



## Guam's 20 billion reasons for action

The inaugural Pacific Islands Investment Summit has been told of the billions of dollars planned for infrastructure spending in Guam.

The \$US20 billion (\$22.4 billion) to be spent there by the US government has led to plans for major road, water and power improvements.

The managing director of Sherman Consulting, **Phillip Mendiola-Long**, says there is also a big demand in Guam for hospitals and recreational facilities.

The conference was held in Sydney late last week and was organised chiefly by Pacific Islands Trade and Investment Commission.

The Minister for Economic Development, Timor Leste (East Timor), **Joao Mendes Goncalves**, says his country is reducing its company tax rate. The rate has fallen from 30 per cent to 10 per cent and he says there is 100 per cent depreciation in the first year for capital investments.

Others at the conference included an adviser for economic development for the American Samoan government, **Lelei Peau**; **David McDonald**, managing director, Kuth Energy; **Nigel Hall**, technical adviser, European Investment Bank; **Maaike Gobel**, manager, south-east Asia and Pacific, Renewable Energy and Energy Efficiency Partnership; **Peter Botten**, managing director, OilSearch; and **Caleb Jarvis**, trade commissioner, Pacific Islands Trade and Invest.

## Slim chance seen

Mexican telecommunications magnate **Carlos Slim Helu** is expected at the Forbes Global CEO conference next month.

Reputedly the world's richest man, he will join a list of speakers that includes Fortescue Metals Group's **Andrew Forrest** and the chairman and chief executive of Forbes Media, **Steve Forbes**.

The conference will be held at Sydney's Four Seasons Hotel on September 28-29.

Other speakers include NSW Premier **Kristina Kenneally**, chairman of Visy **Anthony Pratt**, CEO of Australian Capital Equity **John Langouant**, executive director Seven Group Holdings **Ryan Stokes**, chairman of Itochu Corp **Eizo Kobayashi** and CEO of Suntech Power Holdings **Zhengrong Shi**.

# 'Rock star' economist says we're a hit

Nobel Prize-winning **Joseph Stiglitz** recently undertook a whirlwind tour of Australia and, like the true "rock star" of economics he is – a sort of Mick Jagger cum John Lennon – managed an amazing all-capital city tour of our wide brown land, giving about four lectures a day (seasonally adjusted) on issues as diverse as monetary policy, economic development and the plight of indigenous Australians. He applauded

Australia's performance during the GFC, describing our fiscal stimulus as the best designed and targeted in the OECD. He also poured scorn on the world's central bankers – with the exception of **Glenn Stevens** and his team at the Reserve Bank.

Before giving the Economic Society of Australia/CEDA Copland lecture – named after the founder of Australian economics, Douglas Copland, and attended by the cream of Australian economists and some economic

journalists – Stiglitz mentioned that he liked a lot of Australian economic literature.

Rear Window has learnt that one book in particular highlighted by Stiglitz was *The Airport Economist*, written by Austrade chief economist **Tim Harcourt**.

The visiting professor described the book as "Down Under's Freakonomics" and was pleased to learn in an accessible way about Australia's strong links with Asia. He also revealed that when he was the World Bank's chief

economist he had coined the term "airport economist" to describe the Washington Consensus and the IMF's tendency to send economists around Asia during the 1997 financial crisis with the wrong economic prescriptions in crisis-hit countries such as Indonesia.

Stiglitz praised the RBA for understanding Indonesia and the region much better than Washington and for having taken a more sensible policy stance than the rest of the world during the recent financial crisis.

So, you're the one who's happy to release figures on Friday the thirteenth... Bits and pieces...



## Friday the 13th best left unreported

Results-driven fund managers are fans of numerical tools to help predict which way companies' performances are headed. So it's no surprise to find chief executives are loath to report their full-year earnings on that most unlucky of days, Friday the 13th.

On Thursday, analysts, fund managers and reporters were hurrying their way through the results briefings of a host of companies including Qantas, Telstra, CC Amatil and Transurban.

Ominously though, Friday's reporting calendar was blank with the exception of a couple of brave mining souls, Mirabela Nickel and Equinox.

Chief executives work hard to keep

surprises to a minimum during reporting season, particularly in a period when market participants have been easily spooked.

This is why companies tend to select the same day on the reporting calendar each six months. For example, CCA and Telstra have announced their results on the second Thursday in August for the past two years.

Last year, Leighton Holdings reported on the second Friday in August. This time around, it has shunned Friday the 13th and opted instead to report on Monday, August 16.

But it might be more a case of goodwill than superstition on the part

of companies. Fridays tend to be the least popular day to deliver news, especially when the announcement is made in the afternoon. There is a certain stigma attached to announcements made after the market closes at 4pm.

Companies are also keen to keep on side the legions of analysts and reporters who write about them. Few dare to hand down their results on Fridays, for fear of putting a heavy workload on the market and the media, who prefer a relaxed Friday afternoon before the weekend.

Friday the 13th neatly coincides with International Day for Left-Handers, first celebrated on August 13, 1976.

## Punters betting against the polls

The opinion polls may be mixed but Labor continues to firm in the betting markets.

Someone described by Centrebet's **Neil Evans** as a "smart political punter" had \$35,000 on Labor on the weekend.

A flurry of bets for **Julia Gillard** brought Labor in to \$1.28 and the Coalition to \$3.60, a remarkable gap given what many political analysts expect to be a tight election.

With punters at least, **Tony Abbott** has made no ground in the election campaign.

Labor is heavily favoured with Centrebet and rival bookmakers.

SportsTab lists the ALP as \$1.30 to win the election and the opposition \$3.30; and Sportingbet Australia has Labor \$1.25 to the Coalition's \$3.85.

Yet, as Evans points out, there are a number of seats where Labor is in a tight contest, although even there the position has improved for Gillard in the past few days.

In the West Australian seat of Hasluck, Centrebet has Labor's **Sharryn Jackson** at \$2 while the Coalition's **Ken Wyatt** is the favourite to take the seat at \$1.72.

Usually the amount of money wagered on individual seats is small, unlike the big money ploughed on the overall election result.

So it does not take much for the betting prices to change rapidly, meaning Jackson could narrow the gap closer to polling day.

That's been the case in Lindsay in NSW, where Labor's **David Bradbury** had been trailing but is now the \$1.84 favourite.

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