

International Business News

China and Taiwan boost cross-Strait tourism

AFP, Taipei

China and Taiwan are to open tourist offices on each other's territory for the first time in 60 years amid fast warming relations between the two former bitter rivals, officials said Sunday.

The move comes as government statistics showed Taiwan has become more popular among Chinese tourists than among the Japanese, for long the island's top visitors, in the first three months to March.

The Taiwan Strait Tourism Association, authorised by the island's top government tourism body, is scheduled to open an office in Beijing on May 4, the state Central News Agency said.

Meanwhile Shao Qiwei, the head of the China National Tourism Administration and the Cross-Strait Tourism Association (CSTA), will launch a Taipei office on May 7.

They will be the first semi-official representative offices to be set up by the two sides since their split in 1949 at the end of a civil war.

Wen Liu, the spokesman for Taiwan's tourism association, said preparations for the inauguration of the Beijing office were nearly complete.

"All we need is the final confirmation," he told AFP.

"The office is expected to provide Chinese tourists with more detailed information on tours in Taiwan."

EU to nail down terms of Greek loans

AFP, Brussels

European governments were expected to nail down on Sunday the precise terms for emergency loans that could be given to debt-stricken Greece as part of an unprecedented bailout.

Finance ministers from the 16 countries that share the euro currency were to address Greece's debt crisis in a conference call at 2:00 pm (1200 GMT) with the aim of "finalising aid mechanisms for Greece," a Spanish official said.

These will involve loan rates below current market levels, although not, in the words of one diplomat, what could be termed a "gift."

European Union-backed loans -- supported by the International Monetary Fund -- are intended to be used only as a last resort, to deter speculators who have sought to capitalise on Greece's pressing need for funds.

Greece's debt crisis has rattled Europe in recent months, raising investor fears about rising debt levels and pushing down the value of the euro.



AFP

A Chinese worker looks on from her workstation at a garment factory in Pinghu some 100km from Shanghai on Saturday. China posted its first monthly trade deficit in six years in March 2010 as imports rocketed, far outstripping the growth in exports, customs officials announced.

Saudi, Vietnam ink energy pacts

AFP, Riyadh

Oil giant Saudi Arabia and Vietnam inked pacts late Saturday that will pave the way for increased cooperation in the oil and gas sectors, including possible Saudi investment in Vietnamese refineries.

On the first day of Vietnamese President Nguyen Minh Triet's state visit to the Saudi capital, Saudi Oil Minister Ali Naimi and Vietnam's Trade and Industry Minister Vu Huy Hoang signed protocols on cooperation in hydrocarbon and minerals development at the palace of King Abdullah, the SPA news agency said.

Vietnam is reported to be seeking Saudi support in building two oil refineries, and top Vietnamese energy officials were accompanying Triet on his two-day trip to Saudi Arabia, a major supplier of oil to the Southeast Asian country.

They were holding meetings with the Saudi oil ministry and powerful state oil firm Aramco.

The two sides also signed a bilateral taxation treaty and a pact on agricultural investment and trade cooperation at King Abdullah's palace, SPA said.

IMF chief plays down raising inflation targets

AFP, Cambridge, England

The head of the International Monetary Fund said Saturday it still believes in "low and stable inflation" despite a suggestion from its chief economist that targets could go higher.

At a conference in Cambridge, eastern England, Dominique Strauss-Kahn played down proposals made by Olivier Blanchard in February that inflation targets could be raised from about two percent to four percent to allow central banks to respond better to shocks.

"I think this is an interesting idea that merits serious discussion, but it is not the principal question for monetary policy and should not distract us from more important concerns," he said.

"Let me also be clear: we remain an institution that believes that low and stable inflation delivers positive benefits for growth and macroeconomic stability."

INNOVATION

Floating above the tides

Amphibian house is a new weapon in battles with floods



RASHED SHUMON

Prithula Prosun, an architect, poses in front of a Lift House designed by her. The house with its amphibian characteristics can be a lifesaver to many during floods.

KHONDOKER MD SHOYEB

Prithula Prosun was on edge when she was asked to submit a proposal for her master's thesis.

The housing problem of the poor in Bangladesh during floods came to mind and she settled for "floating houses" -- also known as amphibian houses -- as the subject of her thesis.

A floating house can elevate itself upwards with rising water levels due to floods and water logging and return to ground level as the water recedes.

After completing her studies in architecture from the University of Waterloo in Canada, Prosun came back home and built the first floating house in Bangladesh that was launched on January 26 and named it the 'Lift House'.

"I found many suffering from acute housing problems during floods," Prosun says. "The house

will solve their problems to a great extent."

"That is why I elaborated the letters of the word 'Lift' as Low Income Flood Proof Technology."

She formed an architecture firm, iDesign, here and the Lift House is their first and only project in Bangladesh.

The house built of bamboo and Ferro cement is capable of floating with rising water levels, she says.

The house's bamboo and bamboo goods built structure is attached to a fixed brick and concrete structure in the middle. The bamboo built portions can float.

"The ability to float was achieved by using around 8,500 plastic bottles (top closed) under the bamboo structure," Prosun explains to The Daily Star.

The dwelling is attached to the service spine with a steel vertical guidance system that restricts horizontal movement and tipping

while floating, Prosun said at a recent press meet at the Housing and Building Research Institute at Mirpur, Dhaka.

For electricity, two 60-watt solar panels are installed in the structure, she says. There is a reservoir inside the structure to collect rainwater to meet the domestic need for water, she adds.

The house has no sewerage system, although there is a toilet. "There is a composting toilet system. The toilet's urine will be drained out to the garden made in front of the house."

"As human waste turns to fertiliser in about five years, we designed the house to store and use waste as fertiliser later in the garden."

The house also has two high quality ovens attached on the second floor, she says.

A 400-square feet Lift House can cost around Tk 2.5 lakh on

average, if eight to ten buildings in a community are built at a time.

"But the cost will drop to Tk 1.5 lakh to Tk 2 lakh if 100 homes are built at a time," she says, adding that a person can own such a house by paying Tk 1,000 a month for 15 years.

A floating house is a new concept in Bangladesh, but not in other parts of the world. There are over 10,000 floating homes in Holland alone and the number is expected to grow to 20,000 by the year 2020.

The International Monetary Fund launched its first floating home in Europe on June 24, 1999.

Such homes are becoming popular day by day around the world. Hollywood actor Brad Pitt's Make it Right Foundation unveiled a floating house on October 6 last year. That house, designed by Morphosis Architects, can float up to 12 feet

or 3.66 metres as water levels rise.

Prosun hopes it will also be a hit in Bangladesh soon. But her homes have some questions on durability. It might not stand still in a cyclone.

On the matter, she says it is their pilot project. "Our present project is designed only for Dhaka and its surrounding areas -- not for the cyclone prone localities."

"We can build stronger houses for those areas. But that will depend on its demand."

She hopes to receive proper responses from the government and private organisations, including banks, as they have no sponsor now, the young architect says.

They have plans to install a biogas plant in the house later to make it more environment-friendly.

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Risk of Japan going bankrupt is real, say analysts

AFP, Tokyo

Greece's debt problems may currently be in the spotlight but Japan is walking its own financial tightrope, analysts say, with a public debt mountain bigger than that of any other industrialised nation.

Public debt is expected to hit 200 percent of GDP in the next year as the government tries to spend its way out of the economic doldrums despite plummeting tax revenues and soaring welfare costs for its ageing population.

Based on fiscal 2010's nominal GDP of 475 trillion yen, Japan's debt is estimated to reach around 950 trillion yen -- or roughly 7.5 million yen per person.

Japan "can't finance" its record trillion-dollar budget passed in March for the coming year as it tries to stimulate its fragile economy, said Hideo Kumano, chief economist at Dai-ichi Life Research Institute.

"Japan's revenue is roughly 37 trillion yen and debt is 44 trillion yen in fiscal 2010," he said. "Its debt to budget ratio is more than 50 percent."

Without issuing more government bonds, Japan "would go bankrupt by 2011", he added.

Despite crawling out of a severe year-long recession in 2009, Japan's recovery remains fragile with deflation, high public debt and weak domestic demand all concerns for policymakers.

Japan was stuck in a deflationary spiral for years after its asset price bubble burst in the early 1990s, hitting corporate earnings and prompting consumers to put off purchases in the hope of further price drops.

Its huge public debt is a legacy of massive stimulus spending during the economic "lost decade" of the 1990s, as well as a series of pump-priming packages to tackle the recession which began in 2008.

Standard & Poor's in January warned that it might cut its rating on Japanese government bonds, which could raise Japan's borrowing costs amid the faltering efforts of Prime Minister Yukio Hatoyama's government to curb debt.

The system of Japanese government bonds being bought by institutions such as the huge Japan Post Bank has been key in enabling Japan to remain buoyant since its stock market crash of 1990.

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