrier to launch a thorough safety inspection of all of its aircraft and suspend ticket sales, the Beijing Youth Daily reported.

The wings of a Huaxia jet scraped the ground when landing at the southwestern city of Guiyang, the capital of Guizhou province, shortly after midnight on Saturday.

No injuries were reported among passengers travelling from the northern city of Shijiazhuang, and the cause was still under investigation, the report said.

The incident came less than a week after a Brazilian-made Henan Airlines regional jet crashed in heavy fog in the northeastern city of Yichun on Tuesday last week, leaving 42 people dead but 54 survivors.

India automakers see 20-30pc rise in Aug sales

REUTERS, Mumbai
Sales at top Indian automakers rose 20 to 30 percent in August, as analysts expected continued growth driven by strong demand in the festive months ahead but cautioned the rate of growth would slow against high comparisons and a possible rise in interest rates.

Maruti Suzuki, India's leading car maker which is 54.2 percent owned by Japan's Suzuki Motor Corp, posted a 24 percent rise in August sales, and the company said local sales in August were its highest-ever monthly sales.

"The second half of the year is a better period for the auto sales due to the festive season," said Vaishali Jajoo, senior auto analyst with Angel Broking.

"Looking at the festive seasons coming in, dealers start stocking up. We can see that in the next month as well. The economy has also picked up and normal monsoon will also have a positive impact on rural sales," she added.

Microsoft launches advertising platform in China

AFP, Beijing
Microsoft has launched an advertising platform in China in an attempt to grab market share from rival Google, which has been wrangling with Beijing over censorship, state media said Wednesday.

The US Internet titan's adCenter will target Chinese exporters wanting to advertise overseas, said Anderson Liu, general manager of Microsoft's domestic joint venture MSN China.

"It's time to join the market and let Chinese advertisers have more choices," Liu was quoted by the China Daily as saying.

adCenter helps businesses place advertisements online such as on Microsoft's Bing search engine.

Microsoft hopes revenue from the pay-per-click ads will account for half of MSN China's business in the future, Liu said, without providing further details.

FOOTPATH MARKETS

How the other half shops

MD FAZLUR RAHMAN

The capital's shiny malls are abuzz with shoppers making an array of lavish, trendy and fancy buys before Eid-ul-Fitr -- but they are only half the story.

For the rest, there are the unlicensed street vendors, or hawkers, touting low-cost shirts, pants, sarees, lungis, punjabis, salwar kameezes, jewellery cosmetics and footwear.

On most of the city's 400 kms of footpaths and a few parts of its roadways, they squeeze sometimes-resentful pedestrians. Yet they are an integral part of our biggest spending season.

Their numbers are hard to count. Union leaders put their numbers at 27 lakh across the country, including at least 10 lakh in the capital.

Dhaka Metropolitan Police Commissioner AKM Shahidul Hoque agreed their number could be as high as 10 lakh, but knew of no headcount.

And no one knows just how much they sell in total, including the taxman. But it's a lot, if their selection, price and vocal chords are just right.

In early 2007, the government set up the "holiday market" in front of the Ideal School and College in Motijheel, to accommodate hawkers -- and keep rest of the footpaths clear for pedestrians.

Over 200 shops stretch along a 200-metre footpath, selling garments, utensils, household items, cosmetics and jewellery. The often-female stall-owners say the number of visitors is high -- but sales are still moderate.

"The sales are quite good," said Mazeda Begum, who has sold bangles, lipsticks, nail colours, perfumes, facial creams, hair adornments and henna tubes here for the last three years.

Sales should be better soon. "The market becomes jam-packed on Friday," said Noor Muhammad, who guards a residential gate 10 metres from the holiday market.

Shop-owners say they pay Tk 40 daily to the police to keep their position. But most consider it a bargain. They say they had paid as high as Tk 7,000 to secure a spot on the footpath market.



A rickshaw-puller at a roadside shop in Dhaka yesterday. As Eid-ul-Fitr nears, people from all walks of life are out to shop for their loved ones.

Mohammad Azad, 32, has a makeshift garment, jewellery and cosmetics shop at the Science Lab intersection. Sales so far are below expectations, he said.

"Sales were good before Ramadan began," said Azad, a father of two from Noakhali who took up the hawking nine months ago. "People are more interested in buying from popular markets."

He hopes sales go up after 20th Ramadan. Sales largely depend on location, he notes sagely.

Abul Hossain, 28, a nearby hawker who sells T-shirts, said the rich and middle-income groups have been on shopping spree since the very first week of the holy month, but people on a low-income, including those on a fixed income, started later, as few had their bonuses.

"Unlike high-end shops, sales at the footpath shops will gain momentum once our main customers receive salaries from September 1," said Hossain. "We hope we will

have a good business this time." Hashem Sheikh, who sells punjabi three shops away, said shoppers are still assessing the street vendors' stocks and prices, not buying in one go.

The nation's biggest spending season also sees people change their line of business. Small trader Alamgir Hossain, who has a makeshift shop in front of Priyangan Shopping Centre, now sells ladies shoes.

"I sell shawls in winter and ladies' shoes in summer," he said. "The sales at the low-cost shops have started to gain momentum as the Eid approaches."

The street shops products are cheaper than high-end stores, but customers say the price gap is narrow.

Outside New Market with her mother, university business student Faiza Maria strolled through the crowds until she found a punjabi, which she eventually

bought for Tk 300. "The price sounds low, but I am not sure whether I have gambled on the quality," she said.

Some shoppers complain that there is too little scope to haggle over price. The traders admit it.

"The number of shoppers is so high that we cannot allow them to start a long bargain," acknowledged Md Yasin, a garment hawker on the footpath to New Market, the country's largest shopping centre.

"But the price we charge ensures win-win situation for both of us," adds Yasin. "We don't profit much."

Hawkers and makeshift shop touts admit they annoy some pedestrians, but add that the middle and lower classes rely on them during Eid as well as throughout the year.

Yasmin Akhtar, who sells women clothes made in her own factory, said sales in holiday market are good, but customers haggle

hard on low-cost products.

Mokbul Hossain, 28, once sold fruit in the holiday market but yesterday began hawking shirts, pants and salwar kameezes on the market's west side.

His previous makeshift shop in Taltola market in Khilgaon was reclaimed by its owner.

He has an investment to recoup. "I have bought garments worth Tk 2 lakh to sell during Ramadan," said Hossain, who hails from Kishoreganj.

Whatever the status of the shops, most shoppers seem happy. "We come here as we cannot afford posh shopping malls," said Rozina Sultana, who teaches at a private primary school.

"One can still buy a good item from this market, as many shops sell quality products. This market offers items at a cheaper rate, but the prices are not so cheap as many think."

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ANALYSIS

Singapore seeks to be Asia's Monte Carlo

REUTERS, Singapore

The M Hotel in Singapore's business district once struggled to fill its rooms on weekends as visiting executives tended to leave by Friday. Now it enjoys 90 percent-plus occupancy even on Saturdays and Sundays.

A prime destination mainly for bankers and businessmen, Singapore also has started drawing tourists with a slew of new attractions, the most popular being two casino-complexes built at a cost of over \$10 billion that opened earlier this year.

The two casinos and their related attractions represent the new face of a city that wants to transform itself from regional trade and financial centre into a place for both work and play.

"I'm looking out of my window at the new skyline. What has developed over the last five years has been amazing," Hanspeter Brummer, CEO for Asia at Swiss private bank BSI, said from his office which overlooks the new Marina Bay financial district.

"Singapore is more than just Monte Carlo, which is a bit artificial. Singapore doesn't just have one industry but a number of industries. People really have good reasons to come here," said Brummer, a Swiss national who worked in the city-state from 1997 to 2000 and returned in 2006.

Unlike the existing central business district, Marina Bay, built on reclaimed land around the mouth of the Singapore River, comprises not just office skyscrapers but also shops, residences, theatres and the towering \$5.5 billion Marina Bay Sands built by U.S. casino giant Las Vegas Sands.



A Singapore police coast guard patrol in front of the Marina Bay Sands casino and hotels in Singapore. Singapore's massive bet on two casino resorts is already paying off after the number of arrivals in a single month crossed the one million mark for the first time in July, analysts said, despite concern over gambling-linked social problems.

Marina Bay is also home to the world's biggest ferris wheel, restaurants fronted by Michelin-starred celebrity chefs and the world's first night-time Formula One circuit.

Over at Sentosa, to the west of the central business district, Genting Singapore's Resorts World casino and its Universal Studios theme park opened in February. The \$4.8 billion complex earned S\$503.5 million (\$369.9 million) before interest, tax and depreciation in the three months ended June 2010.

Should Resorts World continue to rake in similar amount of

money in subsequent quarters, it would surpass all rivals in Las Vegas and Macau in terms of profitability, analysts say.

Las Vegas Sands has not yet reported earnings for the June quarter but CEO Sheldon Adelson has said he expects Marina Bay Sands to generate gross earnings of over \$1 billion annually.

TOURISTS AND TAXIS
Although both casinos have yet to complete all their attractions, which include what will be the world's largest oceanarium, they have already created new business for hoteliers and taxi drivers.

Visitors to the city-state of 5.1

million people rose by over a-fifth to around 6.5 million in the seven months to July from a year ago. Hotel occupancy hit 90 percent in July, up 10.2 percentage points, while room rates rose 20 percent on average from a year earlier.

Taxi drivers say their takings are up by as much as 30 percent, helped by increased business in the wee hours of the morning from casino patrons.

"The integrated resorts are a catalyst to bigger and brighter things. We are seeing more entertainment centres popping up... We are in the incipient stages of what we call a change in the structural

demand for such services in Singapore," said Vincent Yeo, CEO of CDL Hospitality Trusts which owns M Hotel.

"There are still many attractions that are not opened yet," he added, citing the two casinos' unfinished projects as well as government initiatives such as new landscaped gardens, a river safari and an area for motorsports.

CDL's Yeo said the 90 percent occupancy levels will continue for several months until new hotels open, meaning visitors may have difficulty finding rooms from time to time.

PROBLEM GAMBLING
Singapore's transformation began in 2005 when the government legalised casinos as part of a plan to double visitor arrivals to 17 million by 2015. Singapore attracted 9.7 million visitors last year, and the number could rise to just under 12 million this year if the growth pace continues.

The figures do not include the thousands who cross over from Malaysia daily by land. In the past, many came to work and returned the same day but a growing number are here to gamble as seen from the large number of Malaysian-registered cars in casino car parks.

Tourism currently accounts for about 7 percent of Singapore's economy but could grow to around 12 percent by 2015 based on government projections on visitor spending, economists estimate.

The transformation has detractors though -- from Singaporeans unhappy about the large influx of foreigners who have contributed to soaring property prices and crowded roads to those who fear the casinos will bring with them crime and other vices.