

International Business News

India's Mahindra signs deal to buy Ssangyong

AFP, Mumbai

Indian carmaker Mahindra and Mahindra Tuesday signed a deal to buy a controlling stake in South Korean auto maker Ssangyong, in a move likely to create a global player in sport utility vehicles.

The 463-million-dollar deal will end financial uncertainty for the Korean company, which slipped into court-approved bankruptcy protection early last year on weak sales and rising losses.

The companies expect the deal to be completed in March 2011, with Mahindra getting a 70 percent stake in the Ssangyong firm.

In August this year, creditors in Seoul had selected the Indian company as their preferred bidder.

With the deal, Mahindra becomes the second Indian carmaker to enter the South Korean market after Tata Motors, which bought truck maker Daewoo Commercial Vehicle in 2004.



A Hong Kong family fish in Victoria harbour. Hong Kong's government warned Monday it will take further steps to dampen the city's red-hot property market if necessary. Measures last week caused sales to plunge and developers' share prices to drop.

Twitter co-founder hopes to create news network

REUTERS, Oxford, England

Biz Stone, the co-founder of popular microblogging site Twitter, is eager to harness the vast quantities of information that it helps its users share to create a news network, he told Reuters on Monday.

A Twitter news network would not necessarily be run by Twitter itself but would be in partnership with several existing news organizations, and would be open, Stone said.

"From the very beginning this has seemed almost as if it's a news wire coming from everywhere around the world," he told Reuters Television on the sidelines of the Silicon Valley Comes to Oxford technology event.

"I think a Twitter News Service would be something that would be very open and shared with many different news organizations around the world."

Twitter receives 95 million short messages, or "tweets" -- each no longer than 140 characters -- each day from its 175 million registered users.

Indonesian flag carrier apologises for flight chaos

AFP, Jakarta

National carrier Garuda Indonesia was forced to issue a public apology Tuesday for three days of flight chaos caused by the loss of crew rotation data during a switch to a new operating system.

More than 700 passengers have been affected by flight delays and cancellations which started Sunday and were continuing on Tuesday, company officials said.

International flights to Malaysia and Thailand were among those cancelled or rescheduled, as the company forked out tens of thousands of dollars in hotel expenses for stranded passengers.

Bookings had also been shut down until the problem -- caused by someone failing to plug in a cable during the software switch -- was sorted out, hopefully by Wednesday.

"Garuda Indonesia expresses its deepest regret and sincerest apologies to all its customers for the recent flight delay and cancellation on account of a new operational monitoring system being implemented," the state-owned company said on its website.

HP to focus more on software, new CEO says

AFP, New York

Hewlett-Packard plans to increase its focus on software, new chief executive Leo Apotheker said Monday, as the US computer giant posted fourth quarter results that topped Wall Street's expectations.

HP said net profit rose five percent in the fourth quarter of its financial year to 2.5 billion dollars while revenue was up eight percent to 33.3 billion dollars, better than the 32.75 billion dollars expected by analysts.

The Palo Alto, California-based HP, the world's largest computer maker, reported diluted earnings per share of 1.10 dollars in the quarter compared to 99 cents during the same period a year ago.

"HP proved once again that it is able to execute given its market strengths and technology leadership," said Apotheker, who took over as HP's president and chief executive on November 1 after former CEO Mark Hurd's abrupt resignation.

COLUMN

A great leap in training

MAHMUDUR RAHMAN

Technical and vocational education and training has come a long way. Once the mere acquiring of basic skills was considered enough to address the demand for technical expertise. Times and demands have changed. But in an age when emphasis is placed on technical competencies, especially in blue-collar jobs, Bangladesh faces a challenge.

Parents, guardians and students are so wrapped up in the two general education streams of SSC and Madrasah that they do not view technical and vocational education as being worthy. Yet industrialists bemoan the dearth of adequately trained and competent employees. There is too much dependence on sending typically unskilled labourers abroad. More and more of these expatriates are finding out that they no longer have the competencies that are in demand in today's world.

When it comes to equipping our workforce with the required competencies, the challenge is huge. The key is in ensuring the balance of three basic factors; developed in tandem, training and education can enhance work flexibility, quality and relevance. If anyone of these slips, the result will be a shortfall, either in the competencies acquired or in meeting demands of the employment market.

The lack of streamlined existing trade and technical qualifications has meant that there are no universally acknowledged standards against which workers and employees can be measured, nor a mechanism that takes into account their previous learning. Moreover, with 70 countries of the world already having a qualification framework -- a number of which are destinations for the Bangladesh employment market -- the time may come sooner than later for a synergy between these overseas qualifications and those of Bangladesh.

In recognition of this, the Bangladesh government's Technical and Vocational Education and Training (TVET) reform project, managed by ILO and with funding from the European Union, produced a National Technical and Vocational Qualifications Framework (NTVQF). It focuses on TVET institutions flexibly meeting the job market's technical and vocational education and training needs and on the needs of the poorer and disadvantaged groups.

The newness of this system is breaking the myth that technical training and educa-



Applicants fill out forms for the 30th BCS exams at the Public Service Commission in Dhaka. Better-trained professionals are expected to benefit the country.

tion is limited to classrooms or based on the requirements of big industry. Qualifications and curricula are reviewed and new ones proposed so that the training regime becomes demand-driven, modular, competency-based and suitable for both big and small businesses.

Industries benefit from better-trained graduates. But the approach also ensures that regular students and underprivileged groups (such as drop-outs, low-literate and/or poor men and women and physically challenged persons) also have access to recognised training. This innovative training aligns with an expansion of qualifications that better reflect the growing and changing occupational and competency profiles in both domestic and international employment markets.

The NTVQF, when approved, will replace a National Skills Standards (NSS) system that was established decades ago but never

really caught on. The new system will provide five vocational qualifications and one diploma-level qualification. In addition, the NTVQF will have two pre-vocational levels that provide pathways for less educated and underprivileged groups to train for higher-level certificates.

Should someone not be able to finish all competencies required for an entire qualification, there will at least be a 'statement of attainment' for specific units of competence achieved. These latter documents are useful to employers as evidence of competence and can be "banked" for application later if a person wishes to complete the training towards a full qualification.

At the secondary school level, a dual certification system is to be introduced. Students who complete SSC (VOC), HSC (VOC) and HSC (BM) can try for an NTVQF qualification, in addition to their school

qualification.

A new qualifications framework for TVET is a huge transition for Bangladesh. The current idea is to ease the process by first introducing the NTVQF in the three "thrust" industry sectors which are the focus of the TVET Reform project, and in four industry sectors which are supported by the Skills Development Project.

All government agencies engaged in skills training will eventually align their curricula with the NTVQF, and NGOs and private-sector training organisations will be encouraged to do the same. The Bangladesh Technical Education Board is expected to undergo restructuring and expansion and will be responsible for implementation and periodic review of the NTVQF implementation and other aspects of a quality assured TVET system.

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TECHNOLOGY

Downloads on iPhone? Not so fast in Asia

REUTERS, Hong Kong

As telecom equipment makers jostle to sell and promote their next-generation wireless technology, one question is left unanswered: are they building too much capacity at a time when demand doesn't exist?

Companies such as Huawei, ZTE and Alcatel Lucent aggressively promoted their wares at the Mobile Congress Asia trade show in Hong Kong last week, touting speeds some 50 times faster than existing 3G networks.

On the surface, the numbers are compelling. Research firm Wireless Intelligence expects the number of LTE connections in Asia to total 120 million users by 2015 from virtually zero now, with China accounting for half of that number.

The LTE market is expected to be worth \$6 billion by 2014, industry research firm Dell'Oro said, making it a lucrative growth area for telecom equipment makers such as Huawei, Motorola Inc and Nokia Siemens Networks.

However, investors in telecom equipment makers such as Alcatel Lucent and ZTE could be in for some pain before arriving at the promised land of high-margin data services, with both companies reporting weaker-than-expected results about two weeks ago.

"What customers want right now in India is good quality voice calls and basic data services that do not require a 3G network yet," said Sigve Brekke, Asia head of Telenor, which sat out of India's recently completed 3G licence auction.

"What is a farmer working on the fields in India going to do with high-speed internet access? He is more likely to need information about crop prices, which we can easily send over existing networks."

India, the world's fastest growing wireless market with more than 500 million users, is still waiting for operators such as Reliance Industries and Bharti Airtel to roll out their third-generation networks, with a 4G network unlikely for the next few years as operators try to recoup the cost of building the infrastructure.

In China, the world's biggest mobile market with more than 700 million users, only China Mobile has shown interest in looking at the fourth-generation Long Term Evolution (LTE) technology, with smaller rivals China Telecom and China Unicom staying quiet so far.



A customer looks at an iPhone 4 in New York. The iPhone alone accounts for nearly a fifth of all smartphone shipments.

Huawei and ZTE's reliance on emerging markets such as those in Africa and Asia could further dampen the outlook for their 4G business, as many operators there are unwilling to spend on an expensive network costing billions that may take years to recoup.

Even in developed markets such as Britain, the cost of upgrading the current network to 4G will not be economically viable until 2015 at the earliest as current networks are wide enough to meet demand, according to research firm IDC.

"In Asia, I don't see there being much demand for high-end data services outside of Japan, Singapore, Korea and Hong Kong," said Wilson Chai, an analyst at Mirae Asset Management.

"There isn't an ecosystem of cheap smartphones, plenty of software and a cheap data plan in countries such as China to help grow demand there."

OPPORTUNITY FOR SMALL PLAYERS

The lack of smartphones and supporting software will further impede the growth of LTE, just as the use of existing 3G networks only really took off following Apple's launch of its iPhone and Research In Motion's BlackBerry.

Apple's usual reluctance to jump at any new technology could also keep 4G from gaining widespread use among its users. The iPhone alone now accounts for nearly a fifth of all smartphone shipments, according to research firm IDC.

This presents an opportunity for smaller smartphone players such as HTC and South Korea's Samsung Electronics to catch up with the likes of Nokia in the smartphone space together with its fatter profit margins.

"HTC is really leading the market in 4G technology so far," said RBS analyst Steven Tseng. "Their tie-ups with carriers such as Verizon means other operators are most likely to approach them when they want to

launch their own 4G service."

HTC shares have risen about 150 percent so far this year, far outpacing a flat benchmark TAIEX index and higher than the median target price of T\$830 set by analysts polled by Thomson Reuters I/B/E/S.

One thing that does seem certain is that all consumers should start getting used to having to dig deeper into their pockets as carriers are eager to move away from the unlimited data plans commonplace earlier in the smartphone age.

Verizon Communications is considering charging customers based on the speed of their mobile data service, while other operators have also moved towards charging based on the amount of data downloaded.

"That's where it helps not being a leader in the data space," said Telenor's Brekke. "There is an increasing understanding that maybe unlimited data plans was not such a good idea after all."