

Baby steps for small business after Japan tsunami

AFP, Kesennuma

It's hard to see how business can thrive in the post-tsunami devastation in Japan, but consumer demand is running high -- and Sayuri Miyakawa is determined to supply it.

Days after a tsunami reduced her seaside grocery store in Kesennuma to driftwood, Miyakawa was back in business, albeit with no shop, no cash and virtually no produce.

With something like half a million people living in ill-equipped, badly stocked evacuation centres along the north-eastern coastline, there is a huge need for everything from food to fuel and medicines.

Every day, survivors go looking for supplies they can scavenge to supplement the meagre hand-outs available in the shelters.

With transport almost non-existent -- most private vehicles were destroyed and there's no fuel anyway -- they have little choice but to focus their search in what remains of their home towns.

And that's where Miyakawa has stepped up.

Six days after the disaster, she was able to lay out a small selection of groceries including chocolates, fruit and bottled water, the prized goods presented on a few boxes on the street where her family store once stood.

"I'm not sure when I can really restart my business. But I came here today because I thought people needed food. They might not be able to wait



Residents buy what items they can find in the reduced supplies at a supermarket in Ofunato, Iwate prefecture in Japan yesterday, after the devastating March 11 earthquake and tsunami.

for food rations," she told AFP.

Less than an hour later, everything was sold out, barring some rice flour which needed fuel and water to cook it.

The following day, Miyakawa managed to find a truck to bring more fresh and canned produce -- which sold almost as fast as she could unpack it.

"Unless you start somewhere, you cannot start at all," she said cheerfully, busily handing a sack of tomatoes, herbs and apples to

a customer.

And she's not alone. Other small businesses are trying to resume a similar ad hoc service, selling anything from tools to clothing.

One obstacle they have quickly encountered is cash -- the lack of it.

While Miyakawa was able to secure her supplies from a wholesaler on credit, individual consumers need ready money and, with no functioning ATMs,

cash is hard to come by.

Four days after the March 11 quake and tsunami, Kesennuma Shinkin Bank managed to open two of its 12 branches despite the absence of any power.

Without computers, bank staff had to use paper ledgers to check the accounts of depositors wishing to withdraw cash. Customers without picture ID cards were interviewed to verify their identity and account balances.

"Our institution is small

enough that our employees should be able to recognise the faces of most of our clients," said Eiji Fujimura, a sales promotion official.

"Nearly half or possibly more people in Kesennuma have accounts with us. We consider ourselves a financial lifeline of this community," said Fujimura, who wore several winter jackets to keep out the cold in the branch office.

"We must continue to do what we can to provide services to our clients," he said.

After withdrawing some cash, 53-year-old grandmother Akimi Ogata bought milk and diapers that she found on the mostly empty shelves of a damaged grocery store.

Ogata's house was not damaged in the tsunami, so several relatives, including her six-month-old grandson, moved in with her.

"We didn't need cash on the very first or second day after the quake, but stores are starting to open," she said. "You really need cash at the ready because you never know when you might chance on something to buy."

According to a World Bank estimate, Japan's quake and tsunami disaster could cost its economy up to \$235 billion, or 4.0 percent of output, and reconstruction could take five years.

The four worst affected prefectures account for an estimated six to seven percent of the national economy.

Key tax reform bill introduced in India

REUTERS, New Delhi

India's government introduced a wide-ranging tax bill into parliament on Tuesday, but opposition to the move threatened to derail one what is one of the coalition's most ambitious reforms of its second term.

In a sign of how corruption scandals are hindering the government, opposition lawmakers immediately forced an adjournment by demanding a debate on accusations Prime Minister Manmohan Singh lied to parliament about a cash-for-votes scandal.

The Hindu nationalist Bharatiya Janata Party (BJP) has accused Singh of misleading parliament after he denied a WikiLeaks cable that said his government paid bribes to lawmakers to win a confidence vote in 2008.

That controversy was the latest in a slew of corruption scandals, including accusations the government lost up to \$39 billion in the selling of telecoms licenses for kickbacks, that have overshadowed Singh's second term and halted most reforms.

The bill to amend the constitution and introduce a nationwide Goods and Services Tax (GST) aims to cut business costs and boost tax revenues. But it has been delayed by two years and it will almost certainly miss an April 2012 deadline for implementation.

The GST bill needs approval of two-thirds of parliament and half of India's 28 states to become law. It will first go before a committee before returning to parliament for a vote, which is unlikely to happen in the current session that ends on Friday.

Many opposition-ruled states oppose the bill and there are worries the tax reform will give too much power to the federal government over local states.

Further scandals and a host of state elections this year could close any window of opportunity for the controversial bill to be adopted.

Tech-savvy Indians cry out for Apple's attention

AFP, New Delhi

Namrata, a Delhi University student, turned an iPad tablet computer round in her hands at an electronics store in the city. It is Apple's latest must-have item -- yet it is already out of date.

"No, I'll wait for the iPad 2," she said, putting it back on the shelf, aware that the improved version has already gone on sale in the United States. "Perhaps my aunt in Australia will be able to send me one soon," she said.

India looks like a massive emerging market for Apple's iPads, iPods and iPhones, with an increasingly wealthy, young population hungry for information, entertainment and the latest craze in consumer culture.

But the original iPad finally arrived in India a full nine months after it was available in the United States -- and the iPad 2 has no scheduled release date in the country of 1.18 billion people.

The iPad 2 hit the shops in the US on March 11 having been unveiled by Apple chief executive Steve Jobs, and it will be released in dozens of other countries -- including Britain and Australia -- on March 25.

Popular tech blogger Soumyadip Choudhury targeted Jobs, accusing him of using India as a dumping ground for out-of-date Apple technology.

"Is India, for Apple, only a market where you can hold your clearance sale, just before you are ready with the product's next generation?" he wrote on his blog, addressing Jobs directly.

"You officially began selling your blockbuster tablet device (the original iPad) in India exactly 30 days before announcing the new one (iPad 2)," Choudhury said.

The iPad 2 is selling in the United States at about the same prices as the iPad 1, ranging from \$499.

"You have not only miffed Indian consumers with your delayed-till-it-is-obsolete releases but also with your unreasonable pricing," Choudhury wrote.

The iPad 2 is thinner, lighter and



Customers try the latest Ipad 2 at the Apple store on Fifth Avenue in New York. India looks like a massive emerging market for Apple's iPads, iPods and iPhones, with an increasingly wealthy, young population hungry for information, entertainment and the latest craze in consumer culture.

faster -- but, with no release scheduled in India, the country's vast ranks of Apple fans have been left to buy the old model, priced between about \$540 and \$920, or else import the new one.

"This surely has inhibited non-Apple consumers from buying Apple products," online technology magazine Pluggd.in founder Ashish Sinha told AFP.

"There is a huge demand for Apple products in India -- especially the information technology sector, which is high on consuming gadgets."

An Apple spokesman who asked not to be named said that the company did not disclose sales figures for India or discuss future release dates for products. He also declined to comment on criticism of Apple's strategy in India.

Blogger Archana Shukla said that Apple was reluctant to "reach out to local customers" in India.

"The silence is intriguing, especially at a time when most top-league multinationals are ramping up their operations and going all out to woo Indian consumers," she said.

The US-based information tech-

nology research firm Gartner suggests that Apple has been making a judgement call, balancing the unpredictability of the present Indian market and its future potential.

"Apple always targets the niche market and never focuses on the mass market," Gartner's principal research analyst Vishal Tripathi told AFP.

"It seems Apple is not getting the right signal from the market or is strategically missing the growth opportunities India offers," the analyst from the Connecticut-based firm said.

"Apple knows that hardcore Apple lovers will get the devices from abroad but what they are missing out on is new potential buyers."

Other companies are hoping to take advantage of Apple's apparent reluctance, with Samsung's Galaxy Tab and Motorola's Xoom, both priced around \$650, vying to grab India's tablet computer market.

"It is a nascent market but we see the tablet segment growing to one million this year as there are some exciting clients here," Samsung spokeswoman Ruchika Batra told AFP.

China sees limited trade impact from Japan quake

AFP, Beijing

China said Tuesday the natural disasters to strike Japan would only have a short-term impact on trade between the world's number two and three economies, as the stricken nation should recover quickly.

Commerce Ministry spokesman Yao Jian told reporters that devastated regions of northeastern Japan contain clusters of manufacturers of electronics, cars, petrochemicals -- all key export items to China.

"Therefore, there will be an impact on bilateral trade in the short term," he said.

But he added it would "be limited" because "the Japanese economy will bounce back quickly."

Trade between the two nations totalled around \$300 billion last year, or 10 percent of China's total foreign trade, Yao said.

Japan, which lost its 42-year ranking as the world's second-biggest economy to China in 2010, exports more products to the Chinese market than any other country, he said.

He said Japan also is the number five destination for Chinese exports.

The March 11 twin quake and tsunami disaster, Japan's worst crisis since World War II, has left nearly 22,000 dead or missing and entire communities along the north-eastern coast destroyed.

Yao said major Chinese shipments to Japan, such as clothing, farm produce and electronic products, would also be impacted.

Economic griefs spur Mideast turmoil: WB

AFP, Washington

The economic and social grievances behind the Middle East's political turmoil will not end because one leader is replaced by another, World Bank President Robert Zoellick warned Monday.

"As we have witnessed over the past three months, people across the Middle East and North Africa have taken to the streets to demand and in some cases obtain change. It has been a striking moment, engendering its own momentum," the former senior US diplomat said.

"Many of the underlying grievances and triggers of these unprecedented events are economic and social in nature, though they've taken on a political form."

But, he said, these problems would not disappear "just because one government fell or one leader

replaced another."

While the problems have been festering for some time, the World Bank's many studies on the problems have had little impact in the region, he admitted.

Zoellick added the World Bank itself has done numerous reports on problems creating youth jobs, promoting gender inequality and boosting business competitively.

"But the record of action has been spotty," he said.

Zoellick was speaking at the opening of a World Bank-hosted conference Arab Voices and Views, which came in the wake of the revolts that toppled leaders in Egypt and Tunisia.

As he spoke Yemen's government was scrambling to survive against a popular uprising, Syrians marched in the streets against their leaders, and a US-European coalition sought to pin down Libyan leader Moamer Kadhafi's military and protect that country's opposition.



A woman walks past a signboard for a Chinese internet group buying company at a subway station in Beijing. China has fallen in love with group buying, a concept that has electrified e-commerce -- nearly 2,000 sites already exist in the country and the global dotcom phenomenon Groupon has just been introduced to the world's largest Internet population.