

Bush focus on oil imports marks failure on climate

AFP, Paris

Environmentalists yesterday fired a broadside into President George W Bush's State of the Union address, saying he had once more failed to grasp an opportunity for tackling climate change.

"He remains delusional," was the view of Greenpeace's Steve Sawyer after Bush called for production of domestic oil and crop-made ethanol fuel to be ramped up to ease US dependence on energy imports.

"He's still trying to drill his way out of the problem, and he's found an ingenious method for increasing US farm subsidies while pretending to do something about the energy problem," said Sawyer.

One of the targets in Bush's annual speech to Congress on Tuesday is to cut petrol use in the United States by 20 percent over the next decade.

To achieve this, Bush seeks regulations encouraging a five-fold increase in the production of "renewable and alternative fuels" for the US petrol supply by 2017, and wants to overhaul fuel efficiency standards for cars.

Domestic oil production must be increased "in environmentally sensitive ways," Bush added.

Jan Kowalzig at Friends of the Earth Europe said biofuel and fuel-efficiency initiatives were "worth-while measures" but did not tackle the critical problem posed by US emissions of greenhouse gases.

Only a mandatory cap on these emissions could drive down this pollution, said Kowalzig.

He added that biofuels could in fact worsen the greenhouse-gas problem.

"In theory, they only produce as many greenhouse gas emissions as they suck up when growing, so they would be carbon neutral.

"In practice, in most places, they are not, because transportation of the fuels, processing of the fuels, all that requires energy which is currently driven by a fossil-fuel economy. So all these biofuels projects currently add to the greenhouse-gas effect."

Bush's address had been trailed by several media reports that forecast a U-turn on climate change.

In 2001, Bush abandoned the Kyoto Protocol for curbing greenhouse-gas emissions, saying the pact's binding caps were unfair and too costly for the US economy.

Bereft of the United States, which by itself accounts for nearly a quarter of global carbon pollution, Kyoto has limped along and negotiations on cuts beyond 2012 are set to be long and bitter.

But Bush made no reference at all to the Kyoto process or the voluntary initiatives on emissions and alternative energy that he has launched bilaterally and regionally.

He did refer to global climate change, though, as a "serious challenge" that these technologies would help to confront.

The executive secretary of the UN Framework Convention on Climate Change (UNFCCC), Yvo de Boer, said Bush's speech marked a shift towards a more sustainable form of energy and noted his choice of words about climate change.

"That I think is very encouraging," de Boer told AFP in Tokyo.

Sir Nicholas Stern, chief economic adviser to the British government and author of a report in 2006 that warned of the mounting costs of climate change, said Bush's speech was "a movement in the right direction."

"There is a recognition of the link between climate change and human activity," he told reporters at the World Economic Forum in Davos, Switzerland.

"You have to recognise what everyone is doing. The United States is doing a lot on technology, a lot on standards. But then of course we have to scale up our action."

Some observers said Bush was out of kilter with domestic demands for action on climate change, as reflected by the popularity of former vice president Al Gore's Oscar-nominated docufilm and measures envisaged at state level and by the Democratic-controlled Congress.

"He's clearly out of step with where the American public and US Congress are right now on climate change, which is ready to go much further than continuing technology initiatives," said Jennifer Morgan, a Europe-based consultant on climate change and former spokesman with the green group WWF.

"President Bush took an important first step in saying that global climate change is a serious challenge," Dan Esty, director of the Yale Center for Environmental Law and Policy, told AFP in Davos.

"But I think there were a lot of people across America and across the world who would have liked to have heard a bit more in terms of leadership in putting in place incentives for change that will bring us to a different energy future to the past."



Leaders of Jatiyatabadi Samajik Sangskritik Sangstha (Jasas) call on BNP Chairperson Khaleda Zia at her Hawa Bhaban office in the city yesterday.

N Korea shows flexibility on nuclear talks

REUTERS, Seoul

North Korea appears more open to US and South Korean incentives to scrap its nuclear weapons programme, Seoul said yesterday, providing further hope for progress in talks on the communist state's atomic ambitions.

North Korea's chief envoy to the six-country negotiations hinted on Tuesday there could be a change to his country's demand for an end to a US crackdown on its finances before returning to the talks.

"South Korea and the United States have put forward, through close consultations, an aggressive proposal for the implementation of the September 19 joint statement," South Korean Foreign Minister Song Min-soon told reporters.

"North Korea has shown a flexible position on it," he said, referring to an agreement in principle reached at the talks in September 2005 to end the North's nuclear programmes in return for aid and security guarantees.

South Korean and US envoys have said the talks involving the two Koreas, China, Japan, Russia and the United States were likely to resume early next month and could make real progress.

Song declined to elaborate on the proposal made to North Korea, although he indicated that Pyongyang might be looking favourably at the initial incentives offered in exchange for it to start scrapping its weapons.

North Korea has agreed to freeze its nuclear reactor and accept inspectors in return for energy aid, according to South Korean news reports, but officials have declined to confirm the details of any proposal made to the North.

Song, who begins a three-day visit to China on Thursday, was asked about Pyongyang's position on the financial crackdown.

"I want to stress that there is a consensus coming together that we need to overcome that issue and need to agree on the initial steps for the September 19 joint statement," he said.

Japan's chief nuclear envoy, Kenichiro Sasae, arrived in Beijing yesterday to meet the Chinese host of the six-way talks, ahead of Beijing's expected announcement of a date for the next session.

The last round in December ended with no progress after negotiations resumed following more than a year of deadlock over the US financial squeeze.



Awami League President Sheikh Hasina consoles the family members of slain Kushtia AL leader Bashir Ahmed at the party's Dhanmondi office in the city yesterday. Bashir, organising secretary of Chittalia Union AL, was killed allegedly by the BNP-Jamaat cadres during the blockade programme on October 28 last year.

Ethiopia to stay in Somalia until AU force arrives

AFP, Addis Ababa

Ethiopian troops who helped oust Islamist hardliners from Mogadishu will remain in Somalia until the deployment of African Union peacekeepers, Prime Minister Meles Zenawi said yesterday.

A first batch of around 200 troops withdrew from the Somali capital on Tuesday but thousands more remain and Meles said no security vacuum would be allowed to develop ahead of the arrival of a proposed 7,600-strong AU stabilisation force.

"We have not based our decision to withdraw on the AU's decision to deploy, but on an agreement with the TFG (transitional Somali government)," Meles told a press conference in Addis Ababa.

"We'll withdraw our troops in three phases. My expectation is that our last phase will coincide with the AU deployment. There will be no vacuum."

Can India sustain its rapid economic growth?

REUTERS, Mumbai

More than a decade of reform has shifted India's long-term economic growth rate to a higher level.

With that, analysts agree. Where they disagree, is in deciding what that higher rate is.

Over the last three years, growth has averaged about 8 percent and the government is shooting for an average of 9 percent over the next five years.

That's a big jump from trend growth of about 6 percent in the two prior decades and would move the economy's momentum closer to neighbouring China which is sustaining growth of about 10 percent.

While the central bank is not sure if 9 percent growth is so rapid the economy will overheat, analysts are convinced trend growth has shifted to a higher gear, leaving debate to dwell on what growth rate is sustainable.

Goldman Sachs analyst Tushar Poddar reckons trend growth is now 8 percent, driven by productivity gains.

Other analysts say it is closer to 6.5 percent, as a lack of infrastructure and skilled workers will eventually limit the economy's ability to expand.

"In our view, overheating concerns are overdone," Poddar said. "Demand pressures are well-contained and high credit growth is due to financial deepening."

Since 1991, India has gradually opened its economy to more competition and encouraged freer international trade.

Signs of its rapid growth are visible on India's streets from new cars to new houses. Airport lounges team with a new middle class and mobile phones are ubiquitous in cities.

In the April-September half of the 2006/2007 fiscal year, annual economic growth was running at 9.1 percent, backed by 30 percent annual growth in credit.

November's industrial output grew at its fastest annual pace in more than a decade, suggesting the economy maintained its brisk growth rate in the latest quarter.

N Vaghul, chairman of ICICI Bank, India's second-largest bank, said changes in manufacturing have helped economic growth pick up the pace.

In particular, Indian companies do not find funding expansion to meet increased demand a big problem because they are far less leveraged now than a decade back, he said.

"There is a fundamental shift due to lessons learnt by corporates (in the mid-1990s) because they paid a very high price for over leveraging," he said at a recent graduation ceremony.

Manufacturers, particularly in auto components, textiles and pharmaceuticals, have gained considerable expertise in the past decade, analysts said.

Policy makers say the economy has shown resilience in the face of consistently high global oil prices, an optimism reflected in stock prices, which hit a fresh record high last week.

The central bank's deputy governor, Rakesh Mohan, said the growth trend of the past few years indicated the economy had entered a new phase of stronger expansion.

"Most importantly, the current growth process is not a flash in the pan and is exhibiting signs of sustainability along with financial stability, notwithstanding the pressures from unforeseen external shocks," Mohan said.

CAPACITY CONSTRAINTS

Not everyone is so bullish.

Inflation is running at above 6 percent, higher than the central bank would like, so some analysts believe the authority could tug harder on the monetary policy reins when it reviews policy on January 31.

Vice president of Moody's Investors Service, Kristin Lindow, and HSBC's Robert Prior-Wandesforde say India's sustainable growth rate is more like 6.5 percent.

Prior-Wandesforde cited a lack of skilled labour and record-high capacity utilisation in the economy as the main limiting factors.

"India cannot continue at 9 percent-plus growth momentum as capacity bottlenecks may prove a constraining factor," Lindow said.

To maintain its current rate of expansion, the economy needs to overcome several problems, said Julian Jessop, chief international economist at London-based research consultancy Capital Economics Ltd..

Apart from upgrading infrastructure and improving public finances, it should relax labour market laws and restrictions on foreign investment to boost manufacturing still further, he said. Industry accounts for about a quarter of India's GDP.

Indian Prime Minister Manmohan Singh has acknowledged that poor roads, rail, ports and insufficient power supply were holding the economy back.

India has said it needs \$1.5 trillion (760 billion pounds) in investment in the next 5 years to improve infrastructure and raise manufacturing and farm output.

But ICICI's Vaghul said he was now less worried about problems such as weak infrastructure and more concerned about a shortage of skilled labour, which was sending wages spiralling.

"Shortage of human resources has created a serious situation in the country and we are not recognising it," he said.

"The major threat for growth is going to come from shortage of human resources."

Prior-Wandesforde said the

economy would continue to grow above trend of 6.5 percent for now as there were no triggers for an immediate, sharp slowdown.

"The longer this goes on, however, the bigger will be the ultimate downturn," he said.

Britons feel less British than decade ago

AFP, London

Britons feel less British than they did a decade ago, with the English joining Scots and the Welsh in identifying more strongly with their local nationality, a survey said yesterday.

The study of attitudes in the United Kingdom -- comprising England, Scotland, Wales and Northern Ireland -- also showed British people accept that curbs on civil liberties are "a price worth paying" to fight terrorism.

Overall less than half -- 44 percent -- of all people in Britain now consider themselves primarily British, down from 52 percent in 1996, according to the annual British Social Attitudes report.

A key factor in this is the growing sense of Englishness: 40 percent of people in England now say they consider themselves principally English, against 31 percent a decade ago.

The findings come a week after Britain's finance minister Gordon Brown warned of a risk of a "Balkanization of Britain" following a poll showing supporters of a split outnumber those who want to keep the United Kingdom united.

The Scot, widely expected to succeed Prime Minister Tony Blair this year, made the comments to mark the 300th anniversary of the Act of Union which brought together England and Scotland.

Wednesday's survey meanwhile found people broadly understanding of restrictions imposed as part of the war on terrorism, which struck home with suicide bombings in London in July 2005 which left 56 dead.

3 more killed in restive Thai south

AFP, Narathiwat

Three people were killed and six others injured in a wave of attacks by separatist insurgents in Thailand's Muslim-majority south, police said yesterday.

Two Muslim men were shot dead in a drive-by shooting in Narathiwat town late Tuesday, police said.

Later in the night, three policemen patrolling another part of Narathiwat province were wounded when a small bomb exploded at a grocery store, police said.

In neighbouring Yala province, a 47-year-old Buddhist man was shot dead on Tuesday as he drove his seven-year-old son home from school.

Three Muslim teenagers were also shot and injured inside their home in a nearby district of Yala, after militants burst into the house and opened fire, police added.

Violence in the three southernmost provinces of Yala, Pattani and Narathiwat has spiraled in recent months despite peace-building initiatives by Thailand's government, installed after a coup four months ago.

More than 1,800 people have been killed in three years of unrest in this region, which was an autonomous Malay sultanate until Thailand annexed it more than a century ago.