

China, UK unveil \$2.2b deals

Wen Jiabao and David Cameron sign agreements

AFP, London

Chinese Premier Wen Jiabao and British Prime Minister David Cameron signed trade deals worth £1.4 billion at a summit on Monday as Wen faced questions over his country's rights record.

Wen arrived at Cameron's Downing Street office and the two men shook hands for the cameras before starting a morning of talks with senior officials from both sides on a wide range of issues, including the eurozone debt crisis.

"I am delighted that today's summit has seen new deals signed worth £1.4 billion (\$2.2 billion or 1.6 billion euros)," Cameron said at a joint press conference with Wen after the talks.

The British leader said he had discussed China's rights record with Wen, who flew into Britain late Saturday as part of a European tour just as Beijing released high-profile rights activist Hu Jia.

Wen said that there should not be "finger-wagging" at China over human rights.

Several protesters gathered outside Downing Street and unfurled a banner reading 'Cameron and Wen: human rights before trade' as well as banners about Tibet. But there as a bigger pro-China protest of around 30 people.

The main aim of Cameron's coalition government during the visit was however to boost trade ties with China, with the deals providing British businesses with better access into cities beyond Beijing and Shanghai.

Britain is scrambling to catch up with European rivals France and Germany in winning trade deals with China and Cameron visited China in November -- the same month that France secured contracts for French firms worth \$20 billion.

The new British deals also concern the reopening of the Chinese poultry market for British exports, which was



Chinese Premier Wen Jiabao (C) and British Prime Minister David Cameron (R) are pictured during a guard of honour at the Foreign Office in central London yesterday.

halted after a bird flu outbreak in Britain, and a deal to supply breeding pigs to China.

On the first leg of his three-nation European tour, Wen promised officials in Hungary that China would continue to support its faltering economy by buying government debt, and he vowed to similarly aid the eurozone.

"When some European countries were hit by the sovereign debt crisis, China has actually increased the purchase of government bonds of some European countries and we have not cut back on our euro holdings," Wen told the BBC.

"I think these (moves) show our confidence in the economies of the European countries and the eurozone."

China has repeatedly expressed its confidence in the eurozone economies,

and has invested an increasing portion of its world-leading foreign exchange reserves in euro-denominated assets.

Also during the visit, China's central bank chief, Zhou Xiaochuan, voiced support for French Finance Minister Christine Lagarde's bid to lead the International Monetary Fund, in Beijing's first public statement on the issue.

On his first full day in Britain on Sunday, Wen visited a car plant in Longbridge, Birmingham, central England, which is owned by Shanghai Automotive Industry Corp (SAIC), China's largest automaker.

He launched the first new MG car to be made in 15 years, the MG6 model, hailing it as a potent symbol of friendship between London and Beijing.

"The model can be summed up as

designed in the UK, manufactured in China and assembled in the UK, thereby making the most of China's capital and markets, as well as the UK's technology and managerial expertise," he said.

The release of Hu Jia was widely seen as a move to defuse tensions over human rights, and followed the release on bail last week of Chinese artist Ai Weiwei.

Hu, 37, was jailed on subversion charges in April 2008 after angering the ruling Communist Party through years of bold campaigning for civil rights, the environment and AIDS sufferers.

On Sunday, Wen also indulged his interest in Shakespeare with a visit to the bard's birthplace in Stratford-upon-Avon, where he was treated to performances of extracts from Hamlet.

Greece to debate austerity package under EU pressure

REUTERS, Athens

A Greek minister warned on Monday of "catastrophe" if parliament blocked a 28 billion-euro (\$40 billion) package of tax increases and spending cuts after signs of revolt by some deputies in the ruling PASOK party.

Greece's conservative opposition has rejected EU leaders' calls for national unity, forcing Prime Minister George Papandreou to rely on his slim parliamentary majority to push through the package.

Without approval for the measures, the European Union and International Monetary Fund say they will not disburse the fifth tranche of Greece's 110 billion-euro bailout program.

Athens needs the 12 billion euros to pay its bills next month and avert the euro zone's first sovereign default, which would send shockwaves through a jittery global financial system.

"I believe (the austerity plan) will pass. There are concerns, there is anguish, but above all there is common ground among PASOK's parliamentary group to assume a common responsibility," Defense Minister Panos Beglitis told Skai TV.

"Voting against the plan would lead the country into big difficulties the next day, bankruptcy and default," he said, warning that fresh elections, which would inevitably follow a defeat in parliament, would be a "catastrophe" for Greece.

A parliamentary ballot on the framework austerity package is expected on Wednesday, with lawmakers then due to vote on Thursday on a bill containing specific steps to implement it.

Defections over the past 13 months have squeezed Papandreou's support in the 300-member parliament to 155 seats, but now at least three PASOK deputies have expressed doubts or outright opposition to the plan and said they may vote against it.

In an interview with Spanish daily El Mundo on Sunday, Deputy Prime Minister Theodore Pangalos said he believed the first vote would pass but he said there may be more problems about the second implementation bill.

"That's where we may have problems," he said. "I don't know whether some of our legislators will vote against it."

However, on Sunday two of the three possible rebels hinted they could be willing to support it, provided they received assurances from the government.



Nissan Motors CEO Carlos Ghosn announces the company's mid-term business strategy in Tokyo yesterday.

Nissan to boost global market share to 8pc in 2016

AFP, Tokyo

Japanese auto giant Nissan Motor on Monday said it would aim to achieve a global market share of eight percent by the end of fiscal 2016 as it unveiled a six-year business plan.

Nissan, which is 44.3 percent owned by French partner Renault, also said it aimed to lift its operating profit margin to eight percent in that period under its "Nissan Power 88" growth plan.

"We are definitely on the offensive," company president and CEO Carlos Ghosn told reporters.

Japan's second-biggest auto maker by volume, after Toyota, had a 5.8 percent global market share last year.

The plan will see the Nissan-Renault alliance aim for cumulative electric vehicle sales of 1.5 million units in that time. Nissan last year began selling its all-electric Leaf car in Japan, the United States and parts of Europe.

It said it would also aim for a 10

percent share of the Chinese market while boosting its presence in economies such as India and Brazil, where it will build a new factory producing 200,000 vehicles per year.

Nissan currently has a 6.2 percent market share in China.

"In 2012, we will have nearly doubled our production capacity to 1.2 million units," in China, Ghosn said.

"We will further increase our capacity to be in line with our goal of 10 percent market share," he said.

In Russia, Nissan and its partner Renault are in talks to take a combined more than 50 percent stake in major Russian auto maker AvtoVAZ, which sells the Lada brand.

Yokohama-based Nissan will continue to focus on zero-emission vehicles and low-emission technologies while also aiming for a 10 percent share of the global luxury market with its Infiniti brand.

Nissan aims to expand its sale network to 7,500 major points of sale globally, from the current 6,000.

The automaker last week said annual net profit this fiscal year will fall 15 percent year-on-year after Japan's March 11 earthquake hit output, while it also struggles with high raw material costs and a strong yen.

But despite lower profits, it expects global sales to rise 9.9 percent in the year to a record 4.6 million units, with full production returning in October after parts shortages caused by the quake.

The 9.0-magnitude quake and tsunami destroyed entire towns, left 23,000 dead or missing and crippled electricity-generating facilities, including a nuclear power plant at the centre of an ongoing atomic crisis.

Japanese firms were hit hard by power and chronic parts supply shortages, with the likes of Nissan, Toyota and Honda having to sharply cut production and shut plants due to a lack of crucial components.

Nissan shares closed up 0.11 percent at 845 yen ahead of the announcement.

Managers of German firm keep phones in biscuit tins

AFP, Berlin

A German chemicals company said Monday its managers have started keeping their mobile phones in biscuit tins during meetings in order to guard against industrial espionage.

"Experts have told us that mobile phones are being eavesdropped on more and more, even when they are switched off," Alexandra Boy, spokeswoman for Essen-based speciality chemicals maker Evonik, told AFP.

"The measure applies mostly when sensitive issues are being discussed, for the most part in research and development," she said, confirming a report in business weekly Wirtschaftswoche.

Biscuit tins have a so-called Faraday cage effect, she said, blocking out electromagnetic radiation and therefore stopping people hacking into mobile phones, not only for

Tax hikes bedevil US debt talks

AFP, Washington

Republicans and Democrats, who have been at loggerheads for weeks over raising the US debt ceiling, are now stalling over proposals to raise taxes ahead of a meeting with President Barack Obama.

"Throwing more tax revenue into the mix is simply not going to produce a desirable result, and it won't pass," said Republican Senate Minority Leader Mitch McConnell, who has accused the president of a dereliction of leadership on the issue.

"Putting aside the fact that Republicans don't like to raise taxes, Democrats don't like to either," he told ABC television's "This Week" on Sunday.

With Treasury Secretary Timothy Geithner warning lawmakers they have until August 2 to raise the debt limit or risk having the United States default on its loans, Obama is due to

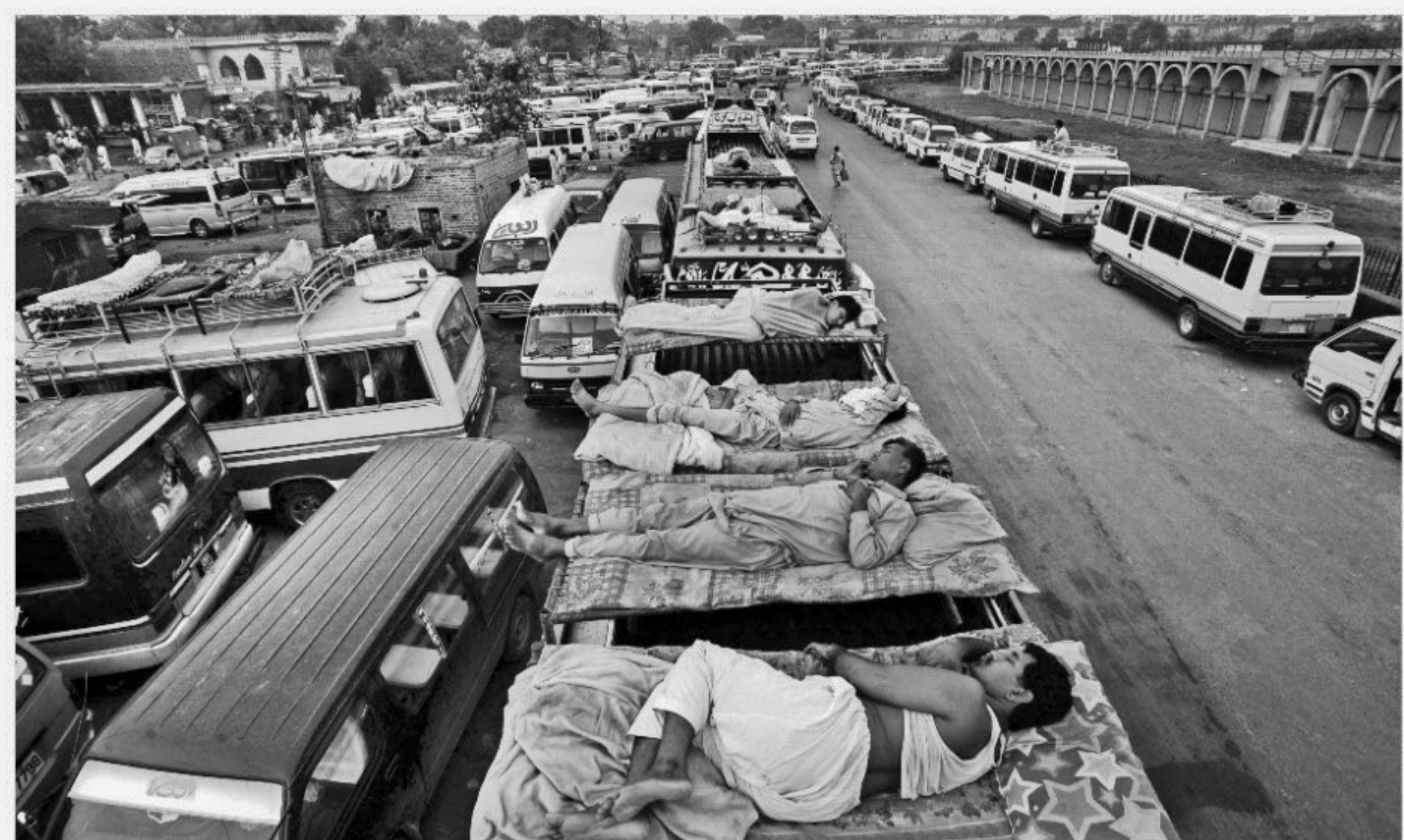
wade into the angry impasse Monday for separate meetings with McConnell and his Democratic counterpart Harry Reid.

The White House meetings come after a Republican walkout from crucial talks on the issue and warnings by top party leaders that they will not accept the Obama administration's demands to close tax loopholes and hike rates on the wealthiest Americans.

Congressman James Clyburn, the assistant Democratic leader in the House of Representatives, said McConnell and other Republicans were setting the budget debate on the wrong path.

"We do not want to raise anybody's tax rates. That's never been on the table," he told "This Week."

"And I wish they (Republicans) would get beyond their talking points and really get honest with the American people as to what these discussions are about."



Pakistani bus drivers and conductors sleep on the roofs of their vehicles at a bus terminal in Lahore yesterday. The International Monetary Fund has urged Pakistan to take further steps to curb inflation and buffer the economic shocks of higher oil prices.