

Davos elite confronts crisis of Western capitalism

AFP, Davos, Switzerland

Leaders of the global business elite were confronted on Wednesday with the fear that the Western model of capitalism has failed and is about to be shoved aside by emerging powers.

Over four decades, the annual World Economic Forum in the Swiss ski resort of Davos has become an emblem of the triumphant market but this year delegates admitted that state capitalism on the Chinese model is in the ascendant.

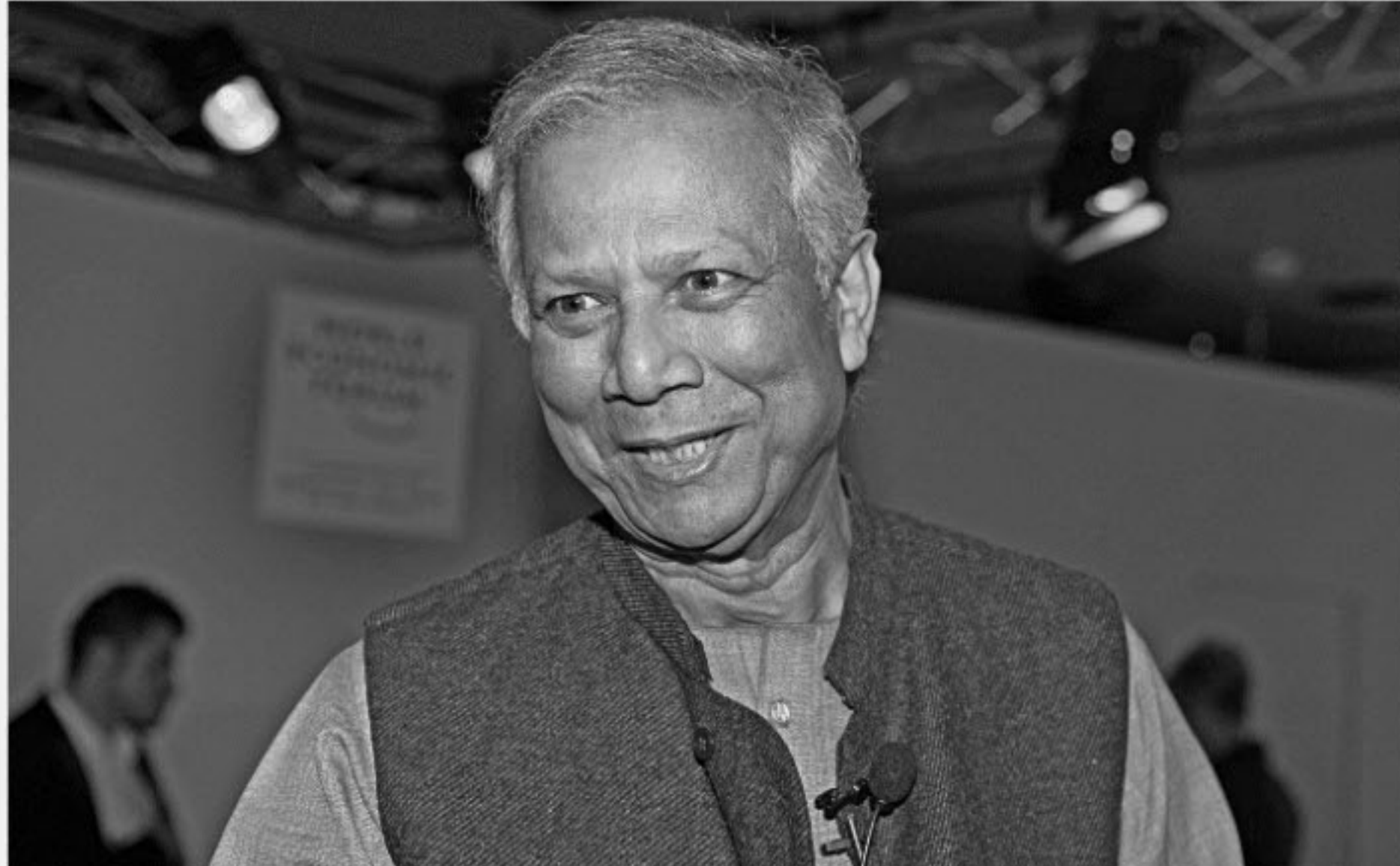
Four days of public debate and private networking kicked off with a stark warning from a panel of experts that the historic motors of the 20th century global economy will have to reform or die.

"I think we have three to four years in the West to improve the economic model that we have, and if we don't do that soon I think we've lost the game," warned David Rubenstein, managing director of the Carlyle investment fund.

The 62-year-old billionaire has done very well out of financial capitalism, the US firm paid him a \$134 million annual bonus this month, but he warned that the West needs to get its deficits under control and return to growth.

"If we don't do that soon, when we are here in three to four years ... the game will be over for the type of capitalism that many of us have lived through and thought was the best type of capitalism," Rubenstein said.

Global labour leader Sharan Burrow, general secretary of the International



AFP

Microfinance pioneer Muhammad Yunus talks during a session at the World Economic Forum meeting in Davos yesterday.

Trade Union Confederation, urged corporations and governments to work with workers to develop a new economic model -- and warned of a backlash.

"Let's get a seat at the table for the real economy. Will the real economy please stand up, because the financial markets are killing you," she said. "No-one will like the social unrest that will follow."

But on the same panel, Professor Raghuram Rajan of University of Chicago, warned the 20th century strength of the western economy had already failed to live up to its promises to rich world workers.

"Governments made a ton of promises

in the 1960s, when growth was very high. We had the welfare state across the industrial world. And then growth started falling off in the 70s, in the 80s," he said.

"Some countries, the UK and the US, tried to revive it through deregulation and managed for a while, but in general growth is too slow in the industrial world relative to the promises we have made," he said.

For Ben Verwaayen, chief executive of French telecoms giant Alcatel-Lucent, the citizens and consumers of the West are in for a rude awakening.

"The consumer goes to the grocery shop and buys globalisation and then he

leaves the shop with his two bags full of globalisation and turns to the government and says: 'Protect me from the results of this'," he said.

"The uncomfortable truth is that we now have pockets of disillusionment and unfulfilled promises that we have to deal with," Verwaayen said, before suggesting that capitalism can be revived through emerging markets.

"We talk about doom and gloom here in Davos. If you would go to Brazil today and you were to talk to young people about where the world is they would have a quite different view," he said.

Rubenstein agreed that state capitalism is a better reliable creator of jobs than laissez-faire, but warned: "It is not going to create the kind of highly paid jobs with the kind of retirement security that we like in the West."

Some 40 heads of government will join the titans of commerce and industry in Davos to discuss everything from the eurozone crisis to Iran's nuclear programme as well as trends in science and the arts.

German Chancellor Angela Merkel was to deliver the keynote address Wednesday while fellow G20 leaders such as British Prime Minister David Cameron and Canada's Stephen Harper will address delegates later in the week.

They will join a new generation from countries such as Tunisia and Thailand which are trying to emerge from turmoil as well as African heads of state including Nigeria's Goodluck Jonathan as his country grapples with crisis.



MTB

Tapan Chowdhury, managing director of Square Pharmaceuticals, inaugurates an ATM booth of Mutual Trust Bank at the factory of the medicine-maker at Kaliakoir recently. MTB Managing Director Anis A Khan was also present.



BANGLALINK

Mid Abul Quasem, deputy governor of Bangladesh Bank, attends the launch of a new international mobile phone-based money transfer service by Banglalink, Dhaka Bank Ltd and Western Union. Asher Yaqub Khan, chief commercial officer of Banglalink, Khondker Fazle Rashid, managing director of Dhaka Bank, and Ratheesh Kumar, regional vice president for South and Southeast Asia of Western Union, were also present.

Sri Lanka seeks investment from Bangladeshi entrepreneurs

UNB, Dhaka

Sri Lanka has invited Bangladeshi entrepreneurs to invest in prospective sectors of its northern and southern parts as the two countries are going to sign a deal on trade and investment promotion.

The business leaders of Sri Lanka also proposed to set up a joint training centre in Bangladesh to develop skilled professionals to handle port-related work.

The invitation and proposal came from a meeting held at the Federation of Bangladesh Chambers of Commerce and Industry with FBCCI President AK Azad in the chair.

The FBCCI arranged the meeting with a visiting delegation of Sri Lanka led by Lankan National Chamber of Commerce President Asoka Hettigoda.

Sri Lankan High Commissioner WA Sarath K

Rickshaws that run on solar power

STAR BUSINESS REPORT

Beeva Tech Ltd, one of the country's electric tricycle makers, yesterday launched a newly designed solar-charged electric rickshaw for the local market.

The motorised rickshaw can run at 25km per hour, without using fuel, as it uses sunlight to charge its solar battery. The battery keeps getting recharged automatically as the vehicle has an overhead solar panel.

"It will reduce pollution and dependence on costly imported fuel," Saidur Rahman, managing director of the company, told reporters in Dhaka yesterday.

The company organised a roadshow to outline the features of the solar power rickshaw in front of the National Press Club.

"This rickshaw can reduce traffic jam as it runs faster than traditional ones and covers only small portion of street compared to cars," Rahman said.

The rickshaw has two parts: normal rickshaw body and the electrical aspect. The electrical component includes a number of parts such as motor, controller, 48-volt battery, solar panel and speedometer.

At present, the company is



BEEVA TECH LTD

People look at a solar-powered electric rickshaw in front of the National Press Club yesterday. Beeva Tech Ltd has launched the rickshaw at a roadshow.

assembling the rickshaws at its workshop in Uttara, using mostly local materials.

"It will enable disabled and old people to drive the electric rickshaw as it does not need manual labour," Rahman said.

He said a rickshaw puller could earn Tk 1,000 a day.

"The passengers of the rickshaw will also be happy as it gives them extra comfort and would reach their destinations faster compared to the existing manually-paddled rickshaw," Rahman said.

He said the company has set the price of the rickshaw at Tk 80,000. A rickshaw puller can buy the three-wheeler on a hire-purchase basis so they can own it after finishing loan instalments.

The hybrid 'green' rickshaw can also run on an electric-charged battery. It needs one unit of electricity to recharge the battery, which enable the rickshaw to ply around 10 hours.

Earlier, the company had introduced 2,000 electric charged-rickshaws.

Singapore, Emirates, Air France A380s to be checked: EASA

AFP, Paris

The Airbus A380 planes that must be inspected after cracks were discovered in their wings belong to Singapore Airlines, Emirates and Air France, the European Aviation Safety Agency said Wednesday.

"In total 20 planes must be inspected, eight (that had carried out more than 1,800 flights) by Friday at the latest, the 12 others within six weeks," EASA spokesman Dominique Fouda told AFP.



DHAKA BANK LTD

Reshadur Rahman, chairman of Dhaka Bank Ltd, attends the bank's annual managers conference as chief guest. Khondker Fazle Rashid, managing director, was also present.



WALTON

Actor Ilias Kanchan inaugurates a distributor showroom of Walton in Dhanbari of Tangail recently. Humayun Kabir, public relations director of Walton, and distributor Mohammed Abu Bakor Siddik, were also present.



LANKABANGLA FINANCE LTD

SM Akbar, managing director of UBICO, and Mohammad Nasir Uddin Chowdhury, managing director of LankaBangla Finance Ltd, sign an agreement in Dhaka recently. UBICO will finance joint investment activities to develop SME projects through LankaBangla.

Banglalink launches money transfer service

STAR BUSINESS DESK

Mobile operator Banglalink in partnership with Dhaka Bank and money transfer company Western Union launched an international mobile money transfer service targeting seven million Bangladeshis abroad.

The service launched yesterday will facilitate speedy transfer of money from almost every country to Bangladesh.

Banglalink users with Dhaka Bank accounts will be able to send money through Western Union from more than 200 countries and territories, said a statement of the mobile operator.

The recipients will have access to their money from any of the over 1,700 Dhaka Bank accredited Banglalink mobile cash points that are open till 8pm everyday.

In future, this service may also be used in local fund transfers, utility payments and train ticket purchase.

Asher Yaqub Khan, chief commercial officer of Banglalink, said, "Our philosophy is based not only on pioneering new mobile services, but also making mobile technology affordable and accessible."

"The new service is set to open up access to basic financial services."

Khondker Fazle Rashid, managing director of Dhaka Bank, said, "The international money transfer system will create a new dimension in remitting money through legal channel."

Ratheesh Kumar, regional vice president (South Asia & Southeast Asia) of Western Union, said the company is celebrating its 160th anniversary and has been moving 'money for better' for more than 135 years.

Bangladesh has grown to be the world's seventh largest remittance-receiving country. Remittances make up 9.6 percent of the country's gross domestic

British economy teeters on brink of recession

AFP, London

Britain's economy shrank by more than expected in the fourth quarter, data showed Wednesday, placing it dangerously close to recession as the eurozone debt crisis and austerity measures hit output.

Gross domestic product (GDP) dipped 0.2 percent in the three months to December, the Office for National Statistics said in a statement.

The decline was driven by weakness in the production and construction sectors, and was worse than market expectations for a 0.1-percent contraction.

Economists warn this is likely to be followed by a decline in the current first quarter of 2012, which would place Britain back in recession -- defined by two successive quarters of contraction. First quarter data is due in April.

British Prime Minister David Cameron said the latest data was disappointing but stressed that the Conservative-Liberal Democrat coalition government would stick to its harsh austerity programme.

"These are extremely difficult economic times. These are disappointing figures," Cameron said.

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