

Japan Adopts New Energy Policy

TOKYO, March 11--Japan's Cabinet approved a revised energy policy that highlights stronger ties with nations producing oil, natural gas and uranium, and the development of next-generation nuclear technology, Bloomberg quoted the government as saying.

"Moving ahead with nuclear power development, concerted efforts to secure stable supply of oil and energy-saving are the pillars of the revised policy," Trade Minister Akira Amari told reporters after the Cabinet approved the policy today.

Prime Minister Shinzo Abe's government is stepping up efforts to tackle the rising risks of tightening oil and gas supplies amid growing demand from China and India. Japan, which is increasingly reliant on nuclear energy, is seeking reciprocal relations with countries that produce the atomic fuel to strengthen energy security.

"Japan has yet to achieve and set out decisive measures to resolve the vulnerability of our energy security, given that it imports almost all its energy needs and that 90 percent of its oil requirements comes from the Middle East," the government said in the revised energy policy prepared by the trade ministry.

The policy contains other measures, including promoting energy saving, such as the use of biomass, fuel cells, ethanol-blended gasoline, and renewable energy like sunlight.

Recycling spent nuclear fuel and the development of fast breeder reactors will help the country boost electricity generated by atomic power plants from about 30 percent currently to about 40 percent, according to the energy policy.

"The government should have various measures to meet basic

policies stated in the Nuclear State Plan," compiled in August last year, the revised policy said.

Japan's nuclear plan, prepared by the trade ministry's energy advisory committee, contains ways that allow the country to develop nuclear technologies, such as spent fuel recycling, the acquisition of overseas uranium supply, the commercializing of fast breeder reactor, and the provision of technical assistance to other countries building atomic power plants.

Nuclear fuel is "spent" when they can no longer effectively produce energy. Recycling spent nuclear fuel is central to Japan's energy policy as the global race for natural uranium intensifies. Uranium prices have jumped more than 10-fold in five years as demand from utilities surged and stockpiles fell. China, India and Vietnam all have plans to build atomic power plants.

Boeing Threatened by China

BERLIN, March 11--China will soon be threatening major Western aircraft makers, AFP quoted Boeing boss James McNerney as saying in an interview.

Warning that it was wrong to think that there would only ever be Boeing and Airbus in competition, McNerney was quoted in the German weekly Der Spiegel as saying, "The Chinese have well-trained people, a strong spirit of enterprise and an enormous domestic market."

McNerney said the US manufacturer had learned its lesson after failing to head the threat from its European rival. "We were market leaders and we went to sleep, instead of staying wide awake," he added.

Asked about Airbus's current problems, stemming in part from difficulties with its giant A380 airliner, McNerney said the two companies had different views of where the market lay.

"We believe the future



A China Southern Airlines plane comes in to land as an Air China jetliner sits on the tarmac of Beijing airport.

is with smaller aircraft capable of flying long distances between medium-sized cities, rather than in the development of large hubs" favored by Airbus, he said.

But McNerney added that the A380 was "a marvelous airplane, very exciting from a technological view," Der Spiegel said.

McNerney said development of the plane maker's new 787 model was on track and the company did not expect the US government to cancel a \$15 billion helicopter deal it had won.

"We're hitting all our benchmarks, we're fighting all the fires," McNerney told reporters on Thursday when asked about progress on the 787, adding that he expected roll-out of the plane in July.

Boeing has sent engineers to supplier firms to help them stay on schedule as the planemaker works toward a May 2008 first delivery of the all-new 787 to Japan's All Nippon Airways (ANA).

Germans Urged to Help Save Planet

BERLIN, March 11--As the global warming debate heats up, Germans are being urged to swap their holidays on faraway tropical islands for trips to less glamorous Baltic beaches to help save the planet.

"In the near future, people are going to become increasingly aware that aircraft emit vast amounts of greenhouse gases, far more than cars or trains," said Manfred Stock, a researcher at the climate research centre in

Potsdam outside Berlin.

"If we add to that the fact that in coming decades our summers are going to get warmer and warmer, holiday-makers would do better to head for Sylt, in the Baltic Sea, than to fly to the Seychelles," he added.

Germans are the world leaders in expenditure on foreign travel, with 2006 figures showing they accounted for 11 percent of global spending on trips abroad, but they do not seem opposed to the suggestion, said AFP.

A poll published by the news channel N24 on Wednesday showed that 68 percent of the nation that has embraced organic food and other "green" causes would be happy to stay at home for the sake of fighting climate

change.

Another 45 percent said they would be ready to pay more tax on low-cost plane tickets.

The impact of the global warming scare on tourism clearly worried industry players attending the ITB tourism trade fair in Berlin last week.

Stephen Bakan, a researcher at the Max Planck institute who attended a round table discussion on the subject, predicted that the weather changes wrought by global warming would dramatically change people's preferred holiday travel destinations.

"The Alps will see less and less snow in the winter, so people will go skiing in Scandinavia instead, and the Mediterranean will have

to compete with beach resorts in the north."

Most German holidays are in fact already spent at domestic destinations, but hordes of German tourists hit islands like the Maldives, Mallorca and Corfu every year.

Poll statistics aside, it is not clear how many of them will really be prepared to give up their break in the sun when skies turn grey at home.

Stock believes that the authorities should apply pressure by making air travel more expensive.

"Plane tickets are way too cheap and this situation is not tenable in the long term," he said, adding that the heavier taxes and limits on carbon dioxide emissions should be imposed on the airline industry.

US Against Canadian Coal Mine

HELENA, USA, March 11--The Bush administration is challenging a coal mine proposed in British Columbia, saying it poses an environmental threat that could extend south of the border.

The mine that Cline Mining Co. proposed just north of Glacier National Park could cause "significant adverse environmental effects" the United States, the US State Department said in a letter to the British Columbia government.

According to AP, Montana officials say the open-pit mine would jeopardize water quality in the Flathead area, which includes Flathead Lake and other waters popular for recreation. The Flathead River system spans the international border, and the north fork of the river is Glacier's western boundary.

The Flathead basin is "an area of unique and internationally recognized environmental importance," Edward Alex Lee, Canadian affairs director in the State Department, said in the Feb. 23 letter.

Kate Thompson, spokeswoman for the British Columbia Ministry of Environment, did not comment Saturday. Thompson said she intended to discuss the letter with Garry Alexander, the official to whom it was addressed.

Phone messages left for Cline were not returned

Saturday.

Sen. Max Baucus, D-Mont., said in a statement he is "glad federal officials are finally engaging--in a big way--to help us stop this mine. Montanans are rightfully worried that mining in British Columbia could have devastating consequences to fish, wildlife and our growing recreation industry in the Flathead."

Baucus said he still is requesting the State Department call for an investigation by the International Joint Commission, a Canada-US panel charged with preventing and resolving disputes under a 1909 water treaty.

In 2005, British Columbia gave Cline a permit for exploratory work to determine whether the coal mine should be developed. Less than a year earlier, a proposal for another mine just north of Glacier was scrapped after Montana raised concerns about potential harm to water downstream.

In the 1980s, a proposal for coal mining north of Glacier ended after the International Joint Commission initiated an assessment of the mine's potential effect on Flathead water and fish. The commission found the project likely to violate the water treaty.

Gov. Brian Schweitzer said this winter that federal intervention in the latest border-mine dispute would likely be necessary.

WORLD News In Brief

Public Benefit

BEIJING--If there is an overall theme for this year's gathering of 3,000 lawmakers in the heart of Beijing it must be the challenge of making the economy work to the benefit of all 1.3 billion Chinese.

10 Candidates

RIYADH--Saudi Arabia's telecoms agency announced on Saturday that it had selected 10 companies to compete with existing state monopoly Saudi Telecom Co (STC) in offering landline services.

Railway Criticized

NEW DELHI--Tibet's spiritual leader the Dalai Lama on Saturday criticized a new railway linking Tibet with China's densely populated east, saying it had led to more outsiders flooding the region.

Vehicle Recall

DETROIT--Chrysler Group said on Friday it would recall over 489,000 vehicles, including recent models of the Jeep Liberty, Dodge Durango and its new Dodge Avenger sedan.

S. Korean Economy Will Face Trouble

SEOUL, South Korea, March 11--The head of Samsung Group linked his company to the South Korean economy and warned Saturday that a wake-up call was needed for both to avoid serious problems within four to six years, AFP said.

Samsung Group chairman Lee Kun-Hee also told journalists that falling profitability of the global electronics giant was "serious."

"I think it's serious," he said in reply to a question about falling profitability within key Samsung sectors including semiconductors, mobile handsets and home appliances, according to JoongAng daily and other papers.

"We have to wake up. In four to six years time, we may have a very chaotic situation," he said.

"I am not only talking about Samsung but the country's economy as a whole," he said.

Lee, who usually keeps his distance from any issues but those related to Samsung, said in January that South Korea was caught between up-and-coming China and frontrunner Japan.

He said China, with its phenomenal economic growth, was catching up fast while Japan continued to outpace South Korea.

Lee is traveling to Europe and China on business later this month.

For full-year 2006, Samsung operating profit fell 14 percent to 6.93 trillion won (7.4 billion dollars) as sales climbed 2.6 percent to 59 trillion won.

Analysts said the company would have a better year in 2007.

Lee Moon-Han of Tong Yang Investment Bank said its operating profit was expected to grow 20 percent this year as the semiconductor and LCD businesses are expected to perk up in the second half.

Qantas Eyes Asian Growth

SYDNEY, Australia, March 11--Takeover target Qantas is positioning itself for expansion in Asia, with the Australian flag carrier's regional low-cost brand Jetstar set to provide much of the growth, AFP quoted analysts as saying.

Qantas is in transition into a two-tier organization, with the mainline brand servicing premium-based routes and Jetstar increasing its penetration of other markets. Center for Asia Pacific Aviation (CAPA) executive chairman Peter Harbison said.

The changes come as Qantas shareholders are in the process of deciding whether to accept a recommended 11.1 billion dollar (\$8 billion US) takeover offer from the Airline Australia Partners (APA) consortium.

If APA succeeds, Qantas will be owned 27 percent by Australia's Allico Equity Partners while related

Allico Finance Group Ltd will have eight percent. Leading Australian investment bank Macquarie will have less than 15 percent, US buyout firm Texas Pacific, 25 percent, Canada's Inevex Corp 12.5 percent, other foreign investors 11.5 percent and Qantas management one percent.

The 5.45 dollar a share offer, after a 0.15 dollar special dividend being paid by Qantas, closes on April 3.

APA, which has so far gained a 12 percent stake in Qantas, had its bid cleared by the Australian government last week, leaving a 90 percent minimum shareholder acceptance as the key hurdle.

Credit Suisse, in a research note, said it expects the bid to succeed, particularly as hedge funds could hold 30-40 percent of Qantas stock and are expected to sell into the bid.

The private equity offer for Qantas

coincides with the airline's strategic drive into Asia through Jetstar and the establishment of a low cost network based around the OrangeStar entity which holds Singapore-based Jetstar Asia and Valuair.

Qantas is in the process of integrating the 45 percent owned OrangeStar entity with the mainline group in an effort to reduce costs, strengthen the revenue base and make it more viable.

The move is consistent with the company's strategy to co-ordinate intra-Asia services with flights into and out of the Asian region through Qantas and Jetstar's new international arm.

CAPA said in its 2007 aviation outlook report, released last week, that Qantas has underscored its focus on Asia by entering into negotiations to acquire 29 percent of Vietnam's second largest airline, Pacific Airlines.

Urgent Need for Doha Trade Pact

SAO PAULO, Brazil, March 11--Brazil and the United States emphasized Saturday the need to achieve an agreement in World Trade Organization negotiations in the first half of 2007, reported AFP.

One day after US President George W. Bush held talks with his Brazilian counterpart Luiz Inacio Lula da Silva, US Trade Representative Susan Schwab and Brazilian Minister of Foreign Affairs Celso Amorim stressed the urgency of reaching a deal on a new global trade regime in the Doha round of negotiations.

"There is a real sense of urgency," Schwab said after a two-hour meeting with Amorim.

"We're cautiously optimistic that we will be able to reach a breakthrough and have a suc-

cess. But we know we have a lot of work ahead of us."

Schwab warned that "Doha fatigue" could set in "after a few months" and that negotiators could lose a window of opportunity to seal a deal on the broad outlines of a new trade pact.

"If we fail to get a breakthrough in this window we do risk the future of the Doha round," she said.

"I believe we are very close" to an agreement, said Amorim. "The most important progress must be realized during this half-year."

The Doha round of the WTO talks ground to a halt in July.

The European Union and United States

have been unable to agree on the size of cuts in agriculture subsidies and tariffs protecting their farm industries, while rich and poor countries are at loggerheads over trade in industrial goods and services.

Speaking in Uruguay Saturday, Bush said he was "optimistic" a deal could be achieved.

"The United States is fully prepared to reduce agricultural subsidies... We just want to make sure there is market access for our products," he said at Estancia Anchorena, the ranch of Uruguay President Tabarez Vazquez.

On Thursday Lula--whose country leads a key block of developing countries in the talks--proposed a joint effort with the United States and Germany to relaunch stalled global trade negotiations.

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