

International Business News

Microsoft sues Motorola for patent infringement

AFP, Washington

Microsoft filed suit against Motorola on Friday, accusing the US handset maker of violating its patents in smartphones powered by Google's Android mobile operating system.

Microsoft deputy general counsel Horacio Gutierrez said Motorola's Android-based smartphones infringed nine Microsoft patents.

The patents in question relate to synchronizing email, calendars and contacts, scheduling meetings, and notifying applications of changes in signal strength and battery power, Gutierrez said.

Microsoft's complaint against Motorola was filed with the International Trade Commission and the US District Court for the Western District of Washington state, where Microsoft has its headquarters.

"We have a responsibility to our customers, partners, and shareholders to safeguard the billions of dollars we invest each year in bringing innovative software products and services to market," Gutierrez said in a statement.

"Motorola needs to stop its infringement of our patented inventions in its Android smartphones," he said.



A model poses with a South Korea's top carmaker Hyundai at an auto show in Hefei, east China's Anhui province on Thursday. China's auto sales hit 13.64 million units in 2009, overtaking the United States as the world's top car market.

Maruti posts highest monthly sales in Sept

AFP, New Delhi

India's largest carmaker, Maruti Suzuki India, reported Friday record monthly sales of more than 100,000 vehicles for September, driven by strong consumer demand and cheap finance deals.

Japanese-owned Maruti Suzuki India said sales jumped 29.65 percent to 108,006 vehicles in September from 83,306 units in the same month a year earlier.

"This is the highest ever total monthly sales by the company," Maruti said in a statement. The previous highest tally was 104,791 units in August.

The figures marked the fourth month in this financial year that the New Delhi-based company's monthly sales figure have crossed the 100,000 mark.

"The industry continues to grow very strongly," company chairman R.C. Bhargava said ahead of the figures' release.

Shares of Maruti Suzuki India jumped by 2.89 percent to close at 1,482.60 on the back of the figures.

Meanwhile, South Korea's Hyundai Motor India, the country's second largest car manufacturer, also reported record monthly sales.

United, Continental finalise mega-merger

AFP, New York

United Airlines and Continental Airlines announced Friday they had completed their merger that creates the world's biggest carrier.

The new firm begins trading on the New York Stock Exchange as United Continental Holdings, with the symbol UAL.

"This is a true merger of equals, bringing together two strong companies and positioning us to succeed in a dynamic and highly competitive global aviation industry," said Glenn Tilton, the United Airlines chief who is the non-executive chairman of the new firm.

"This sets us on a path to create the world's leading airline from a position of strength, with one of the the industry's best cash positions, industry-leading revenues and a competitive cost structure."

Continental and United announced an all-stock merger of equals on May 3. The new airline will serve more than 144 million passengers per year with 370 destinations in 59 countries.

United and Continental each had revenues of more than three billion dollars in 2009 but each reported losses.

Wal-Mart expects to have 3m staff globally

AFP, New Delhi

US giant Wal-Mart, the world's largest retailer, expects to have three million staff globally in the next five years, up from about 2.2 million now, a senior executive said Thursday.

The company is the biggest private employer in the United States with more than 1.4 million workers domestically.

"Most of those new jobs will be outside the US," Susan Chambers, executive vice president of the company's people division, told reporters on the sidelines of a retail industry meeting in New Delhi.

Chambers' comments come as Wal-Mart and other major retailers have been pushing India to open up its retail market to foreign groups to allow foreign direct investment in multi-brand stores.

Wal-Mart says it could open "hundreds of stores" in India if the government relaxes its investment rules.

LABOUR

Awaiting a new minimum wage

Small respite near for RMG workers

REFAYAT ULLAH MIRDHA

At 5:20pm, Fazila Akter, 25, was tidying her rented room in a slum in the city's North Begunbari area, already home from her work as a sewing machine operator in a Tejgaon Industrial area garment factory.

She lives near the factory, so she can return to the residence soon after her shift ends at 5pm. Tidying is simple, too, with scant furniture or clothes.

Fazila and her friend, Asma Akter, pay Tk 1,820 per month to share the eight-by-seven-foot room on the second floor of a sprawling three-storey house of bamboo and tin. They share a small, broken cot covered with an old kantha, as they cannot afford bed sheets. Because they have no shelves, their dresses are beside the cot; their utensils on the other side of the room.

The 10 families on the second floor share four gas burners just outside Fazila's room. Often they go to the factory without breakfast, because too many other tenants are queued to cook in the morning. They must leave the house before 8am to reach the factory in time.

The early trip home after work is a mixed blessing. With no overtime shifts, due to thin orders from the international buyers, Fazila receives only Tk 2,850 monthly. If there were overtime, she could earn up to Tk 5,000 per month. Fazila never went to school, but she stitches well.

Fazila says one dream makes her dire living conditions tolerable. "I have no other dream but to serve my parents and younger brother," she says.

Every month, Fazila sends money to her parents. She has been working for seven months. She had worked in factories before spending three years with her parents in her village home.

Fazila is just one of the industry's 3.5 million workers. Collectively, they contribute most of the value in the nearly \$14-billion garment export, which earns the country 80 percent of its foreign currency.

On November 1 they will get a raise, the first in four years. The salaries of the nation's garment workers must meet the new minimum wage scales approved by the state -- though these are still by far the lowest among competing countries in the needle trade. The wage board increased



Garment workers walk to a factory. Their pay rise, the first in four years, will be effective from November 1.

the minimum salary of the garment workers at Tk 3,000 from its previous salary at Tk 1,662.50.

"I hope I will be able to live better, because my salary will also increase to some extent," Fazila says. "We need better housing."

Thousands of garment workers live in the poorly built shacks of North Begunbari, putting their lives at risks. Fazila, Asma and other garment workers gather willingly to describe their daily lives. Few have a television set to pass their leisure time. Waterlogging during the rainy season adds to their suffering because sanitation systems are crude.

Amirul Haque Amin, president of National Garment Workers Federation, says better housing for the workers was a basic demand during the latest labour unrest, before announcement of the new minimum wage on July 29.

"Along with an increase of the minimum wage, we had demanded the introduction of

a full-scale rationing system, free health care and construction of dormitories for the garment workers during the latest movement," he says. Amin says the trade union leaders are still negotiating with business leaders for the construction of the dormitories for garment workers.

Abdus Salam Murshed, president of the Bangladesh Garment Manufacturers and Exporters Association, says the owners do not want to borrow from the housing fund of the Bangladesh Bank for the conditions it imposes. Only an institution, not an individual, can borrow money from it. But running a dormitory via an institution is difficult, he says.

"We asked the government to relax the rule so that the dormitories for the garment workers could be constructed as soon as possible, to improve the living conditions of the thousands of garment workers," Murshed says.

Labour and Employment Minister reeafat@thedailystar.net

Khandker Mosharraf Hossain says the government has a project with the World Bank to construct dormitories for garment workers, but only those of the workers of the Export Processing Zones (EPZs).

Others will wait for an indefinite future that may never come.

"At first, we will construct dormitories for the workers at every EPZ under the project, and we have also the plan to construct dormitories for the workers outside of the EPZs in future," the minister says.

Hossain says the government will help construct dormitories for workers outside of the EPZs after the BGMEA and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) can buy land.

"As a result, I cannot exactly say when the government will start construction of the dormitories for the workers outside of the EPZs," he says. "But we have a plan."

COLUMN

Rise of the rest

CHRYSIA FREELAND

Get ready for the next wave of globalisation. The emergence of the emerging markets is old news, of course: after all, Tom Friedman discovered that the world was flat back in 2005. But even as much of the developed world is struggling with weak consumer demand and stubbornly high levels of unemployment, the emerging market countries are writing a new chapter in the story of the global economy.

We are accustomed to thinking of our economic relationship with the countries Fareed Zakaria describes as "the rest" as a two-way exchange between west and east or north and south: western companies setting up call centres in India or manufacturing their goods in China, for instance; and, more recently, savings-rich emerging market economies, especially China, investing in US treasuries, or Russian oligarchs buying London mansions.

That was Globalisation 1.0. In the next stage, some of the biggest deals and some of the most important capital flows will be between emerging markets, with no need to stop-over at Heathrow or JFK. Forget the last decade's race-to-the-bottom rivalry between Wall Street and the City of London to be the world's financial capital; the new motto of the moneymen, as one Manhattan banker put it to me this week, is "Mumbai, Dubai, Shanghai or goodbye."

One place you can watch Globalisation 2.0 gathering pace is on the 49th floor of the 'C' tower in the high-tech high-rise complex the locals call Moskva City, on the banks of the Moskva river, half a mile downstream from Russia's White House, where Prime Minister Vladimir Putin is currently installed. The fancy modern furniture (the "Ziricote veneer," a sign informs visitors, is "sourced in Chile") and contemporary art are standard New York hedge fund decor. But Stephen Jennings, the 50-year-old New Zealander who receives visitors here, is betting on a world that by-passes the west altogether.

Jennings is a founder and CEO of the Renaissance Group, a Moscow-based financial company with ambitions to be the premier investment bank for intra-emerging market capital flows. As Jennings put it, he wants Renaissance "to provide the plumbing".

Last year, Jennings went home to Wellington to deliver the annual Trotter lecture, a stage he used to lay out his vision

of the rise of indigenous emerging market players.

Jennings knows that emerging markets are "highly idiosyncratic." But, he told me, some of the savviest emerging market champions seem to be discovering they have more in common with each other than with their erstwhile tutors in the west.

One of the best examples is eight floors above Jennings' office: DST, or Digital Sky Technologies, the Moscow-based internet investor which made a global splash with a landmark deal with Facebook. Earlier this year, DST formed a three-way partnership with Naspers, the South African media company, and Tencent, the Chinese internet firm. Together the three hope to dominate the emerging market internet space. Another seminal intra-emerging market deal was the acquisition by Bharti, the Indian telecom giant, of most of the African properties of Kuwait-based Zain.

A high-tech executive who lives in California and has close ties to Bharti told me the Indian firm has a competitive advantage over western rivals in what he believes will be the explosively growing African market: "They know how to provide mobile phones so much more cheaply than we do. In a place like Africa, how can western firms compete?"

It would be wrong, of course, to count the west out. Multinational behemoths like GE, Coca Cola and HSBC have been quick to understand the opportunity emerging markets represent and agile in adapting to local conditions. The reliability and the reputation of these global brands can make them appealing partners for even the most aggressive emerging market entrepreneurs. And when it comes to paradigm-shifting innovation, western companies like Apple and Facebook are still setting the international agenda.

In fact, it may be western politicians rather than western CEOs who will be blindsided by this coming wave of globalisation. Lackluster economic growth and persistent unemployment are fuelling protectionist sentiment in many developed countries, especially the US. At a time when emerging market countries and companies are getting better and better at doing business with one another, that impulse may not only be self-destructive. Even worse, it could be futile.

Chrystia Freeland is a global editor at large for Reuters.

Indra Nooyi top businesswoman



Indra Nooyi

REUTERS, New York

PepsiCo Inc chief Indra Nooyi is the most powerful woman in US business for the fifth year in a row, but Yahoo Inc boss Carol Bartz is the highest paid, Fortune magazine said on Wednesday.

Bartz earned more than \$47 million in 2009 and was ranked No. 10 on the 2010 most powerful women list, while Nooyi was the 10th highest paid with a salary of more than \$14 million last year, Fortune said.

"Nooyi completed the purchase of PepsiCo's two largest bottlers, bringing revenues to a projected \$60 billion," Fortune said. "Now she'll have to deliver the \$400 million annual cost savings she promised. Investors seem assured: The stock is up 12 percent since September 2009."

The most powerful list ranked women in for-profit businesses. It was based on the size and importance of the business in the global economy, the health and direction of the business, the arc of the woman's career, her social and cultural relevance.

The second most powerful businesswoman was Kraft Foods Chief Executive

Irene Rosenfeld, who led a hostile \$18 billion takeover of Britain's Cadbury. No. 3 was Archer Daniels Midland Chief Executive Patricia Woertz, followed by Wellpoint Chief Executive Angela Braly.

Avon Products Andrea Jung came in at No. 5, while media mogul and talk show host Oprah Winfrey was the sixth most powerful businesswoman, followed by DuPont Chief Executive Ellen Kullman, IBM Senior Vice President Ginni Rometty and Xerox Chief Executive Ursula Burns.

Bartz rounded out the top ten, with Fortune saying: "A year and a half into her tenure, this candid leader is accused of lacking a vision for Yahoo. Despite partnerships with Nokia and Microsoft, investors aren't impressed: The stock is down 15 percent this year."

Behind Bartz, Oracle President Safra Catz was the second highest paid woman, earning more than \$36 million in 2009.

The complete list of the 50 most powerful women in business can be seen at bit.ly/crXGjc and the ranking of the highest paid businesswomen can be seen at bit.ly/dtttycu.