

International Business News

India sets sights on double-digit growth

AFP, New Delhi
India aims to quickly attain double-digit growth as it pulls out of the worst global financial slump in decades, the finance minister told an international business audience Sunday.

Pranab Mukherjee's upbeat projections to the India World Economic Forum assembling some 700 delegates from around the world come as industrialised economies are still struggling to emerge from the financial crisis.

Mukherjee said India's economy was "on a path to rapid recovery" with the latest quarterly data showing expansion of 8.8 percent.

"The challenge now is to quickly revert to the high GDP growth path of nine percent plus and even find the means to cross the double-digit growth barrier in the coming year or two," the minister said at the meeting's opening session.

To achieve this goal, he said India needs much more foreign investment, especially to upgrade India's shabby infrastructure that economists say lops two percentage points off yearly growth.



AFP
A Cambodian farmer holds rice plants, in a field in Cambodia's Kampong Speu province, some 60km south of Phnom Penh yesterday. Cambodia's parliament approved a five-year national development plan on May 31 aimed at achieving annual growth of 6 percent, helped by billions of dollars in foreign aid.

Berlusconi faces crunch week amid economic worries

AFP, Rome
The expected resignation of four ministers from Italian Prime Minister Silvio Berlusconi's government on Monday will likely signal only the formal start of a lengthy crisis in a tough economic situation.

The resignations are part of a rebellion by speaker of parliament Gianfranco Fini, a former close political ally of Berlusconi who has become one of his most bitter rivals, calling on the prime minister to step down.

But experts say the move by Fini's allies is highly unlikely to bring down the government.

They say the struggle will play out in parliament, where Berlusconi is thought to hold a majority in the upper house and a minority in the lower house.

Lawmakers will move cautiously not only for fear of losing their seats but also because they need to approve a budget for 2011 before the end of the year, at what is a tricky time for Italy on international financial markets.

Madoff's watch sells for \$67,500

AFP, New York
Imprisoned Wall Street conman Bernard Madoff's luxury watches, piano and other ill-gotten gains sold for high prices at auction Saturday, along with his more mundane possessions including socks.

A Steinway grand piano went for 42,000 dollars in the New York auction of goods seized by the US Marshall's Service after Madoff's life imprisonment last year.

The former money man's craze for wrist watches was apparently shared at the auction, where proceeds will go toward compensating victims of the decades-long pyramid, or Ponzi fraud.

A Rolex moonphase watch sold for 67,500 dollars, while a Rolex Cosmograph Daytona fetched 40,000 dollars and two vintage Patek Philippe watches went for 56,000 and 37,500 dollars.

Delay possible to Greek debt repayments: Papandreou

AFP, Athens
Greek Prime Minister Georges Papandreou said he did not rule out asking for more time to pay back the 110 billion euro loan granted Greece in May by the EU and IMF in an interview published Sunday.

"The question has already been put on the table," he told the weekly Proto Thema.

"The fact that one can talk about renegotiation today is for one reason only: the fact that we have proved our credibility, we have demonstrated our willingness to change."

"We, the government and the Greek people, have proved our will to change, if not nobody would discuss possible renegotiation with us," he said, referring to the draconian austerity measures implemented by Athens in return for the rescue loan from the International Monetary Fund and countries in the eurozone to avert bankruptcy.

COLUMN

Training: Shake things up

MAHMUDUR RAHMAN

Industrialists often bemoan that they just cannot find workforce with appropriate skills for all the money they spend on advertising. The ones who respond with applications invariably have the same story: "I don't have the skills but will learn." That kind of confidence is admirable. They even have SSC or HSC certification. But employers need persons who have a skill that can be applied to the work environment after just a brief orientation to the company and its work environment.

So where will skills be developed? The youngsters who crowd around the owner of a car workshop may work for a pittance but the truth is that they are the ones who will one day grow up to become a car mechanic. It is as much a fact that the school dropout child who gets a tea-boy's job in a printing press will one day become the one-day owner of his own press.

There are alternatives. Educational institutions are there that provide hands-on training and education on technical skills such as polytechnic and vocational training institutions. Then of course there are the private institutions many of them run by NGOs. But most of these are running on outdated curriculum, at times adrift of the new skills and updated curriculum that is demanded by the market. Seventeen government ministries have different training institutes that have no coordinated qualifications structures against which they can measure the trainees. More importantly, this education is not in sync with the growing demands of an expanding economy and industrialisation. As a result, the gap between truly updated and skilled labour force and what they are churning out leaves a lot to be desired.

In effect, there is a massive scarcity of employees that can fit into today's requirements of industries, businesses and offices. It is a situation that requires remedy but not such as can be rectified through minor surgery. The need is for a major and drastic overhaul of the entire technical and vocational education and training (TVET) process encompassing both a macro and micro perspective in line with the technology requirements of today. Institutions need to be modernised in terms of curricula, equipment, teaching skills and management. Research-based skill requirement assess-



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ments, bringing technical education into the mainstream and broadening the scope of TVET to be inclusive of the underprivileged, dropouts and physically challenged groups and planning for future requirements are now a must.

These are all elements of the new Bangladesh skills development policy prepared for the approval of the government with the assistance of the International Labour Organisation under a \$20 million EU funded project. This policy will be the base from which a demand driven, flexible and responsive training programme will be rolled out, a nationally recognised qualification matrix will be established and an inclusive and cooperative relationship with the industrial sector will be put in to operation. Among other issues that will be closely addressed will be competency and certification of instructors and trainers, flexibility

and empowerment of managers in running institutions, recognition of prior learning and a strong emphasis on apprenticeship that works. In addition, new programmes requested by industry will be developed and delivered using the principles of competency-based training. These new programmes (and updated older programmes) are based on competency standards identified by the recently established Industry Skills Councils (ISCs). The new programmes come with nationally recognised qualifications to be offered under a proposed national technical and vocational qualifications framework.

Other highlights of the policy is the concentration on working children being offered a pathways to structured learning, broadening the range of non-traditional for women and skills development for overseas employment including retraining

of returning expatriates. The policy also recognises the uniqueness of the informal sector and requirements of training in less developed areas of the country. A new TVET quality assurance framework, which will ensure quality, is built into all aspects of the system from course development, to teaching, to student assessment.

The TVET reform project initiated a substantive consultative process in the development of the national skills development policy with more than 200 persons from the government, business, NGOs and civil society providing input at fora in Dhaka and in regional cities. Additional consultations through the education ministry are at final stages. The new policy is expected to be considered and endorsed soon.

The writer is a corporate administrator and sports commentator.

SUMMIT

Apec trumpets free trade

REUTERS, Yokohama, Japan

Leaders of the world's most powerful economies went home yesterday after four days of summitry that left them little closer to agreeing how best to rebalance the global economy and stave off fresh crises.

Two successive summits -- first the Group of 20 meeting of advanced and emerging economies in Seoul, followed by this weekend's Asia-Pacific leaders' gathering in Yokohama -- were marked by splits on economic policy between the United States and the world's new number two economy, China.

US President Barack Obama made little headway in his efforts to persuade counterpart Hu Jintao to do more to change the structure of the Chinese economy so the United States could ramp up exports there.

Beijing is concerned that too radical adjustments will undermine its economic growth.

"Advanced economies have to cope with serious unemployment problems, while emerging market economies are confronted with asset price bubbles and inflationary pressure," Hu told other leaders of the 21-member Asia-Pacific Economic Cooperation (Apec) in the Japanese port city.

The two-day meeting did agree on plans for a free trade area linking the world's fastest-growing region and to continue an agreement not to erect new trade barriers.

They also agreed, as did the G20 summit, to try to breathe life into the flagging Doha round of global trade talks and to avoid using competitive devaluations to export their way to economic recovery.

But Hu sounded a somber note amid the public display of amity by leaders, saying there had been a notable rise in protectionism, a threat to the lifeblood of a region that depends so heavily on trade.

One of the centerpieces of the Apec meeting was to take real steps toward a Free Trade Area of the Asia-Pacific (FTAAP) linking the world's three biggest economies -- the United States, China and Japan -- with some



AFP
US President Barack Obama (L) speaks with Brunei Darussalam Sultan Haji Hassanal Bolkiah (2L) as Chilean President Sebastián Piñera Echeñique (2R) adjusts the bowtie of Hong Kong Chief Executive Donald Tsang (R) before The Declaration of The Asia-Pacific Economic Cooperation (Apec) summit in Yokohama yesterday.

of the fastest-growing emerging economies in other parts of Asia and Latin America.

The gathering followed hot on the heels of the G20 summit, where a vague agreement showed scant unity on how to deal with current account imbalances, in particular the one between China and the United States, which risk destabilising the global economy.

The risk posed by economic fragility, and the price that financial markets will extract if it is not addressed, was underscored at the end of last week as it emerged that deeply indebted Ireland was in talks about a funding rescue.

The goal of balanced growth is proving elusive, given deep divides among indebted advanced and export-driven emerging economies that were papered over at a G20 summit in Seoul.

For US President Barack Obama, who may have started his 10-day tour of Asia hoping to put his party's mid-term election defeats behind him, there were disappointments on the economic issues that were the primary focus of the trip.

Washington argues that the global economy can only recover if its own economy is on the mend, which requires a surge in exports. It has singled out China and its strong yuan as being a major barrier to that goal.

While Washington contends that China's currency is undervalued, so giving it an export advantage, Beijing argues the US Federal Reserve's easy-money policy is weakening the dollar to boost exports and could destabilise other economies.

Hu said Beijing was committed to exchange rate reform and to boosting domestic demand but that it would be gradual.

Main points of Apec summit declaration

Here are the main points from the Asia-Pacific Economic Cooperation's joint declaration.

BALANCED GROWTH

- Apec leaders pledged to move toward more market-determined exchange rate systems. They will enhance exchange rate flexibility to reflect underlying economic fundamentals and will refrain from competitive devaluation of currencies. "Advanced economies, including those with reserve currencies, will be vigilant against excess volatility and disorderly movements in exchange rates. These actions will help mitigate the risk of excessive volatility in capital flows facing some emerging market economies."

DOHA ROUND AND PROTECTIONISM

- Affirmed their "strong commitment" to bring the Doha Round of world trade talks "to a prompt and successful conclusion."
- Declared that 2011 is "a critically important window of opportunity" to conclude the round and directed their officials to negotiate with "a sense urgency in the endgame."
- Extended a 2008 freeze on any new barriers to investment or to trade in goods and services for another three years to 2013.

FREE TRADE AREA

- Apec will take "concrete steps" toward eventually forging a Free Trade Area of the Asia-Pacific (FTAAP).
- This may be done by building upon ongoing regional undertakings, including the 10-member Association of South East Asian Nations and "Asean + 3," which includes Japan, China and South Korea in an East Asia community. Another building block will be the US-led TransPacific Partnership that is being negotiated among nine countries.
- The FTAAP may also be pursued through sectoral initiatives initially in areas such as investment, services, and trade facilitation.

NEW GROWTH STRATEGY

- Apec is undertaking a collective growth strategy for the first time.
- The strategy focuses on "five desired attributes" of balanced, inclusive, sustainable, innovative and secure growth.
- Apec aims to implement the strategy by 2015.
- An Action Plan to do that deals with structural reform, human resource and entrepreneurship development.

REGIONAL ECONOMIC INTEGRATION

The regional economic integration initiative aims to work toward the goal of having all Apec economies achieve free and open trade and investment by 2020. This is also known as the "Bogor Goals" because it was agreed at the 1994 summit in Bogor Indonesia.