

Star BUSINESS

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World economy witnesses strong boom in 2006

XINHUA, Beijing

The world economy witnessed a strong boom in 2006 despite growing dangers posed by the economic downturn in the United States, soaring oil prices and rising inflationary pressure. Most economists have high expectations for the economic growth next year, though some variables remain.

The International Monetary Fund (IMF) predicted a growth of 5.1 percent for 2006's world economy in its twice-yearly World Economic Outlook which was published in September. If the forecast is materialised, it will indicate the 2003-2006 period is the fastest-growing four-year one since the 1970s. The growth rates for 2003 to 2005 were 4 percent, 5.3 percent and 4.9 percent, respectively.

This year, economies of the United States, the euro zone and Japan have experienced a balanced growth which have facilitated a sustainable and stable increase of the world economy. Meanwhile, such emerging markets as China and India have kept the momentum of fast growing, making them a strong drive for world economic growth.

Although the US economy has cooled down since the second quarter this year due to the slump housing and automobiles sectors, such a weakness has not spread to the rest of the world, Raghuram Rajan, IMF Chief Economist, told Xinhua in a recent interview.

The strong up-trend of such economies as China and India have largely offset the negative influence posed by the United States, noted

Rajan.

However, some variables have also drawn concerns from economists. The US economy has been slowing down due to less investment in real estate and automobiles sectors since the second quarter of 2006. Oil prices, which once hit record-high of 78.4 US dollars per barrel in July, are still above 60 dollars per barrel.

Meanwhile, central banks of major developed countries have taken austerity measures to prevent inflation.

The IMF, in the September outlook, predicted that 2007's world economy will be increased by 4.9 percent, just 0.2 percentage points lower than 2006, given such favourable anticipation as lower oil prices, less inflationary pressure and more profits gained by companies in the developed countries.

Desh Garments approves 5pc dividend

Desh Garments Ltd has approved a 5 percent dividend for its shareholders, says a press release.

The approval came at the 29th annual general meeting (AGM) of the company held on Thursday in Dhaka.

Chairman of the company Rokeya Quader presided over the AGM, which was also attended by directors and managing director.

Vodafone eyes Hutchison of India

REUTERS, Mumbai

Mobile phone giant Vodafone Group Plc is considering buying a controlling interest in India's Hutchison Essar, raising the prospect of a \$13-billion-plus bid battle with Reliance Communications for the operator.

UK-based Vodafone said on Friday the process was at an early stage, but its board believed the mobile market in India has great potential.

A move for Hutchison Essar would be consistent with its strategy of seeking selective acquisitions in developing markets, it said.

Confirmation of Vodafone's interest could draw out interest from Reliance, India's second-largest mobile services provider, which was considering moving on its smaller rival only after Vodafone revealed its strategy. The Economic Times reported.

Reliance, controlled by the Anil Ambani group, is looking at a possible bid in tandem with private equity group Blackstone, a source familiar with the situation told Reuters on Thursday.

Reliance could not be immediately reached for comment.

Vodafone underlined its ambitions to expand in emerging markets at an investor day earlier this month and analysts have long expected it to step up its presence in India, the world's fastest-growing mobile phone market.

"They've got to do it (expand in markets such as India), but ultimately it comes down to what they pay. We would certainly support them considering it," said Richard Marwood, fund manager at AXA, a shareholder in Vodafone.

Foreign investors are limited to owning 74 percent of Indian mobile operators, so Vodafone would need a local partner.

Microcredit helps women in Indonesia rebuild lives after tsunami

AFP, Indonesia

Two years after the tsunami killed 168,000 in the Indonesian province of Aceh, microcredit is helping thousands of people, mostly women, rebuild their lives.

Pioneered by Bangladeshi Nobel Peace Prize winner Muhammad Yunus, microcredit is essentially a small loan extended to a poor person lacking the collateral required by regular banks to help them start or expand a small business.

Few Acehnese have heard of Yunus or his Grameen Bank, but his microcredit methods are spreading across the province where tiny loans are helping women set up small but thriving businesses.

"I bought pans, a mixer, everything I needed to make cakes, including sugar and rice flour," the 36-year-old kindergarten helper told AFP, pointing to appliances stacked on the floor of her kitchen.

Every evening she makes cakes and rissoles and drops them off at nearby stalls the following morning.

"At the end of the day, I pick up the money. I make 500,000 rupiah (50 dollars) per month," Salmia said with a smile.

Triangle provided initial capital of 75,000 euros (97,500 dollars) shared between nine groups of 10 people who each week put 50 cents into a joint fund.

"The idea was not only to restart

the local economy but also to reinstate social links lost with the tsunami," project chief Abel Bove explained to AFP.

Each week the group picks a member who goes home with the cash from their donations and, more importantly, one of them can ask for a loan of up to 200 dollars.

S.M. Ahsan Habib, who manages funds from the US-based Grameen Foundation, which aims to provide 25,000 Acehnese with access to microcredit before June 2009, agreed money was safer in women's hands.

"If you give it to men they'll just spend it at the coffee shop or to buy cigarettes," he told AFP.

Acehnese women often bake and sell cakes or own a small stall next to their house, so "they don't need to learn how to do business. What they need is capital," said the Bangladeshi microcredit expert.

Aceh, which is gradually implementing Islamic law, has a dormant network of Sharia banks offering loans which are interest-free but have a profit-sharing mechanism instead.

"If you make a 10 percent profit, 30 percent of this profit goes to the creditor while you keep the remaining 70 percent," explained Said Hisyam, the manager of the Institute for Finance and Capitalization at the Agency for the Rehabilitation and Reconstruction of Aceh and Nias (BRR).



PHOTO: GRAMEENPHONE

Rubaba Dowla Matin, head of Marketing of Grameenphone Ltd, and Niaz Habib, deputy managing director of United Commercial Bank Ltd, pose for photographs at an agreement signing ceremony recently. Under the deal, post-paid subscribers of the mobile phone operator will get credit cards at discounted rates from the bank from the first week of January 2007.

Google overtakes Yahoo in user visits

AFP, San Francisco

Google overtook Yahoo as the second most popular Internet destination for Web surfers worldwide in November, while Microsoft held on to the top spot, industry tracker ComScore reported last week.

Slightly more than 736 million people around the world traveled the Internet last month, with 475.5 million of them visiting Google websites and 475.2 million going to Yahoo online properties, according to ComScore.

Websites of Redmond,

Washington-based software giant Microsoft were visited by 501.7 million people, the rating tally revealed.

Hot video-sharing website YouTube placed 10th in the ComScore Media Metrix rankings but showed the largest surge in visitors, with the number catapulting by more than 2,000 percent to 107.9 million.

Google's results did not include visits to YouTube, which it bought in October.

The popularity of Google websites was up nine percent from the same month a year earlier, while visits to Silicon Valley rival Yahoo grew by five percent and to Microsoft by three percent in the same comparison.

Online auction pioneer eBay was ranked in fourth place, with the number of visitors slipping by one percent from November 2005 to 250.8 million. Time Warner Network site visits also notched down one percent, totaling 222.1 million.

The number of people going to the communally edited Internet encyclopedia site Wikipedia more than doubled to 171.9 million in November as compared to that month last year.

Online retailer Amazon attracted 143.9 million visitors, registering a seven percent increase.

Fox Interactive Media, owner of teen-oriented social site MySpace,

saw the number of visitors to its properties quintuple to 130.4 million and ranked eighth in the November standings.

Visits to the Ask Network, which ranked ninth in online visitors, slipped two percent to 110.9 million.



PHOTO: DESH GARMENTS

Chairman of Desh Garments Ltd Rokeya Quader, among others, is seen at the 29th annual general meeting (AGM) of the company held on Thursday in Dhaka.



PHOTO: TRUST BANK

Trust Bank Ltd's senior officials, including Managing Director Iqbal U Ahmed, pose for photographs with the participants in a training course held recently in Dhaka.

Venezuela, Iran create oil joint venture

AFP, Caracas

Venezuela's state oil giant PDVSA has formed a joint venture with Iranian-owned Sadra America Latina to support offshore oil exploration and development, PDVSA said Friday.

The new company, Venezirian, will offer engineering, construction and repair services for offshore platforms, PDVSA said in a statement. At first it will involve building offshore structures in Iran and assembling them in Venezuela, but eventually it will involve building them in Venezuela.