

Korean tech start-ups offer life beyond Samsung

AFP, Seoul

As an engineering major at Seoul's Yonsei University, Yoon Ja-Young was perfectly poised to follow the secure, lucrative and socially prized career path long-favoured by South Korea's elite graduates.

But the idea of corporate life in an industrial giant like Samsung, however well-remunerated, simply didn't appeal so instead Yoon joined the swelling ranks of young Koreans looking to make their mark in the volatile world of tech start-ups.

In her final year at college, Yoon, now 26, created a Pinterest-style image-sharing app, StyleShare, for fashion-conscious young women. "I was always into fashion, and there were so many moments that I wanted to grab someone on the street and ask what is that pretty dress or pair of shoes she's wearing," Yoon told AFP.

"All the fashion magazines only talked about expensive brand clothes, which didn't help ordinary people like me," she said.

The app became a hit and now has more than one million users.

Yoon said her parents initially panicked when it became clear the app was more than a fun hobby and she wasn't going to get a "real" job. "But they soon became strong supporters," she said.

Her father, a loyal LG employee for two decades, even offered some of his retirement savings to help kickstart the business.

For her parents' generation nothing matched the stability and prestige that came with a job in one of the family-run conglomerates, or "chaebols", that dominate the national economy.

The likes of Samsung, LG and Hyundai remain magnets for many of the country's brightest graduates.

But with the global economy in low gear and the smartphone era opening new doors, an increasing number like Yoon are forsaking a rigid career structure to try tech entrepreneurship.

The number of new "venture firms" -- high-risk, largely tech-related enterprises -- stood at 30,053 last month, according to the state-run industry tracker Venturein.

That figure was almost double the 15,401



AFP

Employees work at an office of StyleShare, a Pinterest-style image-sharing app for fashion-conscious young women, in Seoul.

registered in 2009 -- a milestone year when the first iPhone went on sale in South Korea and brought the app-making industry with it.

Under President Park Geun-Hye, the South Korean government has poured billions of dollars into startups, in line with her push to foster a "creative economy" that would move beyond the country's traditional manufacturing base.

"There is an astounding amount of money, from both the private and state sectors, flowing around in the market right now," said Jang Sun-Hyang, investment director at Mashup Angels, a Seoul-based startup incubator.

"The word 'startup' didn't even register in the public consciousness in, say, 2011. Now it's one of the hottest buzzwords among college kids," Jang told AFP.

According to government data, the pool

of private and public investment available to tech start-ups stood at 2.5 trillion won (\$2.3 billion) in 2014, up 62 percent from a year ago. South Korea's hyper-wired populace also offers a fertile ground for tech businesses -- most households have broadband access and 80 percent of people own smartphones.

More than 60 percent of smartphone users -- the highest ratio in the world -- use ultra-fast 4G service that allows users to download a feature-length film in a few minutes.

Google is set to open "Campus Seoul" this year to help train budding startup firms and facilitate their expansion, while Samsung and LG are also boosting investment in start-ups.

As the number of other incubator centres popping up offering office space, business advice and potential investment

opportunities rise, the capital is drawing comparisons with US tech haven Palo Alto in Silicon Valley.

"I think South Korean tech startups have the biggest potential in Asia, except for China," said Lee Naree, a former managing director of D.CAMP Seoul, a major startup incubator jointly built by local banks.

He has since been recruited by Samsung's marketing arm, Cheil Worldwide, to forge ties with new startups.

But challenges remain.

The relatively small domestic market means successful start-ups have to look overseas if they want to keep growing.

Crossing language and cultural barriers can be daunting, even for established firms like Kakao Talk, the South's top mobile chat app with 48 million global users which has struggled to expand into Southeast Asia.

Greece seeks bailout extension with reform plan

AFP, Athens

Greece's new anti-austerity government submitted a list of reform proposals to Brussels on Monday in a bid to secure a four-month extension to its lifeline debt bailout, a European source said.

Details of the measures were not immediately known but if they fail to win the approval of Greece's EU creditors the country's safety net will collapse on Saturday leaving the government at risk of running out of cash, a run on banks and even a eurozone exit.

But hard left Prime Minister Alexis Tsipras, who swept to power in elections last month, could also face an angry backlash from voters if he fails to deliver on promises to ease the pain of ordinary Greeks after years of recession and painful austerity cuts.

In the latest in a series of dramatic showdowns over Greece's 240 billion euro (\$270 billion) bailout, flamboyant new Finance Minister Yanis Varoufakis secured the extension from his 18 fellow eurozone partners in Brussels on Friday.

The tentative agreement boosted global markets as fears of a "Grexit" or eurozone exit -- which could have highly damaging wider ramifications -- eased, and stocks mostly rose again on Monday in Asia and Europe.

The deal however came with the demand that Athens provide by Monday a list of measures to quash concerns, not least in powerhouse Germany, that Greece might back-track on its commitments to cut spending and pass root-and-branch reforms.

"Europe has some breathing space, nothing more, and certainly not a resolution," German Foreign Minister Frank-Walter Steinmeier told the Bild daily on Monday.

"The fundamentals -- namely assistance in exchange for reform -- must remain the same."

Tsipras, 40, and his Syriza party have vowed to end the "humiliation" and "vicious circle" of the spending cuts demanded by Greece's creditors in return for two massive bailouts since 2010.

His election victory sent shockwaves through Europe, particularly in Germany, whose Chancellor Angela Merkel fears that reneging on austerity might catch on elsewhere and bring the eurozone debt crisis back with a vengeance.

Tsipras plans to use the next four months to draw up a new reform package that puts the country -- where one in four people is out of work -- on a fairer road to recovery after years of recession, spending cuts and state job losses.

But the tough negotiating stance of Germany and other eurozone countries has obliged the former student radical and his tieless foreign minister Varoufakis, 53, to give ground.

Athens pledged to refrain from one-sided measures that could compromise fiscal targets and had to abandon plans to tap some 11 billion euros in leftover European bank support funds.



JAMUNA BANK

Jamuna Bank Chairman Shaheen Mahmud hands over a cheque for Tk 1.50 crore for the treatment of petrol bomb victims to Prime Minister Sheikh Hasina at Gono Bhaban in Dhaka recently.

Apple to spend 1.7b euros on new data centres in Europe

REUTERS

Apple Inc said it would spend 1.7 billion euros (\$1.9 billion) to build two data centres in Europe that would be entirely powered by renewable energy and create hundreds of jobs.

The company said the centres, in Ireland and Denmark, will power Apple's online services, including the iTunes Store, App Store, iMessage, Maps and Siri for customers across Europe.

The investment is set to be evenly divided between the two countries, with the Irish government confirming that 850 million euros would be spent in Ireland. The two data centres are expected to begin operations in 2017.

"This significant new investment represents Apple's biggest project in Europe to date," Apple CEO Tim Cook said in a statement.

"We're thrilled to be expanding our operations, creating hundreds of local jobs and introducing some of our most advanced green building designs yet," he added.

The data centre in Ireland will be located in Athenry, close to Galway on the west coast while in Denmark, it will be in Viborg, western Denmark. In a sign of how important Apple's investment in Denmark was, the country's trade and development minister issued a statement mirroring that of the iPhone maker's, adding the two data centres would be among the largest in the world.

Ireland's government also reacted to the announcement, saying 300 jobs would be added in the county of Galway during the multiple phases of the project, a boost as it seeks to cut the unemployment rate below 10 percent this year.

"As the Government works to secure recovery and see it spread to every part of the country, today's announcement is another extremely positive step in the right direction," Irish Prime Minister Enda Kenny said in a statement.

Honda CEO to step down

REUTERS, Tokyo

Honda Motor Co on Monday named an experienced, yet little known, engineer as its new chief executive, who will take over in late-June with the Japanese automaker battling the fallout from a slew of recalls that have shaken its reputation for quality.

Takahiro Hachigo, 55, joined Honda in 1982 and has worked across research and development, procurement and manufacturing, with spells in the United States, Britain and China, where he is currently a senior official at the R&D arm.

He will replace Takanobu Ito, who is stepping down after six years in the post that saw Honda struggle through the global financial crisis, natural disasters and the more recent damaging recalls.

Ito and other executives took a pay cut in October following a fifth recall in a year of the re-engineered Fit hybrid subcompact, and Honda last month trimmed its core annual profit forecast as it set aside hundreds of millions of dollars to cover mass recalls.

HSBC boss defends Swiss account as bank profits slump

AFP, London

HSBC's boss on Monday fended off criticism about receiving his bonuses through a Swiss bank account held by a Panamanian-registered company, as the banking giant reported a 15-percent drop in annual net profits.

Chief executive Stuart Gulliver was forced to react to a report about his finances in The Guardian newspaper, which has led coverage in Britain of an international tax-dodging scandal at the bank's Swiss division.

"I pay full UK tax on my entire worldwide earnings," Gulliver told reporters in a conference call, adding that the report about his account had not "in any way" impacted his leadership of the London-based bank.

He also admitted, however, that some of the practices of HSBC's Swiss private banking arm in the past had been "a source of shame and reputational damage" and said he considered them "very unacceptable".

The report on Gulliver came after claims that HSBC helped clients from around the world dodge taxes on accounts containing 180 billion euros (\$204 billion), which are being investigated



Stuart Gulliver



AFP/FILE

HSBC Group Chief Executive Stuart Gulliver speaks during a press conference in Hong Kong.

in several countries and have caused a political storm in Britain.

The scandal has tarnished the reputation of HSBC, which was quick to react to the latest allegations.

HSBC's chairman Douglas Flint said there was "absolutely nothing that Stuart has done that is other than transparent, legal and appropriate".

The bank explained in a state-

ment emailed to AFP that Gulliver had opened his account in 1998 when he was working in Hong Kong and had put it in the name of a Panamanian company "for reasons of confidentiality".

It said Gulliver, who moved to Britain from Hong Kong in 2003, had "voluntarily declared his Swiss account to UK tax authorities for a number of years".

The bank apologised again on

Monday over the so-called "SwissLeaks" allegations, saying they served as a reminder "of how much there still is to do and how far society's expectations have changed in terms of banks' responsibilities."

HSBC also revealed on Monday that 2014 earnings plunged in a "challenging year" that was blighted by fines and compensation for mis-selling.

Earnings after taxation or net profits sank 15 percent to \$13.7 billion (12.0 billion euros) last year, HSBC said in a separate results statement.

That compared with \$18.7 billion in 2013 when its performance was also boosted by disposals.

Pre-tax profits tumbled 17 percent to \$18.7 billion, which dashed expectations and sent HSBC's share price sliding almost 6.0 percent in London.

"2014 was a challenging year in which we continued to work hard to improve business performance while managing the impact of a higher operating cost base," Gulliver said in the earnings release.

"Profits disappointed, although a tough fourth quarter masked some of the progress made over the preceding three quarters," he added.

India should use cheap oil to boost balance sheet: RBI deputy

REUTERS, Pune

A fall in global oil prices provides India with the opportunity to strengthen its balance sheet, a deputy governor of the RBI said on Monday, alluding to the need to use savings to invest, build reserves and cut subsidies.

India imports nearly two-thirds of its oil requirements and a lower oil import bill is likely to help slash the country's current account deficit, as well as help ease inflation.

The government's annual budget, due to be presented on Saturday, is widely expected to include cuts to subsidies, but not by as much as some investors had hoped for.

"The oil price going down is an opportunity which should not be wasted and we should be bolstering our balance sheets," Deputy Governor of the Reserve Bank of India, H.R. Khan, said in a speech to management students.



REUTERS

A man walks past the logos of Swiss cement maker Holcim in front of the company's headquarters in Zurich yesterday. Holcim reported 2014 profits slightly above forecast after exceeding its cost-cutting target and said its merger with France's Lafarge was on track to complete in the first half of the year.