

# Merkel seen as big loser in euro zone showdown

REUTERS, Berlin/Paris

Angela Merkel was portrayed across Europe as the big loser of a euro zone showdown in Brussels after the German chancellor was forced to accept the crisis-fighting measures championed by countries struggling with their debts.

Newspapers in Spain, Italy and France on Saturday toasted the triumph of their leaders - Mario Monti, Mariano Rajoy and Francois Hollande - in pushing Merkel into a U-turn that would long have been unthinkable.

Even German newspapers said Merkel had been made to accept demands for the euro zone rescue fund to be able to inject aid directly into stricken banks from next year and intervene on bond markets to support troubled member states.

"There's no doubt about it - the chancellor was blindsided at the euro summit," wrote influential columnist Nikolaus Blome of Bild, a daily with 12 million readers.

The summit ended on Friday with agreement on new steps to try to prevent a catastrophic breakup of the single currency.

Popular at home for insisting on austerity measures and tough conditions for those indebted euro zone states getting help, Merkel was quick to put a positive spin on the summit, telling reporters: "We had an interest in finding solutions."

There was no sign that the summit had damaged her reputation on Friday as both houses of parliament voted to back the

euro zone's permanent bailout scheme. And Merkel does not face any particular political challenge at the moment.

But the concessions of "Frau Nein" were far bigger than earlier compromises in the name of saving the euro.

"Merkel caves in - money for ailing banks," read the headline on Germany's left-leaning Sueddeutsche Zeitung.

Bild wrote: "Italy and Spain got what they wanted: It'll be easier to borrow excessively again... It was the first time in more than two crisis years that euro states didn't follow Germany's orders."

Footballing comparisons have been widespread after Italy knocked Germany out of the Euro 2012 tournament in a shock 2-1 victory on Thursday.

"This time it was worse, the defeat was about the euro," said respected Deutschlandfunk radio.

In France, left-leaning daily Liberation had a front page splash showing Hollande and Merkel dressed in their national football shirts with "1-0 to Hollande" over the top. It devoted its first four pages to his summit triumph.

Liberation said it was the pressure from Hollande, Monti and Rajoy that made Merkel buckle and accept a growth plan and banking union mechanism. It applauded his negotiating prowess.

"The night the South made Merkel cave in," was the headline over a Liberation report on the Brussels summit.

France's right-leaning daily



German Chancellor Angela Merkel (R) prepares to cast her vote with German lawmakers on the EU fiscal pact and permanent European Stability Mechanism bailout fund at the lower Bundestag house of parliament in Berlin on June 29.

Le Figaro called Spain and Italy the real winners. "Just like in football, it is thanks to Italy and Spain that the dynamics of the match have changed and that Angela Merkel has been forced back against the wall."

Italy's leading daily, Corriere della Sera, captured the

euphoric mood in Italy. A front-page cartoon "A super Mario in Brussels too" showed Monti in the triumphant clenched-fists pose of Italy striker Mario Balotelli after his second goal against Germany. The diminutive figures of an annoyed-looking Merkel and a meek-

looking Hollande watch him.

"Italy is not just a great team, it's a great country and it may be good to remember it," the paper wrote, giving credit to Monti for making Italy a leading player in Europe again.

Left-leaning daily La Repubblica noted that after four years during which Germany had "dictated both the music and the lyrics" at euro zone summits, three of the four main countries had refused to dance to Merkel's beat.

"Although the Chancellor retains her undisputed primacy at the heart of the Council, she was forced to listen to them."

Spanish newspapers saw a victory too - particularly in the fact that inspectors from the European Union, International Monetary Fund and European Central Bank would not put Spain under the same scrutiny as countries bailed out earlier.

But El Mundo noted that as Spain gets support for its troubled banks: "the Men in Black... will be atop the Pyrenees watching over everything we do."

In bailed-out Portugal, Publico newspaper mocked Merkel's U-turn, saying: "Nein! Non! No! Yes!".

In the northern European countries aligned with Germany in demanding tough measures for indebted countries getting help, Merkel was also identified as the loser with the softening of terms for the most indebted.

"The southern euro countries are taking the north hostage," wrote Dutch financial daily Het Financieele Dagblad.

## 'Strikingly' few women in Asia's top jobs

AFP, Seoul

Companies in Asia's leading economies have "strikingly" few women in senior jobs, missing out on a vital pool of talent to fuel the region's growth, consultancy firm McKinsey & Company said Sunday.

In a survey covering 744 firms of 10 major stock markets in the Asia-Pacific, McKinsey said women on average account for only six percent of board seats compared to 17 percent in Europe and 15 percent in the US.

Women hold eight percent of executive committee seats in the Asian firms, still lower than the average of 10 percent in Europe and 14 percent in the US, it said, calling the numbers in Asia "strikingly low".

"It's a huge waste of talent, as half of Asian graduates are female. And it is a waste that Asian companies can ill afford, given the severe shortage of senior managers in the region," said the report titled "Women Matter".

Australia, Hong Kong and China topped the list of female presence in the boardroom, with women accounting for 13, nine and eight percent respectively in these top jobs, while South Korea, Japan and India were at the bottom.

In South Korea, where a conservative culture makes women's "double burden" of career and household duties particularly heavy, women take up only one percent of boardroom seats.

Japan came next from bottom with only two percent of such jobs held by women due to similar pressures on them to be a sole caregiver of the family, it said, adding about 60 percent of Japanese women quit or change jobs after marriage.

The number hovers slightly higher at five percent in India.

Such "double burden" pressure was a dominant reason for women in the two economic powerhouses in northeast Asia as well as in India to leave jobs, while it had a far less influence in places like Singapore and China, it said.

"The double burden affects women in Europe, too. But inarguably, it is particularly heavy for Asian women...also because there is a lack of government support in areas such as childcare," it said.

## Road to nowhere: Longest expressway India never had

REUTERS, Ballia, India

In a wheat field near the mighty Ganges river stands a cracked foundation stone surrounded by nibbling goats and farmers driving their cattle in the baking sun.

Unveiled more than four years ago, it's all that remains of an ambition to build India's longest expressway, an eight-lane, 1,050-km (650-mile) road that would have run through Uttar Pradesh and connected one of the country's most backward regions to the doorstep of the nation's capital.

Supporters of the Ganga Expressway project say it would have helped transform Uttar Pradesh, India's most populous state and one of its poorest, and the lives of its 200 million people by slashing travel times and letting industry and townships sprout.

But having been in and out of the headlines for years, the project has all but crumbled under the weight of political wrangling, opposition from farmers whose fields would have suffered, and a court order in 2009 stalling construction on environmental grounds.

"It's one of those projects that can change the development map of a region," said Gopal Sarma of the consulting firm Bain & Company.

"At the same time, there is the whole issue of how do you deal with people who have held onto pieces of land for literally hundreds of years, and are not really looking at compensation but are looking to continue a way of life that they have had?"

The failure of the Ganga Expressway offers a snapshot of India's chronic infrastructure woes and a reality check on Prime Minister Manmohan Singh's recent promise to speed up more than 200 key projects.

New Delhi has set an ambitious target to pump \$1 trillion into an overhaul of infrastructure over the next five years, revamping roads, building airports and tackling endemic power blackouts. But, as the Ganga Expressway shows, such targets are all too often held hostage



Security guards sit at the construction site of a flyover along a highway at Manesar, about 60km south of New Delhi.

to harsh realities on the ground.

It's also symptomatic of how, for India's leaders, political expedience often trumps the need to revive investor sentiment and growth. In recent months, one party in the ruling coalition blocked a proposal to open the retail sector to foreign investment and the government has dithered on slashing costly state subsidies on fuel, fertilisers and food.

"It was a very ambitious project," said a former top state official who was closely involved in the expressway proposal, speaking to Reuters on condition of anonymity. "The tragedy of the whole situation was that the politics came in."

"People don't know what is good for the state, good for the people, good for the country," the official added.

Driving across Uttar Pradesh's existing highways can be by turns treacherous or mind-numbingly slow. Cars and trucks jostle with bicycles, bullock carts, cows and goats along what are often narrow and potholed roads, gumming up traffic and prompting drivers to veer dangerously across lanes to overtake.

With a creaking rail network, India relies heavily on such high-ways to transport goods. But their often-shoddy condition saps the

competitiveness of companies and creates supply bottlenecks that have helped keep inflation uncomfortably high.

The average speed of trucks travelling on Indian roads is just 35 km (22 miles) per hour, less than half the 75 km (47 miles) in the United States, according to a report by global management consultancy McKinsey and Company.

The Ganga Expressway was supposed to help change all that. Conceived under Mayawati, a four-time chief minister of Uttar Pradesh with prime ministerial ambitions, the stone was unveiled with much fanfare on her 52nd birthday in January 2008.

A contract to build the road was awarded to a unit of Jaiprakash Associates (JAIA.NS), a construction and infrastructure giant that also built India's Formula One track. Sameer Gaur, a top executive at the group who led the project, declined to comment for this article.

Under the state government's proposal, the company was to both fund and build the project. In return, it could charge toll fares and develop potentially lucrative real estate along the road - a version of the public-private-partnerships (PPP) that cash-strapped Indian governments have pushed in the sector.

## Investors warm to Facebook after IPO flop

AFP, Washington

After a dire stock market debut, Facebook has clawed back a large chunk of its losses as investors look past the flubbed initial public offering and gradually warm to the leading social network.

Facebook shares were offered in May at \$38, and after an opening hours jump slid over the next two weeks to as low as \$25.52 on June 6. But since then the stock has risen more than 20 percent to Friday's close at \$31.09.

Analyst views are mixed, but investors now seem focused on the potential for growth of the world's biggest social network, which is to announce its first quarterly results as a public company on July 26.

Herman Leung of Susquehanna International Group said he sees shares rising to \$48 over the next 12 months as Facebook develops more ways to boost advertising and other revenues.

"I think Facebook is still a company that has a lot of opportunity for the business to expand, and the expansion opportunities have not been fully optimized," Leung told AFP.

"They have 900 million users, all are highly engaged, they all love the product, they all use the product."

The stock may have been hurt by an IPO which put too many shares on the market, Leung said, but that will eventually be absorbed.

Lou Kerner of the Social Internet Fund said he sees the stock heading to \$44 within the next 12 months "based on my expectation of revenue growth and

## Haier aims for Europe and 'Made in China' upgrade

AFP, Qingdao, China

Chinese appliance and electronics giant Haier is aiming to expand into Europe with higher-end products, helping to upgrade China's reputation for churning out mostly cheap, low-quality goods.

However, experts say that even if Haier succeeds the country still has much to do before it emulates the transformation by neighbours Japan and South Korea over recent decades so that their top brands are now synonymous with class.

Haier already has the biggest share of the world's appliances and electronic goods market. Its revenues were 150.9 billion yuan (\$23.7 billion) last year, giving it a 7.8 percent share of the global market in that sector.

But 70 percent of its sales were in Asia, where a low cost is often the key selling point. And it is now looking to take on competing brands such as South Korean giants Samsung and LG in becoming a household name in Europe.

To showcase its products and technology, the firm, which has 70,000 employees in 165 countries, recently invited European journalists to visit its head-

quarters and factories in the eastern port city of Qingdao.

Haier is seeking a five-percent market share for washing machines and refrigerators in Europe by 2015, up from three percent today.

To get this it needs to "develop products that speak to European tastes", said Rene Aubertin, who heads Haier's European office.

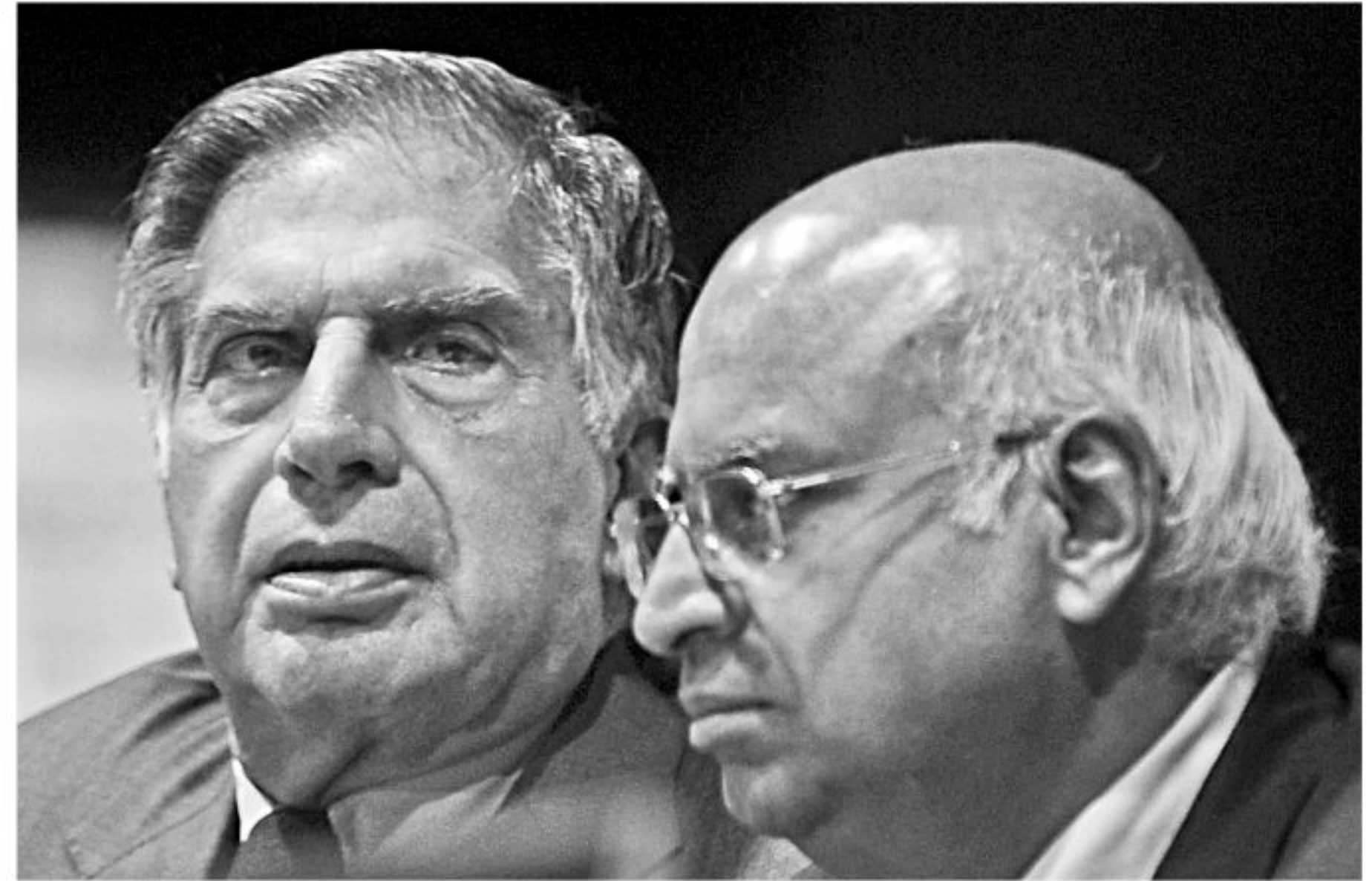
To help do this, he said the firm had opened up a research and development operation in Nuremberg, Germany.

Among the innovations Haier is hoping will attract European customers are fridges equipped with an external camera and tactile screen to record what goes on in the kitchen. The video can then be sent over e-mail.

Haier has also started to introduce European-standard sales and marketing techniques in China, so that the company is set for the new market, according to Yannig Gourmelon, a Shanghai-based business consultant with Roland Berger.

Gourmelon said one of these standards was a promise to deliver products in China within 24 hours of purchase.

He said Haier's business practices were already being noticed in Europe.



Ratan Tata, left, chairman of Tata Consultancy Services (TCS), and S Ramadorai, vice chairman, attend the annual general meeting of TCS in Mumbai on June 29. Tata says his appointed successor, Cyrus Mistry, has the capacity and ability to lead the automobile-to-software group in the years to come.