

# Germany keen to help build a deep-sea port

MD FAZLUR RAHMAN

GERMANY and its globally-acclaimed companies stand ready to team with Bangladesh to help build a much-needed deep-sea port in the Bay of Bengal if the government seeks more partners in the multibillion dollar project, said the country's ambassador to Bangladesh.

"Germany has a lot to offer in terms of port logistics and technology. The high technology part of any port is something for German companies to join in," said Albrecht Conze, the new German envoy.

"I have heard interests from German companies to be part of the deep-sea port project if the government decides to go and look for partners. We are ready to participate."

While talking to a group of reporters in the capital on Monday, Conze said the Chinese government has proposed to build the deep-sea port in Sonadia island in the Bay.

Different ways such as single country investment or joint venture is possible in order to get the port implemented.

"Now it is up to the government of Bangladesh to take up the ball and say that 'we want the deep-sea port, but we want many partners to take part in it'. We do not want to be politically linked to one or the other."

He said the specialists must come to design the port and it has to be ensured that companies can compete.

Conze said there seems to be a political divide among major political parties in Bangladesh over awarding the job to a particular party or country.

"But these traditional patterns are not the order of the day anymore."

"I have not spoken to representatives from Awami League, but I know from the BNP side that they would be very happy if the port is built in a joint effort of several participants."

Conze said he expects quite a few visits from German companies after January next year, as he met some of those companies recently in an international conference in New Delhi.

"During the conference I have heard about what Bangladesh can offer to the world compared to India. As India's growth is on a downward path I think this is the right moment to look the next door."

German companies are aware of the potentials of Bangladesh that the country is on the move, he said.

He said Bangladesh can offer not only the textile products but also products in other sectors.

Conze said Chittagong could be an ideal destination for international companies eyeing to expand their business in the region. "Your country has started to begin to be on the people's mind," he said.

The ambassador, who holds a doctorate degree in interna-



Albrecht Conze

tional law from Freiburg University, said former US secretary of state Henry Kissinger branded the country as a bottomless basket.

"But recently The Economist magazine said Bangladesh is out of the basket. German industrialists and businessmen are watching the development in Bangladesh."

He said the German government and its people and business community want to help Bangladesh become a middle-income country.

"There is immense possibility among the people. I can see enormous desire of the society to move out of poverty and the basket."

Conze said things are changing very quickly in Bangladesh and the donors are adjusting their projects in line with the

country's needs. "We want Bangladesh to be industrialised instead of remaining an import-dependent country."

The ambassador said Bangladesh is right and mature for helping international companies -- eyeing to expand their presence in the region -- set up their factories in Bangladesh.

"It will also lessen the country's dependence on textiles. It is not that the country will have less textile products, but will also have other products."

Conze said it is a very important phase of Bangladesh's history. It has industrialised its cities and has brought women to a total independence.

He said setting up factories in Bangladesh would also give the global companies a natural market in the country.

"For example, if they set up factories here, they will be able to sell their products in the local market without paying any tax. Bangladesh's own domestic market is also growing thanks to its emerging middle class."

The diplomat said everything in the country must be done at the same time. Bangladesh must build infrastructure such as roads, bridges and ports and improve power and industrialise the country simultaneously.

He said shipbuilding is one area where Bangladesh can grow. "Bangladesh has already built a number of big ocean-going ships and you have natural advantages to build and launch the ships directly."

"Unfortunately, shipbuilding all over the world is in slump right now. There has been a crisis and it might take another two to three years to get out of it. But perhaps it is the right time to invest and build shipyards which can build ships when the next boom comes. The sector is always a boom and bust."

Conze, who joined his country's foreign service in 1981 and served in Hong Kong, Beijing, Vienna, Warsaw, Tunis, Khartoum, Moscow and Harare, before moving to Bangladesh, also talked about the declining flow of aid to the poorer countries from the developed world.

"The developed countries think that it is high time to ensure that aid is organised. We are closely monitoring and coordinating what the recipient countries are doing. This is a major shift in our development assistance."

He said he could see the first signs of the end of aid in Bangladesh, as overseas assistance now accounts for a merely 2 percent of the country's gross domestic product.

"This is not charity; it is the investment for the future of the country so that the world around us is stable."

He said many German companies have a lot to offer to Bangladesh for the development of its energy sector, including solar energy.

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Germany to give Tk 111cr for climate change battle

STAR BUSINESS REPORT

Germany, a key development partner of Bangladesh, will provide 10.98 million euros or Tk 111.37 crore to the government to help the country fight the impacts of climate change, officials said yesterday.

The two countries will sign an agreement on the financial cooperation to this effect in Dhaka today to support adaptation to climate change in Bangladesh.

Iqbal Mahmood, senior secretary to the Economic Relations Division of the finance ministry, and Albrecht Conze, German ambassador to Bangladesh, are expected to sign the agreement on behalf of the respective governments at the ERD.

The fund for the "Climate Change Adaptation through Flood Protection Programme" will be disbursed through KfW, the German Development Bank, and will be implemented by the Local Government Engineering Department from 2012 to 2017.

The project aims at building disaster resilient infrastructures sustainable in the face of adverse impacts of climate change. It aims to ensure improved road connectivity, improved market services and enhanced climate change adaptation capacity in three coastal districts: Patuakhali, Barguna and Bhola.

Since independence of Bangladesh, Germany has contributed significantly to the overall development of the country. It is now providing significant amounts of grant, technical assistance and soft loan for many other projects in the areas of healthcare and power generation and transmission.

# Obama vs Romney: their key plans for the economy

REUTERS

THE health of the US economy has been central to the campaign for the White House, with both President Barack Obama and Republican challenger Mitt Romney seeking to convince voters they have a plan to usher in faster growth and job creation. The economy has struggled to break above a 2 percent annual growth rate since the 2007-09 recession and unemployment remains uncomfortably high at 7.9 percent. About 23 million Americans are either unemployed, working only part-time while hoping for full-time work, or want a job but have given up the search.

Here are Obama's and Romney's key plans for the economy:

## JOBS

Obama has said his jobs plan would strengthen American manufacturing, grow small businesses, improve the quality of education and make the country less dependent on foreign oil.

He envisions 1 million new manufacturing jobs by 2016 and more than 600,000 jobs in the natural gas sector, as well as the recruitment of 100,000 math and science teachers.

Repairing and replacing old roads, bridges, runways and schools are part of his plan to put Americans back to work. Half of the money saved from ending the wars in Iraq and Afghanistan would be used to fund infrastructure projects.

Romney has promised 12 million jobs in his first term, or about 250,000 jobs a month. Economists say the economy would likely generate that amount of jobs anyway.

His plan focuses on tax reform, pushing the economy toward energy independence, cutting regulations and boosting trade, especially by reducing barriers to trade with China.

Romney says Obama has not been aggressive enough in challenging unfair Chinese trade practices and that he would use both the threat of US sanctions and coordinated action with allies to force China to abide by global trade rules.

## HOUSING

Even though the housing crisis is at the heart of the economy's woes, Obama and



REUTERS

US Republican presidential nominee Mitt Romney (L) and US President Barack Obama shake hands at the conclusion of the final US presidential debate in Boca Raton, Florida on October 22.

Romney did not spell out detailed plans for how they would address it.

Obama has promoted efforts to help troubled borrowers refinance and benefit from record low interest rates, but his initiatives have fallen far short of their originally intended market.

He has battled the independent regulator of government-controlled Fannie Mae and Freddie Mac, Edward DeMarco, trying to convince him to allow those mortgage finance firms to reduce principal for borrowers who owe more than their homes are worth. A quick resolution of that standoff is unlikely.

Romney said at one point in the campaign that the housing market needed to hit bottom on its own without govern-

ment intervention and he has offered few clues on his likely approach to foreclosures.

Democrats and Republicans agree the government's heavy hand in the mortgage market should be reduced, but neither candidate has outlined a plan to do so.

## FEDERAL RESERVE

Obama can be expected to offer Chairman Ben Bernanke a third term should he want it, but Fed watchers believe the former Princeton professor would prefer to depart after a grueling eight years in the job. Bernanke's term as chairman expires on January 31, 2014.

Fed Vice Chairwoman Janet Yellen is viewed as a leading candidate to succeed Bernanke and would be at least as dovish

in terms of being prepared to keep monetary policy ultra-stimulative until the labour market has improved substantially.

Romney has said explicitly he would not reappoint Bernanke to a third term. Fed watchers expect whoever is chosen by Romney to be slightly more hawkish than Bernanke in terms of readiness to raise interest rates to keep inflation at bay.

Romney advisers Glenn Hubbard, Greg Mankiw and John Taylor are all viewed as top contenders to replace Bernanke. Hubbard and Mankiw may be a bit more hawkish than the current chairman, but not much, and neither would likely start an aggressive tightening campaign the

moment he arrived.

Taylor, however, has criticized the Fed's policy stance under Bernanke as too loose.

## FISCAL POLICY

Obama has proposed cutting the government budget deficit by more than \$4 trillion over the next decade by allowing tax cuts for upper-income Americans enacted during the George W. Bush administration to expire and by eliminating loopholes. Half of the money saved from ending the wars in Iraq and Afghanistan would be used to reduce the deficit.

Romney wants to cut marginal tax rates for individuals by 20 percent and broaden the tax base by closing loopholes. He would keep all the Bush tax cuts in place in a plan he says would be revenue-neutral. Obama has charged the numbers do not add up.

Romney has also said he wants to reduce federal spending to 20 percent of US GDP over four years from its current level of about 24 percent.

Both want to reduce the corporate tax rate, although Romney would reduce it further.

## REGULATIONS

Obama is seen keeping on his current path as regulators work to put in place provisions of the Dodd-Frank financial reform law. It is not known whether Securities and Exchange Commission Chairwoman Mary Schapiro will remain, but Obama would likely appoint a replacement who would not roll back investor protections to benefit corporations and financial firms.

Romney has pledged to repeal the entire law. But policy experts see that as a largely hollow campaign pledge because a wholesale repeal would be politically unpopular and Democrats are likely to retain control of the Senate.

Instead, they see Romney working with Congress to craft narrowly tailored bills targeting what Republicans see as the biggest problem spots: the Volcker rule's ban on proprietary trading, the impact on end-user companies of derivatives reforms and the continued existence of too-big-to-fail financial firms.

Romney would also like to curb the powers of the Consumer Financial Protection Bureau, created by that legislation.