Germany woos Indian firms

ANN/ THE STATESMAN

Germany sees a big opportunity for Indian companies to take advantage of the clean development mechanism (CDM) under the Kyoto protocol on climate change and acquire clean technology in various sectors. “CDM is a chance for Germany to reduce its carbon dioxide emissions while allowing Indian companies to upgrade their technology,” minister for economic affairs and energy of the German Federal State of North Rhine-Westphalia (NRW), Ms Christa Thoben, who is heading a high-level business delegation, said at an interaction here on Thursday. NRW has been described as the power house of Germany, accounting for a fourth of the country's GNP.

With over 70 per cent to 80 per cent of carbon dioxide (CO_2) emitted by coal-fired thermal power plants, Germany is under pressure to reduce its green house gases (GHG), blamed for causing global warming and climate change. CDM allows the developed countries, who are obliged under the Kyoto Protocol to cut down on their GHG emissions, to set up clean industry in a developing country and take credit for the reduced CO_2 release.

China to be second biggest consumer by 2015

AFP, *Shanghai*

A booming economy will lift China to second place behind the United States as the world's biggest consumer market by 2015, a research report said Saturday.

Consumption in the Asian giant is expected to make up 14.1 percent of the total among major world economies in 2015, surpassing that of Japan and Germany, Britain and Italy, according to a report by the Credit Suisse bank.

The United States, which last year accounted for 42 percent of global consumption, will account for 37.7 percent by then, the report said.

China's consumption last year made up 5.4 percent of the global total, putting it on par with Italy, but behind Japan at 11.1 percent, Germany at 7.3 percent, and Britain at 6.6 percent, the report said.

Credit Suisse forecast China's consumption to move in behind the United States and Japan by 2010.

However, the survey also revealed that despite economic growth of 10.7 percent last year, budgeted and actual spending on many consumer items declined in 2006 compared with the previous year.

Global growth prospects strongest since 60s: IMF

AP, *Washington*

The global economy is still on track for healthy growth despite the adverse impact on US business prospects of a housing slump and skittishness about risky mortgages, the head of the International Monetary Fund said Friday.

IMF chief Rodrigo de Rato said the international lending institution expects worldwide economic growth for all of this year to clock in at close to 5 percent.

"This would be the strongest five-year span for the global economy since the late 1960s," he said in prepared remarks to the University of Pennsylvania's Wharton School in Philadelphia.

Even though economic growth in the United States_ the world's largest economy_ is slowing, business growth in other parts of the world is moving ahead, he said.

"In the Euro area growth momentum looks solid," de Rato said. "Japan's economy seems to have regained its footing. China and India continue to be engines of growth."

The recent turbulence in financial markets in the United States and abroad reflected a "reappraisal of risk" as investors contemplated, among other things, the odds of an economic slowdown in the United States, problems in the U.S. mortgage market and the risks in currency trading, involving the Japanese yen, de Rato said.

Those were some of the factors behind the Feb. 27 swoon in stock markets around the world. The Dow Jones industrials that day alone suffered a gut-wrenching 416-point plunge.

De Rato said investor concern is not in itself a bad thing.

"The most dangerous time in financial markets is when no one believes that they can lose," he said. "Recent movements in markets, despite their costs, will at least help to reduce any such complacency."

Still, he said, troubles in the United States involving lenders who made mortgages to people with blemished credit histories bears close watching and could have implicatons for the global economy.

Delinquencies and foreclosures for such risky mortgages are spiking in the United States. That has battered lenders of these so-called subprime mortgages, rattled investors and ignited criticism of regulators from lawmakers on Capitol Hill.

PHOTO: EXPRESSIONS LTD

Md Shahnewaz, head of Health & Safety Environment of Grameenphone Ltd, and Naseema Hoque, chief of Human Resource of United Hospital Ltd (Gulshan, Dhaka), sign a corporate healthcare agreement recently in the capital. Under the deal, employees of the mobile phone operator will get medical services from the hospital at competitive rates. Senior officials from both the sides were also present.

PHOTO: LEMON COMMUNICATION

MA Gafur, registrar of Bangabandhu Sheikh Mujib Medical University (BSMMU), and Tanvir Ibrahim, head of Corporate Sales of Banglalink, exchange documents after signing a corporate agreement recently. As per the deal, BSMMU will enjoy special tariff and value added services under the mobile phone operator's 'Enterprise' package.

US rules out FTA with Malaysia before deadline

AFP, *Washington*

The US government on Friday ruled out securing a free-trade agreement with Malaysia before President George W. Bush loses his "fast-track" trade promotion authority in three months.

"We made clear to the Malaysian government the requirements of our Trade Promotion Authority and that, at this point, submission of a US-Malaysia FTA under the current TPA statute is not possible," Steve Norton, spokesman for US Trade Representative Susan Schwab, said in a statement.

Bush loses his TPA power, which allows deals to be fast-tracked through the Democratic-led Congress, at the end of June. That gives US negotiators up to March 31 to present a deal for a mandatory 90-day congressional review.

The Bush administration is moving rapidly to forge an free trade agreement with South Korea before the end-March deadline, with last-minute talks scheduled in Seoul next week on sensitive areas such as agriculture, automobiles and pharmaceuticals.

If a deal is concluded with South Korea, it would be the biggest FTA since the 1993 North American Free Trade Agreement linking the United States, Canada and Mexico.

Nepal's labour export falls by up to 30pc

XINHUA, *Kathmandu*

The total number of job aspirants leaving for Malaysia and Qatar fell by 20 percent and 30 percent, respectively, in the first eight months of the current fiscal year, triggered by the unrest in southern Nepal's terai belt and lowered labour demand, a leading website, eKantipur.com reported Thursday.

With the decline in the number of outgoing workers to two major labour destinations, Nepal's total labour export went down by six percent to 115,879 in the review period.

The latest report prepared by the Nepali Labour Department said that the number of people leaving for Malaysia was recorded at 48,171 in the first eight months of the current fiscal year, started in mid-July, 2006, as against 60,541 of the similar period last fiscal year.

While, the number of outgoing workers for Qatar shrunk to 27,540 in the review period, compared to 39,397 of the similar period last year.

Keshar Bahadur Baniya, chief of Labour Department, was quoted by the website as saying that the labour export to major destinations had declined due mainly to instability in the terai region.

Global carmakers may tap emerging markets

PTI, *New Delhi*

Global carmakers are gearing up to tap emerging markets like India and China, but their path to hitting big profits may turn into a bumpy ride due to intense competition, vulnerability to oil prices and inflation, rating agency Standard and Poor's said Thursday.

"The two markets also carry high credit risks for the established automakers because of intense competition, quality issues of manufacturing domestically, uncertain intellectual property protection and the inherent volatility of developing markets," S&P analyst Maria Bissinger said in a report.

An increasing reliance on oil makes Indian economy vulnerable to spikes in international crude prices and the economy would also suffer from a slowdown in global expansion. But a more immediate risk is domestic inflation, she added.

The fledgling Indian car market is significantly more concentrated than China, although foreign players are increasingly making inroads.

Foreign players are either setting up or expanding their existing production bases in India, but progress is slow. The report said these companies must avoid overcapacity to maintain satisfactory profits in the long run.

Already, a number of companies such as Japan's Suzuki and Honda, Korea's Hyundai and American carmakers General Motors and Ford have manufacturing presence in India.

S&P said the two countries, with population of more than a billion each, fewer than 20 in 1,000 driving-age inhabitants owned a car in 2006. With purchasing power forecast to grow above 10 percent per year in China and by more than seven percent in India over the next five years, car sales would grow enormously, the report said.

PHOTO: STRATEGICA

AKM Fahim Mashroor, convener of BASIS SoftExpo2007 to be held between March 28 and April 1 in Dhaka, and Feroz Mahmood, country manager of Microsoft Bangladesh, pose for photographs at a memorandum of understanding (MoU) signing ceremony in the capital on Monday. Under the MoU, Microsoft Bangladesh will be the co-sponsor of the IT exposition to be organised by Bangladesh Association of Software and Information Services (BASIS).

PHOTO: WESTIN DHAKA

Phoenix Insurance Company Ltd and Pragati Insurance Ltd jointly signed an insurance agreement with Unique Hotel & Resorts Ltd, the owning company of The Westin Dhaka, a five-star hotel, in the capital on Wednesday. Mohd Noor Ali, managing director of Unique Hotel & Resorts, Pirjada Shaifullah Chowdhury, managing director of Phoenix Insurance, and Rafiqul Islam, managing director of Pragati Insurance, signed the agreement on behalf of their sides. The deal will provide insurance coverage for Westin Dhaka.

Volvo acquires Nissan Diesel

AFP, *Tokyo*

Swedish truck maker Volvo has successfully acquired Japan's Nissan Diesel, the companies said Saturday, the latest merger in the industry as companies prepare for more stringent emissions rules.

In a friendly takeover bid Volvo received roughly 96 percent of the shares outstanding in truck maker Nissan Diesel Motor Co. Ltd.

Nissan Diesel controls nearly a quarter of the Japanese truck market.

"It is pleasing that we received such a level of acceptance," Volvo's chief executive Leif Johansson said in a statement. "We foresee major mutual benefits for the Volvo Group and Nissan Diesel with this transaction and it is highly satisfying that owners in Nissan Diesel share this view."