

## Building sector weakens

CONSTRUCTION activity weakened in March, with the industry contracting slightly after two months of growth, a report has found.

The Australian Industry Group-Housing Industry Association performance of construction index fell 4.1 points to a seasonally adjusted 48.7 in March.

The number is below the 50 level which separates expansion from contraction. Falls in new orders and activity tipped the index below the critical level.

The apartment sub-sector contracted for the second month in a row in March, and engineering construction also lost ground.

House building remained flat after eight consecutive months of expansion.

Commercial construction was the only sector to continue to show growth, expanding modestly for a third consecutive month.

## Radio ads on the rise

COMMERCIAL radio stations reported increased advertising revenue for the fifth straight month in March, amid an improving economy, figures show.

The five metropolitan markets reported advertising revenue of \$59.2 million for the month, up 15.6 per cent on the prior corresponding period, according to figures from industry group Commercial Radio Australia yesterday.

Commercial Radio Australia chief executive Joan Warner said the result showed radio was performing well in a competitive market.

"The strong start to 2010 is great news for the industry, and reflects improved economic conditions and also the resilience of radio in attracting advertising dollars," Ms Warner said.

Sydney had the largest rise, ad revenue up 21 per cent, then Perth (20.97 per cent to \$7.87 million) and Adelaide (16.07 per cent to \$5.58 million).

# More investment vital for cleantech sector

AUSTRALIA'S cleantech industry had combined revenue of more than \$9.2 billion and employed about 13,000 in 2009, but "is lacking the drivers that are seen elsewhere in the world", a sector analysis has found.

The *Australian Cleantech Review 2010*, which is based on an analysis of 420 public and private companies, found that "government stimulus is fragmented and small, the regulatory measures are providing only some assistance, and the venture capital industry is under-funded".

Industry research and advisory firm Australian CleanTech released the report this week, highlighting the need for more investment from government and business to underpin a

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rapidly emerging industry. Growth in the US, EU and Chinese economies was being driven by a mix of regulatory measures and "voracious appetite" of the venture capital industry.

Australian CleanTech is a research and consultancy company which works with the private and public sectors in energy, water, nanotechnology and waste.

Its report predicts 2010 will see

cleantech take over from climate change as the key communications theme for governments and industry.

The number of cleantech companies planning a public float is also likely to rise. Much of the cleantech activity in terms of number of companies and share of revenues is concentrated in NSW, WA and Victoria, the report said.

However, South Australia had the highest revenue nationally in the unlisted cleantech sector at \$565 million and the highest number of employees at 1185. The listed cleantech sector raised more than \$2 billion in 2009, while the unlisted sector raised about \$240 million.

"The private capital market will

now have to play 'catch-up' and 2010 is likely to see a large increase again in investments in new technologies," Australian CleanTech managing director John O'Brien said.

A lot more can be done on incentives and in driving the sector, KPMG's national renewables leader Mathew Herring said.

"Most initiatives (regulatory) are not broad-based or market-driven. There are no clear tax-based incentives either," Mr Herring said.

"Momentum is coming, but it's still a bit slow."

Some experts believe clean technology development in the state has the potential to be worth more than \$40 billion by 2030.

## US wind-power industry blowing hot

DANA HULL

THE wind-power industry in the US showed record growth in 2009, and could see dramatic expansion if there was a national "renewable electricity standard", the American Wind Energy Association said in a report released yesterday.

The industry association says more than 10,000 megawatts of new wind power were installed throughout the US in 2009, generating as much electricity as three large nuclear power plants.

And 14 states are now included in what the industry calls the "gigawatt club", which means they have more than 1000 megawatts of wind power installed. One megawatt is enough to power between 750 and 1000 homes.

Wind now generates more than 35,000 megawatts of power in the US.

The three top wind-power states are Texas with 9405 megawatts installed, Iowa with 3670MW and California with 2723MW.

The American Wind Energy Association advocates for a nationwide renewable electricity standard, a policy that would require utilities to procure a set amount of power from renewable sources like wind and solar by a certain date.

AWEA wants a national target of 25 per cent by 2025.

California and 29 other states have their own renewable standards, but wind advocates are calling for a US-wide federal policy.

California's Renewable Portfolio Standard, established in 2002, calls on utilities to procure 20 per



FULL POWER: One of the massive wind farms at Palm Springs in southern California.

Picture: SANDY HUFFAKER

cent of their power from renewable resources by 2010.

"When the RPS law was passed, that really spurred developer interest in the state," said Nancy Rader, executive director of the Cal-

ifornia Wind Energy Association. "There are a lot of projects in the works and we expect about 800 megawatts to be installed in 2010."

Later this month, federal officials are expected to rule

on Cape Wind, a controversial project off the coast of Cape Cod which, if approved, would be the largest offshore wind farm in the US.

The project is backed by Massachusetts Governor

Deval Patrick and renewable energy advocates, but is opposed by native American tribes who say the wind turbines would disturb ancestral underwater burial grounds and spiritual ceremonies.

## Italy suspends AmEx cards

ITALY'S central bank yesterday ordered a stop to the issuance of new credit cards by American Express in the country, until the company can improve compliance with laws combating money laundering and usury.

The Bank of Italy is concerned supplementary cards were being issued without sufficient checks to ensure they weren't being used by frontmen for money laundering operations.

It also said there was concern that the way interest rates are calculated could violate anti-usury laws.

The central bank's action doesn't apply to existing cards. It took similar action against Diners' Club card issuance in Italy last year.

"American Express acknowledges it has received a report following an inspection from the Bank of Italy," American Express spokeswoman Joanna Lambert said.

"As a result, American Express Italy is currently implementing an upgrade of its information technology systems and other procedures, in order to adhere more closely to the regulations applicable to payment service providers and financial intermediaries," she said.

"American Express Italy will suspend issuance of new cards from April 12 and resume as soon as these upgrades are completed."

## Euro banks hold record lows

THE European Central Bank has kept its main interest rate at a record low of 1.0 per cent, but financial markets focused on worsening prospects for Greece.

Details of a new policy on collateral that eurozone banks put up to get ECB funds were expected from president Jean-Claude Trichet, and "could be immensely important for Greece and its banks," Goldman Sachs economist

Erik Nielsen said. The policy will give investors a clearer idea of how much Greece's sovereign debt will be worth, and could help ease unrest that might otherwise spread to other weak eurozone members such as Portugal or Spain.

"This might just be one of the most important communications by the ECB in its short existence," Mr Nielsen said.

An abrupt U-turn by the

ECB, which will now maintain lower standards for the collateral going into 2011 after initially saying it would not, has also raised questions about whether the bank could have been influenced by political considerations.

In London, meanwhile, the Bank of England has maintained its main interest rate at a record low of 0.50 per cent.

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