

EU, IMF to judge Greece as protests swell

REUTERS, Athens

European Union and IMF officials are expected to deliver their verdict this week on Greece's faltering drive to bring its budget deficit under control, but ordinary Greeks have warned that their patience is running thin.

Greece last year won a 110 billion euro (\$157.5 billion) rescue package from the EU and International Monetary Fund, but since then has struggled to meet its deficit reduction targets, heightening the risk of a default on its 327 billion euro debt -- equivalent to 150 percent of economic output.

European Central Bank board member Lorenzo Bini Smaghi issued a dire warning against default and told the Financial Times it was a "fairytale" to think that Greece's debts could be restructured in an orderly way.

"If you look at financial markets, every time there is mention of a word like 'restructuring' or 'soft restructuring' they go crazy -- which proves that this could not happen in an orderly way, in this environment at least," he said.

He added: "If Greece defaulted, the Greek banking system would collapse. It would then need a huge recapitalisation -- but where would the money come from?"

The Italian said Greece could instead reduce its debt by selling assets and changing its tax and expenditure systems. "If you look at the balance sheet of Greece, it is not insolvent."

But Socialist Prime Minister George Papandreou has failed to



People demonstrate in front of the Greek parliament in Athens to protest for the fifth day in a row against new austerity measures on Sunday.

win backing from the opposition to adopt fresh austerity steps, more economic reforms and faster sales of state assets, as demanded by the EU and IMF.

Tens of thousands of protesters packed a central Athens square on Sunday to denounce the nation's entire ruling class and vent their anger at the IMF and its demands for yet more belt-tightening.

Black-hooded youths have been battling police since the austerity drive began last year, but the demonstrators who took

over Syntagma Square, in front of parliament, were families, from children to the elderly, who had no class wars to wage.

Mobilised by Facebook rather than opposition parties or unions, they booed, whistled and chanted "Thieves! Thieves!" as they pointed at the parliament building.

"The IMF should get out. There are other solutions without them," said Ifigenia Argyrou, a 57-year-old insurance consultant.

Police put Sunday's crowd at

30,000 although the protesters say the authorities consistently underestimate their numbers.

Papandreou had been due to rally his PASOK party on Monday behind yet deeper austerity to win new international aid. But PASOK cancelled the executive council meeting on Sunday without a detailed explanation.

Under last year's bailout plan, Greece was supposed to resume borrowing on financial markets next year but that now seems increasingly unlikely, so the EU is preparing a new aid plan that

would meet Greece's funding needs in 2012 and 2013.

In return, the EU wants Athens to impose yet more austerity and reform, including privatisations. The officials are checking Greece's fiscal progress before approving a 12 billion euro aid tranche -- the fifth under the current bailout -- and possibly new funding the country needs to avoid default.

German weekly magazine Der Spiegel fanned fears over the weekend Greece might not get the money, saying it might have missed all fiscal targets set by its lenders.

Both Greece and the IMF denied the report, while Greek Finance Minister George Papaconstantinou was upbeat on the budget negotiations.

"We expect that they will conclude successfully in the next few days," he said in a statement.

Pressure continues to pile on the socialist government, with the EU Commission's top economics official, Olli Rehn, saying time is running out for Greece to secure political agreement on an economic adjustment programme.

With the team of EU and IMF officials in Athens expected to complete its review of Greek finances soon, Papandreou also needs to prevent fatigue from spreading to his own party as its popularity declines.

PASOK has a comfortable majority in parliament but one weekend opinion poll showed it had lost its lead for the first time since it won elections in 2009.

Germany to close all nuclear plants by 2022

AFP, Berlin

Germany on Monday became the first major industrialised power to agree an end to nuclear power in the wake of the disaster in Japan, with a phase-out due to be completed by 2022.

Chancellor Angela Merkel said the decision, hammered out by her centre-right coalition overnight, marked the start of a "fundamental" rethink of energy policy in the world's number four economy.

"We want the electricity of the future to be safer and at the same time reliable and affordable," Merkel told reporters as she accepted the findings of an expert commission on nuclear power she appointed in March in response to the crisis at Japan's Fukushima plant.

"That means we must have a new approach to the supply network, energy efficiency, renewable energy and also long-term monitoring of the process," she said.

The commission found that it would be viable within a decade for Germany to mothball all 17 of its nuclear reactors, eight of which are currently off the electricity grid.

Environment Minister Norbert Roettgen announced the gradual shutdown early Monday after seven hours of negotiations at Merkel's offices between the ruling coalition partners. He said the decision was "irreversible".

Seven of the plants already offline are the country's oldest reactors, which the federal government shut down for three months pending a safety probe after the Fukushima emergency.

The eighth is the Kruemmel plant, in northern Germany, which has been offline for years due to repeated technical problems.

Monday's decision made Germany the first major industrial power to announce plans to give up atomic energy entirely.

But it also means that the country will have to find the 22 percent of its electricity needs currently covered by nuclear power from other sources.

Taiwan show to feature Apple tablet challengers

AP, Taipei

Computer manufacturers of all sizes and descriptions have been pushing to get a piece of the ever-expanding tablet market created by the launch of Apple's iPad in April 2010.

The obsession with tablet computing will be on full display Tuesday as Computex, the world's second-largest computer show, begins its annual five-day run in Taipei. The prominence of tablets underscores a dramatic shift under way in the personal computer industry -- and keenly felt in Taiwan, which is home to some of the world's biggest PC manufacturers -- as many consumers opt to buy a tablet rather than a new PC.

Computex will feature more than 50 tablet models, said organiser Taipei Computer Association, with big names including Lenovo Group Ltd. and Toshiba Corp having their products displayed.

Researchers have predicted slower growth in PC sales this year because of the rising consumer interest in tablets. Gartner Research recently cut its sales growth forecast for global PC sales in 2011 from 15.9 percent to 10.5 percent. According to IHS iSuppli, world PC shipments declined 0.3 percent year-on-year to 8.1 million units in the first quarter of 2011, with sales by No. 3-ranked Acer plunging 20 percent.

Many analysts say it may take two or three years before mobile device software from Google Inc. and Microsoft Corp. can catch up with iPads, which have thousands of applications for consumers to choose from. That may mean a hard time for many PC makers in the short term.

Research company IDC says Apple Inc. had a 73 percent share of the tablet market in the last quarter of 2010. South Korea's Samsung Electronics Co. was a distant second with 17 percent. It said 2010 tablet sales totalled 18 million units. IDC expects Apple to account for 70-80 percent of 2011 tablet sales that it predicts will reach 50 million units.



Models show off products during a press conference held in Taipei on May 24 ahead of Computex, Asia's largest IT trade fair. The question of how to get 3D technology into every living room and a tablet computer into every hand is set to dominate Asia's largest IT fair which opens in Taiwan next week.

Besides tablets, Computex will also feature corporate and home servers and other cloud-based computing equipment and services, a sector Taiwanese firms have recently entered to make up for shortfalls in PC sales.

The world's top contract laptop manufacturer, Taiwan-based Quanta Computer Co., is among those producing servers for global firms such as Google.

Cloud computing involves running applications in web browsers. The cloud allows users to store and retrieve data over the Internet whenever it is needed, instead of saving it on their own computers.

At least 10 of the tablet models to be shown at Computex are powered by Intel Corp's new Atom chip, the US technology giant's first microprocessor designed for tablets. Intel has moved into the fast growing market now dominated by chips using designs by UK-based ARM Holdings.

The new Atom "delivers improved video playback, fast internet browsing and longer battery life," Navin Shenoy, general manager of Intel's Asia-Pacific region, said in an emailed statement.

There is "a tremendous amount of experimentation going on in the industry," Shenoy said. Tablets, which are more popular in mature markets, will not replace PCs, he said, noting the strong PC demand in Asia and emerging markets.

Taiwanese high-tech firms are also entering the mobile device market pressured by Apple, whose market dominance -- extending to the second generation iPad2 -- has cut into their PC sales and dented the profits of some.

Taiwan's top two PC vendors, Acer Inc. and AsusTek Computer Inc., are among those using Computex to display a range of touch-screen tablet computers. Their tablets run on the Android operating system that Google distributes free to allow quick Web browsing or film viewing, or on Microsoft mobile software that mostly targets the commercial market.

Acer and AsusTek have promoted their tablets -- Iconia Tab and Transformer among others -- as having expandable memory slots, hoping to lure consumers with more storage needs. The iPads don't have built-in USB ports.

British business group cuts growth forecasts

AFP, London

A leading British business group on Monday cut its growth forecasts for the country's economy over the next two years but insisted the government's austerity measures were correct.

The British Chambers of Commerce (BCC) said it expects the economy will grow by 1.3 percent this year against a previous forecast of 1.4 percent, and cut its forecast to 2.2 percent for 2012 down from 2.3 percent.

A major reason for the downgrade is high inflation which is putting a squeeze on household incomes, said the group in its quarterly economic forecast.

Inflation is currently at 4.5 percent, more than double the official target of two percent.

"This forecast suggests that the economy is still facing difficult challenges in the years ahead," said BCC director general David Frost.

"Although growth will be slow, the government is right to persevere with its plans to cut the deficit."

He added that the austerity measures introduced by the Conservative-Liberal Democrat coalition government, aimed at slashing a record public deficit, needed to be balanced with business-friendly policies.

"The government has more to do if the private sector is to create new jobs, invest and export and contribute to a lasting economic recovery in the UK," he said.

The opposition Labour party has attacked the government's austerity plans, claiming they risk knocking Britain's recovery from a deep recession

Rivals likely to reach for Google's "Wallet"

AFP, New York

With the announcement of "Google Wallet" the Internet giant became the first player to dash into a future where people use smartphones as credit cards, but rivals are expected to cut its lead short.

EBay quickly threw up a hurdle in the form of a lawsuit accusing Google of building the mobile payments platform with trade secrets swiped from the online auction titan's PayPal financial transactions unit.

Apple, Amazon.com, eBay and Facebook are each believed to be working on ways to let people use smartphones to pay for items or services but Google was the first to introduce such a system, in the form of "Google Wallet."

At this point, the move is largely symbolic. A test version of the system will go to live in coming months in just two US cities, New York and San Francisco.

Google Wallet will work with Android-powered phones like Google's Nexus S equipped with near-field-communication (NFC) chips, serviced by US telecom Sprint and only at merchants that have partnered with Google for the launch.

Google partners on the mobile pay-

ment platform include major chains such as Macy's, Subway sandwiches, and American Eagle Outfitters clothing shops.

For Justin Post, financial analyst at Bank of America Merrill Lynch, being first into the market with Wallet positions the California Internet firm as an early leader in mobile payments.

"Google Wallet has big ambitions but also faces great obstacles, but (its operating system for mobile) Android and location-based search are key assets that could help launch the ecosystem," he said.

Within hours of the unveiling of Wallet on Thursday, eBay and PayPal filed a lawsuit charging that Google tapped into the online financial transaction service's know-how for the mobile payments project.

PayPal spent three years trying to work out a deal in which it would handle payments for Android smartphones, only to see Google scuttle the talks and hire PayPal lead negotiator Osama Bedier, according to court documents.

"Silicon Valley was built on the ability of individuals to use their knowledge and expertise to seek better employment opportunities, an idea recognized by both California law and public policy," a Google spokesman told AFP.



French police face protesters during a demonstration on Sunday in front of the Bastille opera in Paris on Sunday. Young people gathered in support of Spain's anti-crisis protesters known as the "indignant", or "M-15" after the protest birth date, with a few hundred people camped in Madrid decrying Spain's parties for an economic crisis.