

International Business News

Financial crisis has strained fiscal rules: IMF

AFP, Washington

The International Monetary Fund said Tuesday that rules to keep budget deficits in check can help improve member countries' finances that have been strained by the global economic crisis.

The Washington-based IMF said it was examining "the evolution" of fiscal rules using a new database spanning the whole fund membership and considering fiscal frameworks that could be adopted as countries emerge from the crisis.

It was part of the IMF's ongoing analytical research on economic strategies to be adopted after the crisis as requested by the Group of 20 emerging and developed nations.

An IMF report found that almost 80 countries had national or supranational fiscal rules in place in early 2009 aimed at improving fiscal performance and adopting more prudent fiscal policies.

"But the need to address the current global crisis has strained the rules in many cases," it said in the report.

It argued that "going forward and looking beyond the crisis, rules-based frameworks can be useful in anchoring expectations regarding fiscal sustainability, but they have to reflect country circumstances."

Indian annual growth to reach 7.75pc

AFP, New Delhi

Indian Finance Minister Pranab Mukherjee gave his most bullish outlook yet for the Indian economy on Wednesday, saying growth would be nearly 8.0 percent this fiscal year.

Despite a shrinking farm output, which has been hit by a poor monsoon, a strong rebound in industrial activity may help lift India's annual economic growth to around 7.75 in the 12 months to March 31, he said.

"It may be possible for overall growth in 2009-2010 to be around 7.75 percent if things go on as they are right now," Mukherjee said at a conference organised by an industry lobby group.

"It would be more appropriate to say growth for the whole (fiscal) year will be between 7.5 percent and 8.0 percent," he added.

The news sent Indian stock markets higher, with the Bombay stock exchange closing up 3.23 percent.

In the fiscal year that ended March 31, India's economic growth slowed to 6.7 percent from the average 9.0 percent growth of the previous four years as the global economic slowdown took its toll.



Models display creations by Indian designer Manish Malhotra during the Skoda Superb Wedding Collection in Ahmedabad late Tuesday. SkodaAuto India has extended its partnership with the internationally renowned fashion designer.

Court upholds ruling against Microsoft in patent case

AFP, Washington

A US court of appeals barred Microsoft on Tuesday from selling certain versions of its popular Word program and ordered it to pay 290 million dollars in a patent dispute with a Canadian company.

The US Court of Appeals for the Federal Circuit upheld a jury verdict and lower court ruling in the patent case filed against the US software giant by Toronto-based i4i Inc nearly three years ago.

"This ruling is clear and convincing evidence that our case was just and right, and that Microsoft willfully infringed our patent," i4i founder Michel Vulpe said in a statement.

"This is what we've been looking for since March 2007," added i4i chairman Loudon Owen.

"We are vindicated and we're appreciative but we're not surprised because we believed from the outset that we had a great case and that the trial judge made the right decision," Owen told AFP.

Copyright piracy in China still 'unacceptably high': US

AFP, Washington

Copyright piracy in China remains at "unacceptably high levels," causing "serious harm" to American businesses, the top US trade official said in an annual report to Congress Tuesday.

US Trade Representative Ron Kirk said in the mandatory report on China's compliance with its World Trade Organisation accession obligations that Beijing was not taking adequate steps to enforce intellectual property rights laws.

He said enforcement of China's copyright protection "remains a significant challenge."

The report cited other "priority" trade issues such as industrial policies, trading rights and distribution services, agriculture and services, but indicated piracy is a key issue where China has made little progress.

TECHNOLOGY

Gestures to control TV

AFP, Washington

Touchscreens are so yesterday. Remote controls? So last century.

The future is controlling your devices with a simple wave of the hand.

A wiggle of the fingers will change television channels or turn the volume up or down. In videogames, your movements will control your onscreen digital avatar.

It's called 3D gesture recognition and while it may not be in stores this Christmas a number of technology companies are promising that it will be by next year.

Softkinetic, a Brussels-based software company, is one of the leaders in the gesture-control field and has teamed up with US semiconductor giant Texas Instruments and others to make this touchless vision of the future a reality.

Besides TI, Softkinetic has forged partnerships with France's Orange Vallee for interactive TV, another Belgian firm, Optrima, a maker of 3D cameras and sensors, and with Connecting Technology, a French home automation company.

"On the consumer side you have three markets -- television, videogames and personal computers," Softkinetic chief executive Michel Tombroff told AFP in a telephone interview.

"The objective is to be on the consumer market at the end of next year, by Christmas, so people can buy these things," he said.

"In the same way that the Nintendo Wii completely changed the way that people play videogames this 3D camera technology will allow us to completely transform the way people interact with television," Tombroff said.

Roger Kay, president of Endpoint Technologies Associates, said he believes that gesture recognition technology is



This illustration courtesy of TriplePoint in San Francisco, California, shows an interactive screen. Touchscreens and remote controls will be the things of the past as a simple wave of hand or a wiggle of the fingers will change television channels or turn the volume up or down and control the devices.

"directionally correct because anything leading to a more natural interface for a human is better."

"We're in that transition to a time when gestural input will be quite natural," Kay said. "From what I've seen of the demos they're pretty close."

On the gaming front, "using a camera in real time to capture motion and then take the representative avatar from that and play it on a screen with other elements in a virtual world is a pretty compelling experience," he said.

US software giant Microsoft demonstrated a gesture recognition program called "Project

Natal" for its Xbox 360 videogame console in June and has announced plans to launch it next year.

Tombroff said Softkinetic's gesture recognition solutions involve using a 3D camera that "looks like a little webcam" and is mounted on top of a television set or computer monitor.

"It looks at the scene and it can analyze gestures without you holding anything in your hand or wearing any special equipment," he said. "It's really the ultimate gesture-based solution."

"With the Wii you need to hold something in your hand,"

Tombroff said. "With this we look at your full body. You don't need to hold anything."

"You just stand up or just move your hand," he said. "We let you interact without any intermediate component."

Tombroff said the technology has the capability of transforming television.

"It will become an active component of the living room," he said. "It's not just about sitting in the living room, turning it on and watching."

"It's about interacting. The TV will recognize you. If you step in front of it, the camera will recog-

nize it's you," Tombroff said.

"Maybe it will start with a quick recap of your email, the weather, and the traffic because it knows you need to go to the office," he said.

"That's the personalization," Tombroff said. "After that it may propose interactive programs. So instead of just sitting and watching TV you'll be able to play games or enter into programs."

"In the same way that the iPhone completely transformed the user experience as far as the phone is concerned this will transform the way people experience television," he said.

UK RECESSION

Christmas party the latest casualty

AFP, London

The office Christmas party, with its promise of free alcohol, flirting and a chance to see colleagues let rip on the dancefloor, has long been an annual highlight for many British workers.

But a deep recession and widespread lay-offs have taken a bite out of budgets and caused managers to downsize or cancel the festivities altogether.

A business survey this week estimated that Christmas party spending is down from about one billion pounds in 2007 -- the year before the recession hit -- to 600 million pounds (965 million dollars, 675 million euros) this year.

Banks are among those most likely to scrap the champagne, thanks as much to debts incurred during the credit crunch as a fear of exacerbating the public perception that they are living the high life while ordinary people struggle.

Royal Bank of Scotland last year kicked up a media storm after spending a reported one million pounds (1.1 million euros, 1.6 million dollars) on their Christmas parties, with another 300,000 pounds to treat its top executives.

RBS is now 70-percent owned by the taxpayer after its huge exposure to risky assets forced a massive government bail out.

It was following a long tradition of big spending at Christmas, but this year managers have taken a more diplomatic approach, with the mass get-together scrapped in favour of events organised by individual teams of workers.

The firm will still make a contribution but it will be small, a spokeswoman said, telling AFP: "Our staff have worked very hard over the last 12 months."

"We won't waste bank money but the longstanding tradition of paying a small contribution towards staff parties has been

judged appropriate."

In the same vein, Lloyds TSB, another bank which has spared no expense in the past for its Christmas parties, has toned things down this year.

Previous celebrations included a party in the former Millennium Dome, complete with a boat trip down the River Thames, a menu devised by celebrity chef Gordon Ramsay and a mini-concert by the Sugababes girl group.

Such expense was judged "inappropriate" this year.

The austerity drive is not just the preserve of banks. Carmakers are among the firms hardest hit by the recession and have laid off thousands of people in Britain -- and their plans have been changed accordingly.

"We don't feel it was right having a company-funded Christmas party and instead, we chose to have one paid for by the employees," said a spokeswoman for Honda UK, which cut 1,300 jobs at its Swindon plant this year.

"Money wasn't really the issue but given the situation at the Swindon factory, it is a token gesture, to show our solidarity," she told AFP.

A YouGov survey last month found that just 38 percent of employees said they were having a Christmas party this year, against 30 percent who were not and 32 percent who were unsure of their firm's plans.

However, some bosses have opted for cutting back rather than cancelling their events, swapping evening meals for cheaper lunches and replacing the live band with karaoke to keep up morale.

And this is key, according to a survey of 1,300 managers by the Chartered Management Institute which found that two thirds believe a festive celebration was "vital" to recognise the hard work staff put in all year.



A pre-Christmas sale sign is pictured in a department store in central London on Tuesday. Britain remains the last major economy in recession although signs of recovery emerged as the country's output shrank less than previously forecast.