

International Business News

ADB calls for low-carbon transport systems

AFP, Manila

The Asian Development Bank Saturday called on its Asian government borrowers to design mass transport systems in a way that would slow the rapid growth of their greenhouse gas emissions.

While developed countries still account for the largest share, transport sector emissions from developing countries, particularly in Asia, were growing rapidly, the Manila-based lender said in a statement.

Transport-related carbon dioxide emissions are expected to rise 57 percent over the 25 years to 2030, the ADB said. Those from developing countries were expected to contribute about 80 percent of this increase as car and truck ownership becomes more widespread.

The bank's borrowers include China and India, which together account for nearly half the world's population.

Governments must reduce the need for travel through better integration of land use and transport and more effective use of carbon-finance mechanisms to fund environment-friendly transport policies, it said.

They should also convince their peoples to recognise the benefits of low-carbon transport in reducing air pollution, noise, congestion and road accidents, it added.

Tata Motors net profit slides 50pc

AFP, Mumbai

India's top vehicle maker Tata Motors reported Friday its full-year net profit slid more than 50 percent as the global slowdown cut demand for trucks and cars, but the fall was less than forecast.

The company, part of the tea-to-steel Tata Group conglomerate, said net profit for the 12 months to March 2009 tumbled to 10 billion rupees (209 million dollars) from 20.28 billion rupees a year earlier.

Total revenue fell 10 percent to 256.6 billion rupees. The company, which launched the world's cheapest car, the Nano, at just 100,000 rupees in May, did not break out figures for the fourth quarter.

Tata Motors last year paid 2.3 billion dollars for British luxury icons Jaguar and Land Rover, whose sales have been hit by the worldwide downturn.

For the year, Tata Motors sold 506,421 vehicles, including exports, down 13.5 percent on last year.

"Volume reduction, high input costs and commodity prices all impacted earnings," C. Ramakrishnan, chief financial officer of Tata Motors, told a news conference.



A Sri Lankan model displays a creation by local Sri Lankan designers during a fashion event in Colombo on Friday. Clothing accounts for over half of Sri Lanka's 7.5 billion USD export earnings and is a vital line for the economy that has been gripped by a decades old ethnic conflict.

After stumble, US Treasury chief reaches out to China

AFP, Washington

US Treasury Secretary Timothy Geithner, who makes his first trip to Beijing Sunday, will exploit his early links with China to steer relations with the Asian giant under President Barack Obama's watch.

Having started on the wrong foot by criticising China for currency manipulation, Geithner will now have to grapple with issues ranging from key Chinese holdings of dollar based assets to the global economic turmoil when he meets President Hu Jintao, Premier Wen Jiabao and others during his visit.

But analysts are confident that his previous Chinese connections will come a long way to establishing links with the leadership in Beijing as the Obama administration banks on China's credit to bankroll the recession-struck US economy and its growing influence to help ease the global economic crisis.

New Vietnam port heralds US service, shipping firm says

AFP, Hanoi

The first deepwater container shipping terminal serving Vietnam's southern commercial hub has opened, allowing direct service to the United States to begin next week, a shipping firm said.

The APL Alexandrite on Friday became the first container vessel to call at the new Saigon Port-PSA facility on the Cai Mep River in Ba Ria-Vung Tau province, the global container shipping firm APL said in a statement.

The port is southeast of Ho Chi Minh City.

APL said the vessel "was undertaking a trial voyage ahead of the beginning on June 4 of the industry's first direct container shipping service linking Vietnam and the west coast of North America".

CONSTRUCTION

A breakthrough in building

MD HASAN

It is an architectural feat a Bangladeshi company has brought in. Only a small group of 20 people can build a 10,000-square foot steel building, spending just four to five days - whatever it is - industrial unit, warehouse or even an indoor stadium.

With a rapid construction ability, the new Automatic Building Machine (ABM) technology can also save 40 to 50 percent costs depending on size compared to conventional construction or prefabricated steel buildings.

A business idea comes through someone having the ability to take risks and challenges. And his or her idea also runs the risk of making the new technology popular in terms of cost effectiveness. The initiator believes that the new generation businessmen will be willing to explore the latest technology considering global cost-cutting strategies.

HM Jahidul Islam, managing director of ALM Steel Building Technology Ltd, started business of making conventional prefabricated steel buildings in 2002 after completing his graduation from Bangladesh University of Engineering and Technology (BUET) in civil engineering.

"ABM is completely a new idea in Bangladesh. But its advantages turned me optimistic to make it available in the country," said Islam who has so far bagged orders worth over Tk 2 crore in different parts of the country for constructing nine such units.

At the end of 2007, Islam found a US company doing something different, which he thought could be a new business opportunity in Bangladesh for building low-cost steel infrastructure. Islam then communicated with the US-based MIC Industries Inc and got positive response.

MIC Industries Inc is the inventor of ABM technology. Now, more than 60 countries use MIC's technology to fabricate and construct institutional, industrial, agricultural, recreational, commercial and military buildings.

However, Islam did not hurry to bring the technology, as he himself was not much aware of it. Following the US company's advice, Islam had to pass the year 2008 for training him in China on ABM technology.

Coming back to Bangladesh, Islam abandoned his old venture Nirman Koushali and set up ALM Steel Building to introduce ABM technology in the country with 30 employees of his previous company.

He chose some areas for introducing ABM technology such as industrial workshops, warehouses, housing projects, gym-



Steel coil is being shaped in line with the customer requirements at a construction site. ALM Steel Building Technology Ltd has brought in Automatic Building Machine technology to construct an infrastructure within a short span with a small manpower and lower costs.

nasiums, basketball courts, swimming pools, markets, shopping malls, bus stations, grain storages, dairy farms, equipment storages, airports and borders posts.

According to him, his background in the steel industry helped him a lot to introduce the new technology. Making a big infrastructure within a short span also surprised his clients.

"It's just like a magic," said Nurul Karim, consultant of Sadia Trading and managing director of DK Architect Ltd, adding that ABM technology is self-supported and therefore no framing is required.

"A big infrastructure can be set up within only four to five days with less than 35 percent costs. And so, we went for ABM technology," he said. Sadia Trading's warehouse was the ALM's first project in Bangladesh where ABM technology was used.

Islam explained why his company brought ABM technology from the US company along with some other required machines from China and Korea.

ABM is a self-contained manufacturing technology on wheels and capable of fabri-

cating and assembling an entire building at the construction site.

"When a customer confirms an order, we move to the site with a group of 20 workers and then construct the steel building in line with the customer's required design," said Islam.

"We will be able to make an infrastructure even in a day once our workers become fully skilled," he said.

ALM uses high-tensile and high-intensified steel coil imported from China and Korea. The steel coil is shaped through ABM machine as per the customer's requirements and set through automatic seam-locking technology.

Islam said the ABM technology uses an integrated microprocessor to produce unique structures from various designs with ground-to-ground and self-supporting panels that require no beams, trusses, columns, nuts, bolts, fasteners, screws or sealants.

ABM technology meets high safety standards including European compliances. ABM buildings are virtually maintenance-

free, since they are watertight, rust-free, earthquake-resistant and fireproof, said Islam.

Bangladesh's steel building industry has an annual turnover of Tk 100 crore. But maximum of the works are foreign company-dependent.

"If we can make ABM popular in Bangladesh, a big amount of foreign currency will be saved as ABM costs 30 to 50 percent less than conventional technology," Islam said.

In near future, Islam hopes, industrial sector would be the main customer of ABM technology for its cost effectiveness.

"But the technology can do much for the low-income people of the country," he said. From his own experiences from visiting various countries, Islam is now planning to provide low-cost housing facilities to the rural people through the ABM technology.

A steel-made house will give more lifetime than a conventional tin-made house with at least 35 percent lower cost.

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AUTOMOBILE

Why did Germany snub Fiat?

AFP, Frankfurt

How did Italian car maker Fiat, which won the favour of US authorities for a takeover of Chrysler, stir such a deep mistrust in Germany with a subsequent bid for Opel?

Fiat got off to a poor start in Germany, with its interest in Opel widely rumoured and even confirmed by politicians while the head of the Italian group continued to deny a bid was even being considered.

A rival, and eventually winning offer by Canadian auto parts group Magna was much more discreet.

Fiat also faced immediate opposition from German trade unions, with an initial project forecasting the loss of 18,000 jobs and the closure of 10 plants.

A second Fiat plan trimmed the numbers to 10,000 job cuts and six plant closures, including one in Italy, but the damage was already done.

Magna also plans to eliminate 10,000 posts but the label of ruthless cost-cutter had already been attributed to the Italian group.

German workers were also worried because Fiat and Opel produce similar kinds of smaller cars and compete head-on in the Western European market.

The Italian company's argument that a carmaker needs to gain critical mass in sales apparently failed to convince Germans who fear they would pay the price for a consolidation of the two manufacturers.

An earlier tie-up between Fiat and Opel's parent group General Motors also left Opel workers with a bad taste in the mouth.

From 2000 to 2005, GM and Fiat were partners in Europe and South America.

The agreement collapsed however, and GM was forced to pay Fiat 1.5 billion euros (2.1 billion dollars) in fines.

German Finance Minister Peer



Fiat chief Sergio Marchionne (L) leaves the chancellery in Berlin on May 26 after meeting with German Chancellor Angela Merkel and German Economy minister Karl-Theodor zu Guttenberg for an eleventh-hour attempt to win over a sceptical Angela Merkel to his bid for General Motors' Opel unit.

Steinbrueck said Saturday after late night talks with US officials and GM executives and Magna executives that the bid of the Canadian auto parts maker had been selected.

The final decision is made by

GM and US officials and not by Germany, but Berlin has a say in matters because any successful bidder for Opel is likely to benefit from billion of euros (dollars) in German state loan guarantees.

Talks between Fiat boss Sergio Marchionne and GM directors, meanwhile, appeared to have hit some bumps as well.

According to press reports, GM refused to see its controlling stake in Opel cut to 10 percent in a new

group dominated by Fiat, along with a part of US rival Chrysler and other assets in Europe and South America.

GM reportedly wants a stake of at least 40 percent in a new company in exchange for its own assets.

Magna, which is not an automobile maker, is already one of GM's associates in North America and is willing to give the US giant a 40 percent holding.

Magna's top-level engineering staff is well placed to help develop environmentally friendly vehicles on which Opel's future could depend, and the Canadian group is backed by Russian carmaker GAZ, which would open up that country's coveted market. Russia's top bank, Sberbank, is also backing the Opel bid.

Magna also has an Austrian card to play, meanwhile.

Although the group is Canadian, it was founded by an Austrian and counts former Austrian chancellor Franz Vranitzky among its board members.

"We speak the same language," German auto expert Ferdinand Dudenhofer told AFP.

"And spaghetti and potatoes don't go together, unlike Kloesse and potatoes," he added in a reference to an Austrian speciality based on the same vegetable.

Fiat on the other hand had been targeted by comments that suggest a German bias against southern European companies.

Several press editorials have noted that Germans are more willing to take holidays in Italy or hire Italians to work in German factories than they are to see an iconic industrial group taken over by an Italian group.

Researcher Roberto Goldin told AFP that "old prejudices" about Italians and the poor quality of Fiat cars in the past might not have played a central role in "the battle," but that they fed industrial arguments put forward by trade unions.