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100m euro fund proposed for renewable energy in developing world

AFP, Brussels

The European Commission on Friday proposed creating a 100-million-euro (126-million-dollar) global risk capital fund to boost private investment in renewable energy in poorer nations.

"This is an innovative mechanism. It underlines the Commission's commitment to help developing countries invest in renewable energy and energy efficiency," said EU Environment Commissioner Stavros Dimas.

"It will contribute to bringing clean, secure and affordable energy supplies to 1.6 billion people around the world who have no access to electricity".

One of the EU's goals is to prevent the global temperature from rising more than two degrees centigrade above pre-industrial levels.

"While the main responsibility for triggering these changes lies with the industrialised countries, scaling up energy efficiency and renewable energy initiatives will greatly benefit developing countries by providing clean and secure energy supplies to people who currently have no access to reliable energy sources," Dimas said.

The Commission has appointed international fund managers Triodos to set up the Global Energy

Efficiency and Renewable Energy Fund in conjunction with the European Investment Bank, the European Bank for Reconstruction and Development and "other interested parties".

The Commission intends to put 80 million euros into the fund from 2007 to 2010. Total initial funding from public and commercial sources of 100 million euros is anticipated.

"This is expected to mobilise

additional risk capital of at least 300 million euros and possibly up to one billion in the longer term," the Commission said.

Investment amounts at the top end of this range could bring almost a gigawatt of environmentally sound energy to third world markets, serving 1-3 million people with sustainable energy services and saving 1-2 tonnes of CO2 emissions per year, the Commission said.

The International Energy Agency estimates that nine billion euros in risk capital are needed by 2010 for the production of renewable energy in developing and emerging economies.

But financing is hard to come by due to the risks involved.

The EU-led fund is aimed at stimulating the creation of regional sub-funds rather than investing in projects directly.

Such sub-funds are envisaged for the African, Caribbean and Pacific regions, as well as for North Africa, non-EU eastern Europe, Latin America and Asia.

The focus will be on investments below 10 million euros "as these are mostly ignored by commercial investors and international finance institutions," the Commission statement said.

US budget deficit drops to \$250b

AP, Washington

The federal budget deficit estimate for the fiscal year just completed has dropped to \$250 billion, congressional estimators said Friday, as the economy continued to fuel impressive tax revenues.

The Congressional Budget Office's latest estimate is \$10 billion below CBO predictions issued in August and well below a July White House prediction of \$296 billion.

The improving deficit picture Bush predicted a \$423 billion deficit in his February budget has been driven by better-than-expected tax receipts, especially from corporate profits, CBO said.

The 2005 deficit registered \$318 billion; the record \$413 billion deficit was posted in 2004.

At \$250 billion, it would be the lowest since the \$158 billion figure in 2002, the first deficit following four years of surpluses.

The CBO estimate continues a positive trend on the deficit after a grim deficit performance during President Bush's first term, and comes despite soaring war costs and \$50 billion in emergency spending for hurricane relief.

House Budget Committee Chairman Jim Nussle, R-Iowa, credited the improving deficit numbers to "a responsible budget blueprint and pro-growth policies," even as Democrats pointed out that at \$250 billion, the deficit is still one of the largest in history.

"Though today's estimates for 2006 are not as pessimistic as some earlier estimates, it is clear that the

budget remains on the wrong track," said top budget panel Democrat John Spratt Jr. of South Carolina. "The Congressional Budget Office and even the Bush administration are estimating that deficits will be even larger next year."

White House budget chief Rob Portman said the economy's current performance, with the unemployment dropping to 4.6 percent in September and the Dow Jones industrial average hitting record highs this week, provided more evidence that the president's economic policies are working.

"This economy is strong and growing," Portman told reporters at a briefing. "This is a very strong indication that the president's tax relief program is working."

But when measured against the size of the economy, which is the comparison economists think is most important, the deficit picture looks even better.

At 1.9 percent of gross domestic product, the 2006 deficit registers far below those seen in the 1980s and early 1990s. The modern record of 6 percent of GDP came in 1983 and deficits greater than 4 percent in 1991 and 1992 drove Congress to embark on a 1993 deficit-cutting drive.

Still, the long-term deficit picture remains bleak due to the looming retirement of the Baby Boom generation, which threatens to swamp Social Security and the Medicare health care program for the elderly.

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PHOTO: CMC-KAMAL TEXTILE MILLS

The eleventh annual general meeting (AGM) of CMC-Kamal Textile Mills Ltd was held recently in Dhaka. Managing Director of the company AHM Mustafa Kamal presided over the meeting while directors and other senior officials were present.

World tourism body backs China

AFP, Madrid

Sustainable development through tourism is taking root in China, which is seeking to develop offerings beyond classic destinations such as Beijing, Hong Kong and Shanghai, a delegation from the southern city of Guilin said in Madrid on Friday.

A high-ranking delegation from the city in Guangxi province said

they hoped the development of tourism would lure both domestic and foreign visitors, noting arrivals from Spain alone had this year trebled from last year's 6,000.

"Guilin is one of the most popular Chinese destinations and one of the first to open up to foreign tourism," city mayor Zhang Xiulong told a symposium organised by the Asian section of the Madrid-based World Tourism Organisation (WTO).



Selim Chowdhury, managing director of Group 4 Securitas Bangladesh (Pvt) Ltd, speaks at a corporate briefing in Chittagong recently.