

International Business News

Audi posts sales records in China, US

AFP, Frankfurt

German luxury car maker Audi reported on Wednesday record monthly sales in China and the United States as overall sales worldwide gained 22 percent in August from the level 12 months earlier.

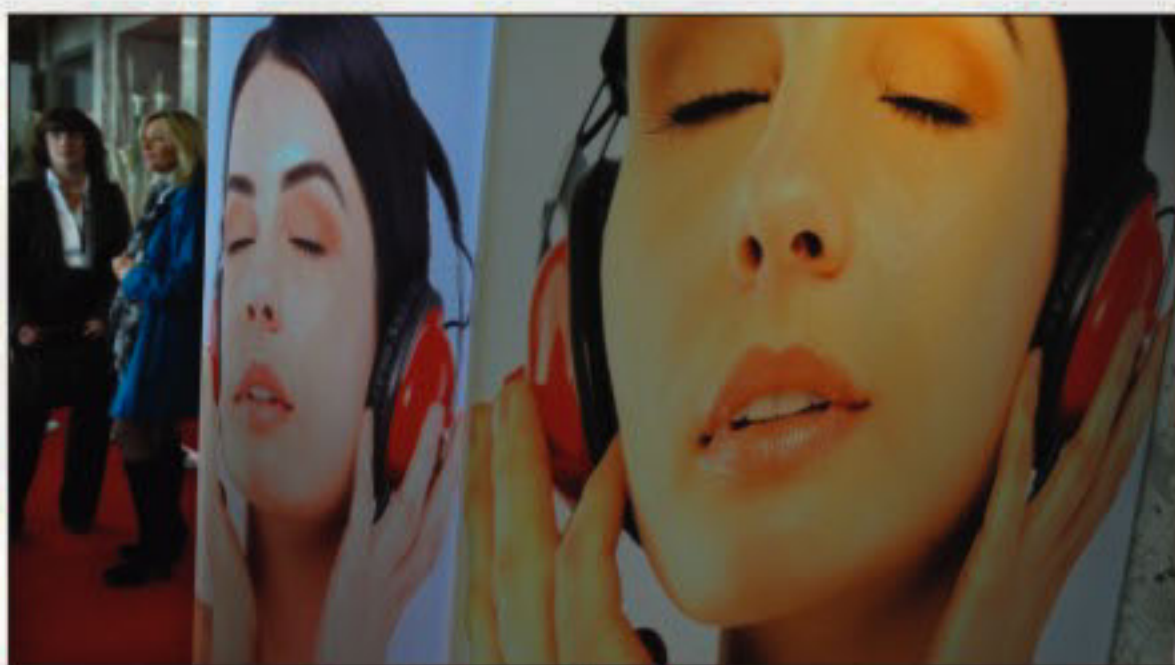
"Audi achieved growth in all major markets in August, posting new record figures in the United States and China," a statement said.

The unit of European auto giant Volkswagen said it delivered 80,300 vehicles worldwide last month, and that sales in the first eight months of the year had grown by 18 percent from the same period in 2009.

In China, Audi's biggest foreign market, the group sold 22,358 cars, a leap of 67.5 percent from August 2009, while US sales were 14 percent higher at 9,182 cars.

Audi sales also advanced in Germany and across Europe, where results have been trailing those in Asia and North America.

German sales gained 9.2 percent to 15,394 vehicles, and for Europe as a whole, the company reported a gain of 5.4 percent to 38,900 cars.



AFP

Two women stand at a fair booth at the Popkomm music trade fair at former Tempelhof airport in Berlin yesterday. The international Music Business Market fair will continue until September 10.

Microsoft to launch Kinect in Japan in November

AFP, Tokyo

Microsoft's long-awaited Kinect motion-sensing system for the Xbox 360 videogame console will hit the Japanese market in November, the company said Wednesday, as competition in the sector heats up.

Scheduled for a November 20 release, Kinect uses a 3D camera and motion recognition software to let people play videogames using natural body movements and voice commands, and does not require hand-held controllers.

The launch comes as rivals Microsoft and Sony look to close in on Japan's Nintendo, which pioneered motion controls with its hit Wii consoles in 2006.

Boasting total lifetime sales of more than 70 million units, a record in Nintendo's history, the Wii has easily outsold Sony's PlayStation 3 and Microsoft's Xbox 360 since its 2006 launch.

The Xbox 360 has sold 40 million units worldwide, Microsoft said.

Kinect was developed by Microsoft under the code name Project Natal and unveiled in June at the Electronic Entertainment Expo (E3) in Los Angeles. It is expected to launch in the United States on November 4.

Toyota recalls more than 116,000 Hi-Lux vehicles

AFP, Sydney

Toyota Wednesday announced a safety recall of more than 116,000 four-wheel-drive HiLux vehicles in Australia, following concerns that the vehicles might be damaged if used frequently on rough roads.

The recall is to check support brackets on 116,507 petrol and turbo-diesel HiLux vehicles produced between January 2005 and February 2010, Toyota Australia said in a statement.

"In rural areas, if the vehicle is frequently accelerated or decelerated quickly on rough roads that feature extreme conditions, the rear tailshaft centre bearing support brackets may give way," Toyota Australia said in a statement.

Nineteen cases of the problem, which could be worsened by constant use over cattle crossings, have been reported in Australia but only one involved the break down of the support brackets and nobody was injured in the incident.

Toyota spokeswoman Laura Hill said owners could continue to drive their HiLux as the safety recall was a preventative action.

Swisscom reveals bid for Fastweb shares

AFP, Milan

Swiss telecom operator Swisscom revealed on Wednesday an offer for outstanding shares in Italian operator Fastweb, sending Fastweb shares up by more than 33 percent.

"Swisscom is looking to acquire all the remaining minority shares in Fastweb and to delist Fastweb from the Milan stock exchange," the company said in a statement.

Swisscom said it would offer 18 euros a share for shares it did not already own, at a total cost of 256 million euros (325 million dollars). Swisscom owns 82.082 percent of Fastweb's capital.

The announcement sent Fastweb shares up by more than 33 percent to 17.95 euros at the opening of trading on the Milan stock exchange.

Swisscom said the offer would "be subject to a minimum acceptance level of 95 percent."

Fastweb is the target of a major probe for money-laundering and tax fraud in Italy along with Telecom Italia Sparkle, a subsidiary of rival operator Telecom Italia.

LIFESTYLE

Thin wallets sour Eid

SOHEL PARVEZ

It's Tuesday morning. Muhammad Redwan Hossan is waiting for his pay. He has done electric work at a newly constructed residential building.

The time goes by and he grows anxious. He is not sure whether the contractor will show up to clear dues and make way for him to celebrate Eid with his family.

"I bought clothes for my relatives last Eid. This time, I don't know whether I will be able to," says 22-year-old Redwan, sitting on a chair near the entrance of the building at Wari in Dhaka.

Next to him, two men blotched with drops of distemper paint the boundary walls of the building, while the screech of steel and tile cutters fill the air.

Redwan is quite uncertain about getting his dues before Eid, as the contractor already informed that payments would be delayed.

"I want to go home on Thursday. But buying gifts depends on getting my wages."

Redwan, who claims to earn Tk 150 a day for electric work, is like many low-income groups of people who find their wallets squeezed before Eid, one of the biggest religious festivals, when people purchase gifts for their loved ones.

Traders say the shopping spree that continues during the whole month of Ramadan, ending just hours before the Eid day, generates nearly a fourth of Tk 98,216 crore retail and wholesale sales a year in Bangladesh.

During the month of Ramadan, people from all income groups splurge on clothes, footwear, jewellery, cosmetics and even electronic gadgets.

Traders say high-end consumers lead the way, with the mid- and lower-mid groups not far behind.

However, the rising cost of living coupled with less than expected wage hikes reduced the spending capacity of the low-income groups of the country with a population of 15 crore. Some 40



SK ENAMUL HAQUE

Street children take a look at clothes on display at a roadside shop near Baitul Mukarram Mosque in Dhaka on the eve of Eid-ul-Fitr.

percent of the population lives below the poverty line.

In one year to September 2010, the price of basic food, coarse rice, surged 50 percent to Tk 31-32 a kilogram from Tk 20-22.

The price of relatively better quality rice shot up over 40 percent in the same period, amid worries of crop losses of the biggest crop Boro due to floods in some districts in haor areas.

Masud Rana, who works at a computer hardware retail outlet at Elephant Road, says a rise in the cost of food has dampened his desire to spend on Eid.

"I paid nearly Tk 2,000 in meal charges during Ramadan last year. But it has gone up by Tk 500 this year," he says.

Also, the prices of other essential commodities, such as edible oil, rose. Apart from food prices, a rise in house rent has also become a concern for those living in urban areas.

The rising costs of food and other costs now led inflation to rise. Annual inflation soared to 7.31 percent at the end of fiscal 2009-10 from 6.66 percent a year ago.

Monthly inflation also rose by 0.5 percentage point to 8.70 percent in June from a month ago.

The festival is not going to be so pleasant for Md Belal Molla, a day labourer who offloads sand from boats at Gabtoli.

"My earnings have dropped but the cost of food has not," says the 45-year-old labourer, adding that

he would have to cut spending this Eid.

He says the possibility of getting hired on a regular basis to unload sand has dropped this year. "The number of workers has increased more than the demand for unloading sand."

To adjust with lower than expected earnings, 26-year-old rickshaw puller Sayeed Mia has decided not to buy a new sari for his spouse.

"My main earnings come from making school trips. But the holidays from the beginning of Ramadan have cut his scope. The traffic jams also bar him from making more rounds for the Eid shoppers."

Earnings of Anwar Habib, who

works as a quality inspector at a garment factory in Tejgaon, also declined due to cuts in overtime.

Overtime at his factory dropped in the last four months, compared to last year during Eid.

Habib says his monthly wages, including the Eid bonus, would be Tk 6,000 this year, dropping from Tk 8,000 last year.

He says he bought clothes for his parents, sister and nephew last year. But this year, he would have to limit spending by buying gifts only for his parents.

This time, Habib is not going home.

"I have already let my family know about it. It's sad."

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RECESSION

Air fares up as Asian travel rebounds

AFP, Singapore

Asia-Pacific airlines are raising ticket prices as travellers return in their droves after holding back on their travel plans last year because of the global recession.

A strong economic rebound, led by China, has resulted in carriers filling more seats during the summer holidays and demand should remain robust despite slower expansion in the second half of this year, industry analysts said.

Singapore Airlines (SIA) said it will raise fares on certain routes from October 1, while Korean Air bumped up ticket prices for international passengers by up to 10 percent in August, its second increase since June.

"Air fares are generally a function of market demand and supply and they are adjusted depending on market conditions," an SIA spokesman told AFP.

"Actual changes in fares also vary from route to route, and a range of fares is offered in different booking classes."

While the carrier did not give details of the increases, the local Straits Times newspaper said SIA raised fares by as much as 148 US dollars for an economy seat and 742 dollars for a premium ticket.

More than one million travellers visited Singapore in July, crossing the seven-figure mark for the first time ever in a single month, thanks in part to the lure of two new casino resorts in the city-state.

Australian flag-carrier Qantas increased its international and domestic fares on July 28 by three percent.

"Pricing is reviewed continuously across all routes, taking into account demand and capacity, competitor activity and business performance," Qantas said in announcing the price hike.

Hong Kong-based Cathay Pacific and its subsidiary Dragonair posted July passenger



AFP

Passengers check in for their flights at an airline counter at Changi International Airport in Singapore yesterday.

traffic figures that were 19.5 percent higher than in 2009 with the pair carrying 2.48 million passengers combined.

But a Cathay spokeswoman declined to comment on whether the carriers had jacked up prices.

"We won't comment on fares -- they differ by market. But (the price) is based on supply and demand," she told AFP in Hong Kong.

The International Air Transport Association (IATA) said in its latest report that it expected global passenger traffic to expand by 7.1 percent this year despite a projected easing of the economic rebound in the second half.

While average airline fares are

rising, they are still below levels reached before the US-triggered global economic meltdown that struck in the third quarter of 2008, the global airline trade body said.

The global recession lasted well into 2009 and IATA estimates that the world's civil aviation industry lost 9.4 billion dollars that year.

"Average one-way economy fares are 15 percent higher compared to the 2009 low, but still five percent below the early 2008 peaks," IATA spokesman Albert Tjoeng told AFP.

Premium airline fares are 10 percent above 2009 lows but still 20 percent below the pre-recession peaks, he added.

Regional airlines carried a record 17.2 million international passengers in July, up 20.4 percent from the same month last year, according to the latest data from the Association of Asia Pacific Airlines (AAPA).

In the first seven months of the year, the carriers carried 15.6 percent more passengers over the same period last year, it said.

This reflected "growing consumer confidence across the Asia-Pacific region", said AAPA director-general Andrew Herdman.

"Commercial activity has also picked up strongly, leading to a rebound in premium passenger traffic on both regional and long-

haul routes," he said in a recent press statement.

IATA chief Giovanni Bisignani has cautioned however that the airline industry's recovery will be affected by the forecast slowdown in global economic growth in the second half of 2010.

AAPA's Herdman said airlines were still cautious about expanding seat capacity and adding routes.

"Asian airlines are still focussed on careful management of capacity, tight cost controls and ongoing efforts to achieve further productivity improvements as the industry strives to restore profitability after two years of heavy losses," he said.