G7 closes ranks to shore up quake-hit markets

AFP, *Tokyo*

Japan and its economic allies vowed Friday to intervene jointly in world currency markets for the first time in a decade to calm turmoil sparked by a huge earthquake and a deepening nuclear crisis.

The announcement that the Japanese, US, eurozone, Canadian and British monetary authorities would take concerted action immediately pushed down the yen as intended and helped to lift battered Tokyo shares.

The pledge came after emergency telephone talks by the Group of Seven nations in response to a surge in the yen, which threatened the Japanese economy's recovery prospects following the March 11 quake and tsunami.

"We express our solidarity with the Japanese people in these difficult times, our readiness to provide any needed cooperation and our confidence in the resilience of the Japanese economy and financial sector," a G7 statement said.

"As we have long stated, excess volatility and disorderly movements in exchange rates have adverse implications for economic and financial stability. We will monitor exchange markets closely and will cooperate as appropriate."

The G7 groups Britain, Canada, France, Germany, Italy, Japan and the United States. It was their first coordinated intervention since 2000.

Dealers said Japan appeared to have intervened soon after the G7 announcement, selling around 2 trillion yen, although a government spokesman later denied this.

The unit had strengthened sharply despite fears of a major hit to the Japanese economy from the natural disasters and resulting atomic crisis.

The dollar rose sharply against the yen Friday in the wake of the G7 pledge, rebounding back above the 81 level, but was off earlier highs at 81.55 yen at 1150 GMT.

On Thursday the dollar had tumbled below 77 yen, hitting its lowest level against the Japanese currency since World War II, a move Tokyo blamed on speculators betting on an influx of capital to aid reconstruction efforts.

"Although we expect further forex intervention over coming days, upward pressure on the currency will remain in place, suggesting a battle in prospect for the authorities to weaken the currency going forward," said Credit Agricole analyst Mitul Kotecha.

"Round one has gone to the Japanese finance ministry and G7, but there is still a long way to go, with prospects of huge repatriation flows likely to make the task of weakening the yen a difficult one."

A stronger currency is bad news for Japanese exporters whose production has been hammered by the quake-tsunami disaster, which has left almost 17,000 people dead or missing and inflicted widespread devastation on homes and infrastructure.

"We believe it is extremely important that G7 countries unite and cooperate towards stabilising the markets when our country is in a difficult state," Japan's Finance Minister Yoshihiko Noda told reporters.

The Bank of Japan injected another four trillion yen ($49 billion) of emergency funds into the short-term money markets Friday -- the latest in a series of injections to prevent financial institutions running out of cash.

Tokyo shares surged as investors welcomed the G7 announcement. The benchmark Nikkei index closed up 2.72 percent.

Shares of TEPCO, which operates the troubled Fukushima Number One nuclear power plant, closed up 19 percent, limit-up, at 948 yen having lost more than 62 percent over the past five sessions through Thursday.

The Nikkei index plunged 16 percent on Monday and Tuesday.

Markets have been on edge all week as Japanese authorities battle to regain control of a stricken nuclear power plant that has suffered a series of blasts after the 9.0-magnitude quake and tsunami.

Officials have been trying to douse radioactive fuel rods using helicopters and water cannon while also racing to reconnect electricity to restart the plant's cooling systems in a desperate bid to prevent more radiation leaking.

Japan relies on its nuclear plants to provide around 30 percent of its energy needs, and shutdowns in the wake of the massive earthquake have led to rolling outages that have forced companies to suspend production lines.

AFP

Japanese Finance Minister Yoshihiko Noda (C), accompanied by Bank of Japan Governor Masaaki Shirakawa, speaks to reporters at his office in Tokyo on Friday. The Group of Seven major economies agreed on joint intervention to stabilise currencies following a huge earthquake in Japan.

Goldman to buy Buffett's $5b preferred shares

NEW YORK, *Reuters*

Goldman Sachs Group Inc will buy back $5 billion of preferred stock from Warren Buffett, ending a costly deal that helped shore up confidence in the bank at the height of the financial crisis.

The buyback has been expected for some time, given the relatively unfavourable terms for the investment bank, which paid Buffett's Berkshire Hathaway Inc $500 million a year in dividends, or more than $15 a second,

The firm is paying a 10 percent premium to buy back the shares. It will take a $1.6 billion hit to first-quarter earnings, including the premium. Repurchase terms were agreed in September 2008, when the deal was struck.

The transaction is expected to reduce reported earnings per share for the first quarter by about $2.80, plus another 4 cents for accelerated dividends. Certain financial details were outlined earlier in the firm's 10-K report.

"Berkshire Hathaway's 2008 investment in Goldman Sachs was a major vote of confidence in our firm and we are very appreciative of it," Goldman said in a statement.

The trade signalled Buffett's belief that Goldman would survive the financial crisis and the firm had to pay handsomely for Buffett's seal of approval.

Credit Suisse analyst Howard Chen says the repurchase stands to lift Goldman's earnings on an ongoing basis by 4 percent per year and boost return on equity by 80 basis points.

"It was a great nod of confidence for the franchise during a more challenging time, but it is an expensive form of regulatory capital," says Chen.

Buffett lamented the likely redemption of the shares in his annual letter to shareholders last month.

"Goldman Sachs has the right to call our preferred on 30 days notice, but has been held back by the Federal Reserve (bless it!), which unfortunately will likely give Goldman the green light before long," he wrote in the letter.

Berkshire will continue to hold a warrant to purchase nearly 43.5 million shares of Goldman stock, which it bought at the same time as the preferred shares.

Work starts on first Windows Nokia phones

REUTERS, *London*

Work has begun on the first Nokia Oyj smartphones based on Microsoft Corp software following the partnership announced by the companies last month, Nokia Chief Executive Stephen Elop told Reuters.

Elop was recruited last year to rescue Nokia from increasing irrelevance at the high end of the market and is under huge pressure to produce results from the partnership.

Elop, who left a Microsoft executive post to join Nokia last September, also said he could see no good reason for the speculation that Microsoft might try to buy Nokia.

"I'm not aware of a strategic interest that Microsoft would have in the rest of the business," Elop said.

"To the extent that a partnership has been formed around what they're really interested in, then what would an acquisition bring other than a good year of anti-trust investigation, huge turmoil, delays?"

Nokia shares extended gains to trade as much as 2.9 percent higher. By 1459 GMT, they were up 2.2 percent at 5.86 euros, against a European technology index up 0.7 percent, having been up 1.2 percent before the Reuters interview was published.

Nokia shares have fallen almost 30 percent since the agreement with Microsoft was announced and remain not far from their more than 10-year low of 5.415 euros set earlier this week.

ON SALE

Almost half of Nokia's handset revenue comes from more basic mobile phones, which are popular in emerging markets. The company has struggled to establish its brand in the United States, especially since Apple Inc launched its iPhone.

Nokia also considered partnering with Google Inc, but decided it would be too difficult to differentiate its smartphones from a multitude of other Android devices made by the likes of Samsung and HTC.

AFP

A reflection (L) mirrors a scene of offices and shopping centres in Hong Kong. Hong Kong became the world's most expensive place to rent office space last year, a study has found, despite government efforts to cool the surging property market and avoid a bubble. The average price of office property per workstation rose by almost a third from a year earlier in Hong Kong to $22,330, surpassing the 2009 leader, London's West End, the report said recently.

NY Times to charge readers on the Web

AFP, *Washington*

The New York Times unveiled plans Thursday to begin charging for full access to its website in a move that will be closely watched by other newspapers looking to boost online revenue.

The Times will offer readers 20 free articles a month at NYTimes.com before they will be asked to sign on to one of three digital subscription plans that cost from $15 to $35 a month.

Arthur Sulzberger, the Times publisher, announced the long-awaited move to a digital subscription model in a letter to readers published at NYTimes.com, the top US newspaper site with more than 30 million unique visitors a month.

Sulzberger said digital subscriptions will begin on Thursday in Canada to "fine-tune the customer experience" and will be extended to the United States and the rest of the world on March 28.

He said home delivery subscribers to the print edition of the Times and the International Herald Tribune, a Paris-based Times co. newspaper, will have full and free access to NYTimes.com.

Unlimited access to NYTimes.com and the newspaper's smartphone application will cost $15 for four weeks while full access to the website and a tablet computer application will cost $20 for four weeks. Full access to NYTimes.com and both smartphone and tablet applications is $35 for four weeks.

Tourists could see SE Asia on single visa

AFP, *Jakarta*

Travellers could soon be able surf in Bali, shop in Singapore and eat spicy street food in Thailand before crossing into Cambodia and cruising the Mekong in Vietnam -- all on a single tourist visa.

The Association of Southeast Asian Nations (Asean) is working on a plan that would open the region to foreign tourists in the same way Europe's unified visa system has streamlined travel.

"You would just have to apply for one visa and you could then visit all the countries using that visa," said Eddy Krisneidi, an official at the Jakarta-based Asean Secretariat, which recently released its Tourism Strategic Plan for the next five years.

With attractions ranging from jungle-covered temples at Angkor Wat in Cambodia to five-star beach resorts in Bali, Southeast Asia is a region that tempts travellers from all walks of life.

Asean countries recorded more than 65 million foreign visitor arrivals in 2009. Malaysia led the field, followed by Thailand, Singapore, Indonesia, Vietnam, the Philippines, Cambodia, Laos, Myanmar and Brunei.

Analysts say visitor numbers could be boosted by slashing the time-consuming and confusing visa requirements for each of Asean's 10 countries, which range from vibrant developing democracies to isolated, military-dominated Myanmar.

While some allow foreigners to simply purchase visas on arrival, others require wads of paperwork, photos and up to a week to issue the required stamp.

"One of the major concerns of the industry, as well as visitors, is the difficulty of obtaining visas, a series of widely differing regulations and information needs for visas," Asean's strategic plan states.

It is a view shared by Stuart McDonald, who runs an online travel forum for Southeast Asia.

"One of the most common questions that we see on travelfish.org is people asking visa questions: What kind of visa can I get? How long is it valid for? What does it cost?," said the Australian who travels extensively in Asia.

"The rules change all the time and it introduces a level of uncertainty and confusion that the industry can do without."

The concept of a single visa has wide support among tourism bodies across Southeast Asia.

"It would definitely benefit all the countries in this region, especially Thailand," Tourism Authority of Thailand governor Suraphon Svetasreni said, noting that Thailand is a "good strategic location" for overland travelling as it acts as a bridge to other countries.

Svetasreni said it is only a matter of time until the region's visa system is liberalised.

"Asean will be considered as a single destination, so it makes sense to apply for a single visa to travel to any country in Asean," he said.

Despite its appeal, others are less optimistic that a single visa will become a reality anytime soon.

"Travel procedures have to be simplified but it is not going to be easy because each country may have their own foreign policy," Malaysian Association of Tour and Travel inbound tourism vice president Arul Das said.

Asean is yet to outline the cost or length of stay for its planned single tourist visa. But it acknowledges it could take several years to introduce.

"The establishment of such a visa will not likely occur in the next five years due to barriers of technology, political issues, concerns of sovereignty and security and the different visa systems in the member states," its strategic plan states.

The single visa is one of several initiatives being worked on by Asean to boost tourism in the region.

The organisation is also overseeing the creation of regional tourism standards which would apply to things such as accommodation, food and public toilets.

AFP

A tourist prepares to surf at Kuta beach in Denpasar in the world famous Indonesian resort island of Bali. Travellers could soon be able surf in Bali, shop in Singapore and eat spicy street food in Thailand before crossing into Cambodia and cruising the Mekong in Vietnam -- all on a single tourist visa.