

International Business News

S Korea wins half of world's shipbuilding orders

South Korean yards won half of the world's shipbuilding orders in the first half of this year, strengthening the country's dominance in the industry, the government said Tuesday.

The Ministry of Knowledge Economy and the shipbuilding industry said yards secured orders for 12.40 million compensated gross tons, or 50.6 percent of the world total.

It said overall global demand fell sharply compared to 2007 but the proportion of orders won by local companies increased.

In 2007 South Korea secured 38.9 percent of all orders placed against 37.3 percent for its main rival China. In the first half China's share dipped to 34.3 percent.

Local experts quoted by Yonhap news agency said many shipping companies that wanted to place orders with Korean yards had turned to China in the past, because of huge backlogs here.

They had started to return to Korea with the general drop in order volume.

Shipbuilding is one of the country's top five export industries with the total value of overseas sales reaching 27.68 billion dollars last year.

Vietnam allows HSBC, StanChart to set up local banks

Vietnam has given European banking giants HSBC and Standard Chartered the green light to set up wholly-owned subsidiaries in the country, an official statement said.

The two firms can operate locally as commercial banks for 99 years, a State Bank of Vietnam statement said, adding the move expressed the country's "strong commitment to the World Trade Organisation."

Vietnam pledged to gradually open its banking sector when it joined the WTO in 2007, but foreign banks have often complained it was doing so too slowly.

HSBC's Vietnam chief executive Thomas Tobin said in a statement that the decision over wholly-owned subsidiaries would help consolidate his bank's position in the local market.

"We continue to increase our participation in Vietnam's economy and financial markets. This is a clear sign of the Government's... recognition of the importance of a strong financial sector," he said.

HSBC already operates in Vietnam, but setting up a fully owned local bank will allow it to open more branches and offer more products, a spokesman for the bank said.



A file picture shows an Iranian grocer displaying pistachios to a customer at his shop in Tehran. Iran's pistachio production is set to plunge by 60 percent because of a winter freeze, allowing the United States to take over as the world's top exporter, an official was quoted as saying yesterday.

Work on Tata's Nano plant still not restarted despite deal

Construction of a factory to build the world's cheapest car hung in the balance Tuesday, as India's Tata Motors demanded stronger guarantees from a deal to end violent protests at the plant.

The Marxist government in West Bengal state had announced Sunday an agreement to halt the demonstrations over farmland seized to build the Nano car factory.

But India's top vehicle maker refused to resume construction immediately, arguing that the accord lacked clarity and asking for firm pledges that it would be allowed to operate smoothly.

A four-man committee set up by the state government to resolve the dispute was due to meet for the first time Tuesday in a bid to keep the deal alive.

Tata Group chairman Ratan Tata warned last month he would abandon the plant unless his workers' safety could be assured, even though the company has already poured 350 million dollars into the project.

Oil prices slide to 5-month lows

Oil prices slumped close to 101 dollars a barrel on Tuesday, the lowest level since the start of April, as the market waited to see whether Opec would announce a change to its crude output levels.

Brent North Sea crude for delivery in October dropped as low as 101.27 dollars a barrel in electronic dealing on Tuesday. It later stood at 102.06 dollars, a loss of 1.38 dollars from Monday's close.

New York's main contract, light sweet crude for delivery in October, shed 1.27 dollars to 105.07 dollars a barrel after briefly falling under the 105-dollar mark.

Saudi Arabia expressed satisfaction with recent steep falls in oil prices on Tuesday and appeared in no mood to approve a cut in output by the Opec group despite fears among some members of oversupply.

"We have worked very hard since June's meeting to bring prices to where they are now. I think everything is in balance," said Saudi Arabia's Oil Minister Ali al-Nuaimi ahead of an Opec meeting due to start late on Tuesday in Vienna.

ENERGY TECHNOLOGY

Prepaid meters electrify path to foreign market

REFAYET ULLAH MIRDHA
It was 2001. Three brilliant students of Bangladesh University of Engineering and Technology (Buet) flew to the US to receive the first prize for discovering the use of the electric prepaid meter, a device that measures the amount of energy supplied.

The pedestal that highlighted them was the Institute of Electrical and Electronics Engineering (IEEE), a club of US-based electronic and electrical engineers.

Upon return, application of the invention in daily human life remained a far cry, as nobody came forward to help put the technology to practical use.

The Institute of Information and Communication Technology (IICT), a fund-starved research institute of Buet, also urged some multinational companies operating in Bangladesh to give financial support to help put the newly launched technology to practical use.

It was the government, not any MNC, which finally responded positively to the IICT's pleas and asked Dhaka Electric Supply Company Limited (Desco) to undertake a pilot project to put the homemade prepaid technology to use.

In 2004, Desco signed an agreement with the IICT to purchase the right for using the technology and consultancy. In 2005, it started installing the prepaid meters in Uttara.

In line with the agreement, Desco installed 5,000 prepaid meters in Uttara with the help of the IICT under the pilot project.

Desco pays 4 percent royalty and 6 percent consultancy fee to the IICT, as per the agreement, for the use of every meter.

Under the prepaid metering system, consumers have to buy electricity before use, while under the post-paid system, consumers pay bills after consumption of electricity.

There are instances, under the postpaid system, where consumers do not pay bills in time and chances of pilferage in connivance with a section of dishonest officials of the utility services exist.

Only Desco partially uses the prepaid meters. All other power distributing companies, like Dhaka Power Distribution Company (DPDC), Rural Electrification Board (REB) and Power Development Board (PDB) use the postpaid metering system to collect electricity bills.

As the prepaid metering technology matures in Bangladesh, Director of IICT of Buet Lutful Kabir optimistically ponders over the technology's export potential.

"There is definite potential of exporting prepaid meters, as it runs successfully in our country," he said.

The use of prepaid meters have gained popularity in developing countries because it helps stop pilferage of the utility, he said.

Demand for prepaid meters also increases worldwide as developed and developing countries struggle for energy security by preventing misuse and pilferage, he said. "The export potential of the meters stems from this level of conciseness," he said.

At present prepaid meters are widely used in some African countries and in India and Pakistan, to some extent.

Echoing Lutful Kabir, Desco Managing Director Saleh Ahmed said he plans to export prepaid meters as the technology has been working well in the country about bill collections.

Desco presently supplies electricity to sectors 4, 6, 8, 1, 3 and 7 of Uttara and work to launch the prepaid meters in sectors 5, 13 and 14 of Uttara is already in progress.

Additionally, Desco also plans to extend systems to sectors 9, 10, and 11 of Uttara, in the near future, Ahmed said.

"We shall install prepaid meters in the state-owned residential quarters very soon to prevent misuse of electricity and for the proper recovery of bills," Ahmed said.

"Moreover, the company will install prepaid meters in Mirpur, Tongi and Gulshan, the three major areas under Desco's coverage, within the next six months," he said.

So far, Desco brought 7,500 customers under the prepaid metering



Two prepaid meters are installed in a house in Uttara.

system in Uttara and realised Tk 13 crore in the last three years from the limited scale operation.

By introducing the prepaid metering system, customers receive hassle-free services and are becoming aware about the misuse of power, as they buy the product before usage, the Desco chief said.

Uttara is a more structured area than many other places in Dhaka, which a kind of a pre-requisite for setting up the prepaid metering system. This is why Desco installed the prepaid meters first in Uttara.

Desco had presumed that the consumers of Uttara would be perfect for introducing the single-phase prepaid meters, Ahmed added.

Now, Buet has improved the capacity of the single-phase meters to

three phases and now it can be used for industrial purposes and bulk household consumption, he said.

Replying to a query, the Desco chief said the reason behind why he did not install the prepaid meters in the more structured areas of Gulshan and Baridhara is because of the bulk household consumption of power that resides there.

"But the three-phase type of prepaid meters can now be used for any purpose, anywhere," he said.

Desco has fixed the production target at 36,000 single phase and 12,000 three-phase prepaid meters for fiscal 2008-09. At present, the prepaid meter production unit of Desco has the production capacity of nearly 100,000 such meters in a year.

A total number of 50 technicians, especially women who have little knowledge on technology but have completed trade course on the relevant subject, have been employed to produce the pre-paid meters.

The manager of the prepaid meter production unit of Desco, Akharul Islam, said the average cost of a meter stands at Tk 3,500 with a warranty of 10 years.

He said there are more than 400,000 consumers of electricity under Desco.

"We have to expand our production base as Desco plans to bring all consumers under the prepaid metering system and also to export the item," Islam said.

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TOURISM

Tower aims to take Shanghai higher

AFP, Shanghai
The dizziness strikes within the first steps onto the world's highest public walkway as the view of fast-changing Shanghai unfolds from more than 100 storeys up.

China's tallest building, the 492-metre (1,614-foot) Shanghai World Financial Centre, opens to the public on Saturday with the aim of providing unparalleled views of the city.

The 1.4-billion-dollar bottle opener-shaped skyscraper, which took 14 years to build, is the latest testament to Shanghai's -- and China's -- growing financial might.

"It's like painting the iris in the eye of the dragon that ascends to heaven," said the building's owner, Japanese developer Minoru Mori.

From the top, visitors can gaze down on the Oriental Pearl television tower and the Jinmao tower -- previously Shanghai's highest.

Silver-like barges ply the Huang Pu river while on the opposite shore, the Bund's colonial buildings -- also at one time the city's tallest -- seem pea-sized. People on the ground are specks.

Those who can bear to look straight down at the base of the tower in the Pudong area can see it is ringed by cranes on more than a half dozen building sites out of which more megatowers will sprout.

"Ten years ago there was nothing around in this area," said Mori. "What human beings can achieve and how a city can truly transform itself in 10 years is truly amazing. The pace of change is going even faster here in Shanghai."

Through sections of glass floor, visitors can look through the skyscraper's distinct 30-metre (100-foot) wide trapezoidal opening, which



This file photo shows an under-construction Shanghai World Financial Centre (R) tower in Shanghai. The 1.4-billion-dollar bottle opener-shaped skyscraper, which took 14 years to build, is the latest testament to Shanghai's and China's growing financial might.

reduces the wind pressure, a risk greater than earthquakes for a building this height.

Instead of resisting the wind, the building lets it pass through, said David Malott, the tower's lead designer for US architects Kohn Pedersen Fox.

The building is also home to the world's highest hotel, a Park Hyatt occupying floors 79 to 93. The hotel posed design challenges for archi-

ects because the building can sway up to one metre in high winds. This is almost unnoticeable when standing, but when lying on a bed it becomes apparent.

To counter the sensation, there are two 150-tonne computer-controlled counterweights on the 90th floor. There are springs below the hotel's pool so that water doesn't spill over the edges when the building sways.

Another feature is an elevator

specially designed to carry cars up the building vertically to a showroom in the sky.

Originally architects had planned a Ferris wheel that would revolve around the edge of the wind gate, he said, but planning officials vetoed the proposal.

Visitors can now make a similar journey around the opening, but on foot at their own pace.

"The point with this building has

always been how do you get people to the very top," Malott said. "We always wanted to get people up as high as they can go."

For most, any dizziness disappears within seconds. Then visitors feel like they are in a bright hall with vistas of the sprawling city of 18.6 million.

The Ferris wheel design was also controversial because it had a circular opening. The US architects called it a moon gate that would frame the Oriental Pearl's pink spheres, establishing a relationship between the two buildings.

But some Shanghai residents feared it was an attempt by Mori to embed the Japanese flag into the skyline, and the debate reopened wounds from Japan's brutal World War II occupation of the city.

Mori changed the design. But the controversy was only one of the problems he had to overcome to complete the enormous project.

He began the building in 1994 with a 30-percent stake but had to buy out his partners as they fled during the Asian financial crisis in 1997. His current stake is 70 percent.

The tower currently has 45 percent occupancy, and Mori expects it to be 90 percent full within a year. He thinks that his company can recoup its investment within 12 years.

Banks including Japan's Sumitomo Mitsui Banking Corp., France's BNP Paribas and Germany's Commerzbank have already signed on as tenants.

The Asian crisis stopped construction for five years. As other other crises -- the September 11 attacks, the outbreak of SARS in 2003 -- battered the optimism about Shanghai's future.