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Putin reassures EU on energy, but at a price

AFP, Lahti, Finland

Russian President Vladimir Putin has sought to assure EU leaders that Russia would be a reliable gas and oil supplier, although the Europeans are paying a heavy price for Russian energy.

Answering EU calls for a balanced energy relationship, Putin told EU leaders at a dinner meeting in Lahti southern Finland on Friday that Russia would guarantee a stable and steady westward flow of gas and oil to their consumers.

"I would like cooperation to be not only mutually beneficial but that it be founded on common principles," Putin told journalists Saturday after a dinner meeting with EU leaders in Lahti, southern Finland.

Putin said that he told EU leaders that "cooperation must be based on the principles of predictability and stability of markets and also the reciprocal responsibility of energy producers and consumers".

The Russian leader's promises of steady energy supplies was music to the ears of the Europeans, who have had concerns recently about Moscow's hard-nosed approach to foreign investors in the country's vast energy resources.

"I think we can say clearly that Russia needs Europe just as Europe needs Russia," European Commission President Jose Manuel Barroso said. "We need to acknowledge and benefit from this interdependency and that concept appeared several times during our very open talks."

But although Russia needs European investment to meet European demand, the scales nevertheless appear tipped in Russia's favor. The EU currently covers a quarter of its oil and gas needs with supplies from Russia, although that is likely to grow in coming years as sources in the North Sea dwindle.

The Europeans have been

concerned about Russia's recent decision to develop the huge Shtokman gas field without foreign partners and threats to halt a project off Russia's Pacific coast run by Anglo-Dutch energy giant Shell on environmental grounds.

Putin said that Gazprom's decision on the Shtokman field "in no way means a change of the rules of the game" in Russia and that rapidly changing laws in his country were aimed at improving the climate for foreign investment and not the inverse.

Justifying Moscow's decision to go it alone, Putin said that foreign investors failed to produce "interesting" offers for developing the field.

While Russian firms find it increasingly unnecessary to have foreign help to develop big projects, they are also branching out abroad, eager to get into the so-called downstream market distributing energy to European consumers.

Gazprom has made no secret of

aims to get a foothold in the European gas distribution market as the liberalization of the EU market puts growing pressure on the former state-owned nation monopolies.

However, even outside of the energy sector, Russian companies are increasingly confident about entering European markets.

A case in point is a Russian bank's recent decision to take a five percent stake in the European aerospace and defence group EADS, Airbus' parent company, and suggestions it could increase its interest to a blocking minority share.

After many years of being unable to challenge European rivals, the tough new approach of Russian firms has taken Europeans by surprise, sparking concerns in EU capitals.

Myanmar encourages pvt sector to mine gold

XINHUA, Yangon

Myanmar has been encouraging the country's private sector to mine gold, allowing more such engagement by them at many prospective small gold mining blocks across the country, said local media.

Currently, there are 380 small blocks for gold mining already granted to the private entrepreneurs, and most of the gold are produced from those blocks in Sagaing and Mandalay divisions, according to the state-run Myanmar Mining Enterprise (MME)-2 under the Ministry of Mines.

Besides the two divisions, there are also other small blocks under exploration in Kachin, Mon and Bago states and divisions, the MME disclosed.

As set by the state, private enterprises are allowed to conduct gold exploration activities on 8-hectare blocks under a lease term with the MME for at least three years for the undertaking.

A security deposit of 400,000 Kyats (about 300 US dollars) is to be pre-paid and on approval another 1.1 million Kyats are to be settled again for rental charge, the MME said, adding that 35 per cent of the gold output from the blocks is to be shared by the state, while the rest can be sold by the private investor freely in domestic market.

Meanwhile, the MME is also making arrangement to privatize the largest state-run gold mine in Kawlin, northwestern Sagaing division, in a bid to transform it from a poor operating status to a better and effective one.

The 2.66-dwustr-kilomryrt Kyaupkahtoe Gold Mine currently operating under the MME will be the first of its kind to be transferred to the local private sector, an official with the MME said.

'China auto parts row set to intensify at WTO'

AFP, Washington

An uncompromising China is on collision course with the United States and other trading partners in a WTO row over auto parts, a US trade official said Friday.

The case is likely to become the first involving China to wend its full way through the World Trade Organisation's dispute settlement process, Deputy US Trade Representative Karan Bhatia said.

Bhatia was to visit China next week to press a raft of US trade demands, including an end to Chinese subsidies that he argued protect state-owned industries from foreign competition.

China last month blocked an attempt by the European Union, the United States and Canada to seek a WTO ruling on the legality of Beijing's tariffs on foreign auto parts.

However, WTO members can only use the blocking tactic once

and arbitration panels are usually created at the next session of the Geneva body's dispute settlement body.

"We've had no indications from the Chinese that they're prepared to address this area to our satisfaction and so I fully do expect the panel will be formed," Bhatia told reporters.

The auto case was "symptomatic of policies in other areas, where we're concerned we're seeing signs that China, either through subsidies or through policies that favour domestic industries, are distorting the playing field".

Bhatia was to meet Ministry of Commerce and other Chinese officials in Beijing at the end of next week, after starting his visit Tuesday with stops in the cities of Dalian and Shenyang.

He described the visit as a routine update on bilateral trade headaches, and said the talks would feed into a new "strategic economic dialogue"

announced during a visit to China last month by Treasury Secretary Henry Paulson.

The top-level dialogue is expected to convene for the first time in Beijing in December.

The auto parts complaint is only the second against China since it joined the WTO at the end of 2001.

In March 2004 the United States took China to the WTO over tax breaks for Chinese computer chip makers. But the two sides negotiated an end to the dispute four months later, and the WTO did not need to be called in.

China must abide by its trade promises, both to the WTO and bilaterally to the United States, Bhatia said.

"Needless to say that we believe it's critically important that commitments made be commitments honoured," he said.

Australia, UNDP to promote micro-enterprise in Nepal

XINHUA, Kathmandu

With a view to improving the living standard of poor people in Nepal, United Nations Development Programme (UNDP) and Australia have signed an agreement here Friday.

According to a leading newspaper, The Himalayan Times daily Saturday's report, as many as 6,000 people in poverty will benefit from the new agreement.

Under the new agreement, Australia will contribute 56,000 US dollars towards the micro-enterprise development programme, which seeks to help the very poor improve their incomes by starting and managing their own businesses.

The programme, a joint initiative between the government of Nepal and UNDP, has helped 84,000 people in 20 districts improve their incomes through enterprises since 1998, a statement issued by the UNDP said.

The new Australian contribution will be used to assist people in some districts in the country, where under a previous programme, Australia helped communities to form community user groups, which now successfully manage plantations covering almost 42,000 hectares of woodland.

"The micro-enterprise programme will assist some of these users groups to improve their members' livelihoods by promoting forest-based enterprises," the statement said.

The UNDP resident representative Matthew Kahane said, "The best way to help people out of poverty is by creating employment opportunities, which are very limited in many parts of rural Nepal."



PHOTO: THE CITY BANK

Abbas Uddin Ahmed, managing director of The City Bank Ltd, and Shah Md Nurul Alam, managing director of Mercantile Bank Ltd, exchange documents after signing an agency agreement recently. The deal was signed for disbursement of remittance among the beneficiaries having accounts with The City Bank. Senior officials from both the sides were also present.



PHOTO: SCANCEMENT

ScanCement, a cement manufacturing company, recently organised a daylong programme styled 'ScanCement Bhalo Basa Check-up' at Uttara for the second time in Dhaka. A number of individual homebuilders, site engineers and local contractors attended the programme where a panel of consultants was present to answer to the construction-related queries.