

International Business News

Australia approves huge gas project to supply China, India

AFP, Sydney

Australia Wednesday approved a massive energy project that will supply natural gas worth tens of billions of dollars to China and India, giving new impetus to its resources boom.

Environment Minister Peter Garrett imposed 28 conditions to protect wildlife but said he saw no reason to block the Gorgon liquefied natural gas (LNG) plant off Western Australia, removing its final regulatory hurdle.

The project is a joint venture by Chevron, Shell and ExxonMobil, which has signed a record 41 billion US dollar contract with Chinese giant PetroChina and another worth 21 billion dollars with India's Petronet.

"I've considered it very carefully. I don't believe that there will be unacceptable (environmental) impacts and, as a consequence of that, I have made my decision today," Garrett told reporters.

The Gorgon field, thought to hold more than 40 trillion cubic feet of gas, is expected to create thousands of jobs and pump billions of dollars into Australia's economy.

Chevron, majority partner in the project, welcomed Garrett's approval and said a final investment decision on the yet-to-be developed plant would be made in the coming months.

German firms most bullish since crisis began

AFP, Berlin

German firms are at their most confident since the spectacular collapse of US banking giant Lehman Brothers in September 2008 and the subsequent global recession, a survey showed Wednesday.

The Ifo's closely watched business sentiment indicator rose for the fifth straight month to 90.5 in August with the biggest jump since the index was created in 1991 and experts said even better figures were to come.

"The latest rise in business sentiment takes place at a similar breathtaking pace as the ... collapse after the Lehman default," noted Alexander Koch at Unicredit.

He said that Germany, heavily dependent on exports, should get a boost as the global economy recovers from its worst downturn since the Great Depression in the 1930s.

"Notwithstanding the latest impressive acceleration, the rally in business sentiment is likely to continue in the short term," he said.

"The hard-hit export champion will now in turn benefit disproportionately from the pick-up in industrial demand around the globe," added Koch.



AFP

Chinese customers check out a store that uses a robot dressed as an usher in Beijing yesterday. China's economy is expected to grow by 8.5 percent in the third quarter, a government think tank was quoted by state media, suggesting Beijing would maintain a loose monetary policy.

Japan trade surplus rises for second month

AFP, Tokyo

Japan's trade surplus soared for a second straight month as the world's second largest economy limps out of its worst recession in decades, official data showed Wednesday.

Exports exceeded imports for a sixth straight month, aiding a tentative economic recovery from a severe slump triggered by a collapse in overseas demand for Japanese cars, electronics and other goods.

The trade surplus jumped more than four-fold to 380.2 billion yen (4.0 billion dollars) in July, from 81.9 billion yen a year earlier, the finance ministry reported.

The figure was slightly smaller than the 390 billion yen surplus the market had expected.

Hopes are mounting that the global economy is slowly getting back on its feet, helped by massive amounts of government stimulus spending.

Japan's exports fell 36.5 percent year-on-year to 4.84 trillion yen in July while imports sank 40.8 percent to 4.46 trillion yen.

Vietnam inflation slows to 8.3pc in first eight months

AFP, Hanoi

Vietnam's inflation rate slowed to 8.31 percent in the first eight months of the year compared with the same period last year, the General Statistics Office said Wednesday.

For August alone, prices rose two percent year-on-year and 0.24 percent month-on-month from July, the agency said.

During the January-August period food prices rose 11.47 percent, beverages and tobacco gained 10.50 percent while housing and construction material costs increased 2.26 percent, it said.

The figure for the first eight months of the year marked a drop from 9.25 percent posted for the January-July period.

Last year, Vietnam's monthly inflation peaked at 28.3 percent in August but then began to ease as the government took measures to address an overheating economy, and the global economic and financial crisis took hold.

LIFESTYLE

Local saris: Demand rising



SHAFIQU ALAM

An outlet in Mirpur Benarasi Palli. The demand for Benarasi, Katan and Jamdani saris is rising in the recent time, say traders.

SAJADUR RAHMAN

Abul Kashem, a manufacturer and wholesaler of Benarasi, Katan and Jamdani saris in the city's Mirpur Benarasi Palli, is forced to outsource works from outside Dhaka this year.

The reason is a shortage of weavers at the Palli to meet the growing demand.

He feels the business, which had almost been stuck for the last several years, is back. Besides retail sales, he is wholesaling a lot to district towns.

"It seems that Prime Minister Sheikh Hasina and some other top women cabinet members have inspired other women by wearing locally woven saris," said Kashem, 40, who has been running his father's business since 1994.

He said Hasina herself wears simple cotton, Jamdani and Katan saris, which has encouraged women in the country to follow the trend.

It is an example how lifestyle of the leaders impacts the product choices of either influential or mass-market followers in

positive ways. Bangladesh always lags behind in this area.

Winston Churchill had had a great impact on the Great Britain after the World War II. The lifestyle and choices of Nelson Mandela and Kofi Annan have also impacted the people not only in Africa but also in other regions.

Swadeshi Andolon in the 1920s and afterwards had also impacted hugely the Indian subcontinent. But there was no such instance in the independent Bangladesh.

Young people here follow Western and Indian film stars in dresses and attitude because of a lack of icons and models in the country.

But it seems things have started changing, traders said.

"We are experiencing a jump in sales of cotton, Jamdani and Katan saris this year," said Belal, 29, a salesman at Benarasi Sari Fashion.

"Even sales of three pieces made by Katan fabrics also rose significantly this year," said Belal who hails from Goalanda of Rajbari district and has been working at the

shop for the last seven years.

Mirpur Benarasi Palli is a makeshift market spread over section 10 to 11 of Mirpur. The market was developed by people migrated from Indian city of Benaras. Most of the weavers there are also from Indian state, Bihar.

According to the traders, there are nearly 110 shops at the Palli. Some 20,000 weavers and salesmen are involved with the business directly.

The manufacturers and traders said the annual sales of the 110 shops would be between Tk 40 crore and Tk 50 crore, much lower than the potential.

Earlier, it was seen that women, especially high-end segment, were not much interested to use domestic products, said Abul Kashem, owner of Dia Saris and also the general secretary of the shop owners' association of Mirpur Benarasi Palli.

Rich Bangladeshi women used to wear imported georgette and silk saris, he said.

"Now the trend is changing. May be Sheikh Hasina's wearing of domestic saris has had a significant impact," said

Mohammad Kalimuddin, president of the association.

However, Eid sales at those shops are yet to get a momentum, salesmen said.

"Sales generally peak from Ramadan 10 and last till 25," said Sumon, a salesman at Adiba Saris. He is expecting good sales from three pieces made of Katan for girls during this year's festival.

"The main income of our business comes from selling of wedding saris," he added.

There are different types of saris available in the Mirpur Benarasi Palli -- Ranguli, Opera, Maslin Galaxy, Organza, and Peerless Katan. There are party and wedding saris also.

Prices of the saris start from Tk 1,500. There is no upward limit. Saris at Tk 10,000 to Tk 15,000 are very common. A simple wedding sari costs Tk 10,000 and the price of a party sari starts from Tk 1,500.

A weaver gets Tk 600 to Tk 6,000 for a piece of sari depending on the quality and price.

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US ECONOMY

Deficit worries hound vacationing Obama

AFP, Oak Bluffs, Massachusetts

Once again, gaping budget deficits and mass unemployment are threatening to place a chokehold around President Barack Obama's ambitious plans to reshape American life.

In a forecast sufficient to cast gloom over any presidential vacation, new economic figures Tuesday sketched a decade of gaping government debt and the staggering depths from which the US economy must climb to recovery.

The data also underscored a fundamental tension undercutting Obama's seven-month old presidency -- the extent to which he is attempting rare political change at a moment of deep national financial peril.

In an apparent bid to detract attention from the jolting news, Obama interrupted his vacation on millionaires playground Martha's Vineyard to announce he would name Ben Bernanke to a second term as Federal Reserve chief.

Focusing on the future, rather than current worries, he evoked a "worst is over" narrative, and promised a "new foundation for growth and prosperity" though admitted full recovery was still a "long way" away.

Obama was headed for the golf course minutes later when the White House projected a huge 9.05-trillion-dollar deficit for 2010-2019.

The Office of Management and Budget did revise its previous estimate for the 2009 budget deficit to 1.58 trillion dollars from 1.84 trillion dollars but even that figure



AFP

US President Barack Obama (C) leaves after playing golf at the Mink Meadows Golf Course in Vineyard Haven on Martha's Vineyard, Massachusetts, on Tuesday. In a forecast sufficient to cast gloom over any presidential vacation, new economic figures Tuesday sketched a decade of gaping government debt and the staggering depths from which the US economy must climb to recovery.

represents a stunning 11.2 percent of GDP.

The office admitted the deficit picture was "daunting" and unsustainable as the figures cast more doubt on ambitious Obama plans on health care reform and cutting global warming.

The Congressional Budget Office offered a 1.6 trillion dollar 2009 budget deficit, but warned the figure "will be the highest since World War II."

"Putting the nation on a sus-

tainable fiscal course will require some combination of lower spending and higher revenues than the amounts now projected," the CBO said.

Many economists say high deficits during economic crises are acceptable to fuel government spending to stimulate growth.

But long-term deficits can result in high interest rates, thereby dampening demand by making it harder for people finance outlays like new homes

and cars.

Politically, the fiscal gap is damaging for Obama as it allows Republicans to paint him as a profligate, big government liberal oblivious to debt being dumped on future Americans.

With Americans souring on Obama's economic management, the deficit figures could also hamper his attempts to sell his top domestic priorities.

Long-term, absent a stunning economic turnaround, he could

face a choice between cutting spending or raising taxes -- both of which involve unpalatable political calculations.

The CBO also projected the unemployment rate would continue rising, from 9.3 percent this year to an average of 10.2 percent next year, peaking at 10.4 percent around the middle of 2010 before falling to 9.1 percent in 2011.

That means Obama and Democratic allies will face midterm congressional elections next year with millions of Americans still jobless -- many in key battleground states like Ohio.

Republicans, seeking to rebuild a political brand tarnished by years of their own deficit busting spending during the George W. Bush years, pounced on the new deficit figures.

"The alarm bells on our nation's fiscal condition have now become a siren," said Senate Republican minority leader Mitch McConnell.

"Spending, borrowing and debt are out of control."

John Boehner, the top Republican in the House of Representatives came out with rhetorical guns blazing.

"The costly government-run health care plan put forth by President Obama and Speaker (Nancy) Pelosi is just the latest in a long line of expensive Democratic experiments," said Boehner.

The administration, however, is arguing that rising health care costs are the primary driver of huge budget deficits -- making a fiscal as well as a moral case for expanding coverage to all Americans.