

Pakistan breaks ground on nuke plants with China

THE NEW YORK TIMES, Islamabad, Pakistan

PAKISTANI Prime Minister Nawaz Sharif on Tuesday ceremonially broke ground on a \$9.59 billion nuclear power complex to be built in Karachi with China's help, seeking to ease Pakistan's long-running energy crisis and signaling a new step by China in becoming a top nuclear supplier.

The deal, which officials said was still being finalised, is a major new advance in energy cooperation between the two countries, dwarfing previous reactor projects built along with China at Chashma, in Pakistan's interior. And it establishes a growing counterpoint to a nuclear axis between the United States and India in recent years that Pakistani officials have seen as an irritant and Chinese officials have seen as a geopolitical challenge.

"The beginning of the 2,200-megawatt power project is indeed a proud moment in the energy history of Pakistan," Sharif said at the ceremony, adding that the construction was to be completed in six years. The Chinese ambassador to Pakistan, Sun Weidong, and officials from the Pakistan Atomic Energy Commission attended.

Energy supply remains one of the most pressing concerns in Pakistan, and it was a major issue in the general elections last May, when Sharif promised to end crippling shortages. After taking office, his first visit was to China, where he discussed the nuclear power plant project.

Officials said the new project is to be built around two new-model Chinese ACP-1000 nuclear reactors, with China also providing enriched uranium for fuel.

However, Pakistani officials have provided few details of how they plan to finance it.

In September, the International Monetary Fund approved a \$6.6 billion loan to help stabilise Pakistan's struggling economy and tackle the energy crisis.



REUTERS

Pakistani Prime Minister Nawaz Sharif, along with China's Ambassador to Pakistan Sun Weidong, attends a groundbreaking ceremony of the country's fifth and largest nuclear power plant on Tuesday.

Sharif did not mention financing in his speech, but he said that he has assured the Chinese investors that his government "will support them in every way."

China has signaled its intent to expand nuclear energy cooperation with Pakistan in joint statements from their leaders, said Zhang Li, an expert on Pakistan at the Institute of South Asian Studies at Sichuan University in southwest China.

"Both countries have expressed their willingness to expand cooperation in civilian nuclear energy," Zhang said in a telephone interview. "In that sense, you didn't need a crystal ball to see this project coming."

The new project is not without potential controversy. In the years since China and Pakistan agreed to build the

first reactor at Chashma, China has joined both the Nuclear Nonproliferation Treaty and the Nuclear Suppliers Group, an agreement by 47 countries to limit exports of nuclear technology and materials.

Zhang said that China is almost certain to deem the new projects as a "grandfathered" extension of the countries' earlier nuclear deals signed before China joined the Nuclear Suppliers Group.

"My analysis is that this issue won't trigger too much controversy," Zhang said. "The Indian government will certainly respond, but I don't think that this will fundamentally harm Sino-Indian relations, because it's not something that has come out of the blue. China and India have exchanged views on this many times."

On the supplier group's likely response, Zhang said: "I don't think the NSG will formally raise this issue, because the experience in the past was that the members would reach an implicit understanding, and so this issue never caused a big fuss in previous NSG meetings."

One of the main events considered to have weakened the Nuclear Suppliers Group, in fact, was the 2005 commercial nuclear deal between the United States and India, which like Pakistan developed nuclear weapons in the face of global pressure. The deal has been a lasting source of outrage for Pakistani officials.

The Chinese Ministry of Foreign Affairs has not commented on the project with Pakistan. Yet in the past, it has said that China's nuclear cooperation with Pakistan is entirely peaceful and comes under International Atomic Energy Agency safeguards.

Pakistan has also sought to bridge its energy shortfall through a gas pipeline deal with Iran. That has been hung up by international sanctions against Iran, but Pakistani officials have continued to push for it. On Tuesday, Sharif's chief foreign policy adviser, Sartaj Aziz, was in Iran to discuss the project.

Sharif on Tuesday also announced plans to build six more civilian nuclear plants in other parts of the country. But Zhang said that China was unlikely to build any more nuclear reactors in Pakistan beyond the two units in Karachi.

The choice of Karachi is significant because it is considered Pakistan's economic and trade center, and its coastal location also provides ample water for use in reactor cooling.

"Today people look with envy toward cities like Dubai, Hong Kong, Kuala Lumpur and Singapore," Sharif said in his speech, which was broadcast live. "I wish to see Karachi in this list of harbors and industrial hubs."

India suffering doubles as economy weakens

AFP, New Delhi

SUFFERING in India has more than doubled in recent years with one in every four Indians now bearing the brunt of the nation's sharply weaker economy, a global poll released Wednesday showed.

The increase in "suffering" in the nation of 1.2 billion people had a ripple effect across South Asia -- which led the world in suffering -- owing to India's strong economic ties with its neighbours, Gallup said in a statement.

"The significant deterioration in Indians' wellbeing is likely to be rooted in the country's disappointing economic performance," the US-based pollster worldwide said.

"Average suffering in India more than doubled between 2006 to 2008 and 2010 to 2012. In 2012, a full quarter of Indians were suffering."

Gallup classified respondents to the survey as "thriving," "struggling," or "suffering" according to how they rated their current lives and future prospects on a scale of zero to 10.

According to Gallup, suffering on average has increased worldwide in recent years. Fourteen percent rated their lives poorly enough to be considered suffering in 2012, up from 11 percent in 2006-08.

US health watchdog curbs exports from India's Wockhardt

AFP, Mumbai

THE US health regulator has restricted exports from a plant owned by Indian generic drugmaker Wockhardt in the latest ban on its products, sending the company's shares tumbling 14 percent on Wednesday.

The US Food and Drug Administration slapped an "import alert" on the company's Chikalthana plant in Maharashtra state, the regulator said in a notice on its website late Tuesday.

An "import alert" means "detention without physical examination of drugs" from companies which have failed to meet so-called "good manufacturing practices" for drugs, the FDA said.

Wockhardt shares fell as much as 13.98 percent to a day's low of 406 rupees on the Bombay Stock Exchange on news of the new import restrictions.

The same factory has already been targeted by Britain's health regulator, which last month recalled five drugs made by the firm at the plant.

Wockhardt has faced a string of export restrictions this year at some of its other factories in India. They were imposed by British and US watchdogs, citing manufacturing concerns.

IMF chief to pay first visit to Myanmar

AFP, Washington

IMF chief Christine Lagarde will next month pay her first visit to Myanmar as the once authoritarian government pursues reforms that have fueled growth, the global lender said Tuesday.

Lagarde will visit Myanmar's showcase capital Naypyidaw and its largest city Yangon during the December 6-7 visit, which will come after stops in South Korea and Cambodia.

"I will visit three countries in different stages of transition -- Korea, the world's 13th largest economy; Cambodia, a frontier economy on the rise; and Myanmar, undergoing a great awakening to countless possibilities," Lagarde said in a statement.

In Myanmar, Suu Kyi will meet with government and economic leaders as well as opposition leader Aung San Suu Kyi, the Nobel laureate who spent most of the past two decades under house arrest and has now entered democratic politics, IMF spokesman Gerry Rice said.

The International Monetary Fund and World Bank have been expanding their relationship with the country formerly known as Burma since 2011, when the military government officially dissolved and launched reforms that have included easing censorship and freeing political prisoners.

Myanmar has also taken economic reforms including allowing its currency to float. In January, international lenders agreed to cancel nearly \$6 billion of Myanmar's debt.

In May, the IMF estimated that Myanmar's economy would expand 6.75 percent in 2013-14, a notch up from the previous year, driven by gas production and investment in the resource-rich Southeast Asian nation.

Since its transition to democracy, Myanmar's relations have warmed markedly with the United States which has ended most sanctions imposed during military rule. Human rights activists, however, point to continued abuses against minorities including the mostly Muslim Rohingya people.

HP posts profit despite revenue slip

AFP, San Francisco

US computer giant Hewlett-Packard on Tuesday reported that it made a profit in its recently ended fiscal year, with cost-cutting efforts countering a slip in revenue.

HP said that its profit was \$5.1 billion on revenue of \$112.3 billion in the fiscal year that ended October 31, compared to a \$12.7 billion loss the prior year on revenue of \$120.4 billion.

The California-based company posted a profit of \$1.4 billion in the fourth quarter on revenue of \$29.1 billion, as compared to a loss of \$6.9 billion on \$30 billion in revenue in the same period a year earlier.

"Through improved execution, strong cost management, and with the support of our customers and partners, HP ended fiscal 2013 on a high note," chief executive Meg Whitman said in a release.

She said the results "demonstrate that HP's turnaround remains on track heading into fiscal 2014."

HP has been in focus amid a severe slump in PC sales globally, as it has failed to adapt to a shift to mobile devices.

Still one of the biggest PC makers, HP has shaken up its executive leadership team as part of an effort to regain its footing on a computing landscape being transformed by the popularity of smartphones and tablets.

HP shares climbed more than six percent to \$26.70 in after-market trades that followed release of the earnings report.

Deal failure overshadows looming WTO summit



AFP

World Trade Organisation Director-General Roberto Azevedo, third from left, of Brazil chats on November 26 before a general council meeting at the WTO in Geneva.

AFP, Geneva

NEGOTIATORS have failed to fix a deal for a crunch summit next week, casting a shadow over efforts to revive stalled talks on slashing barriers to global commerce, the head of the WTO said Tuesday.

"The reality is that we have proved that we can't cross the final yard here in Geneva. The process here is over," World Trade Organisation Chief Roberto Azevedo told reporters after a marathon session ended without a final accord.

Underlining that trade diplomats got achingly close before positions hardened over recent days, Azevedo threw the ball into the court of trade ministers who will meet from December 3-6 at a WTO summit on the Indonesian island of Bali.

"If we are to get this deal over the line, we will need political engagement and political will. Ministers will have to decide what kind of future they want to see both for the issues that are on the table today and for the WTO," he added.

The Bali summit is seen as perhaps the last chance to revive the WTO's "Doha Round" talks, launched in 2001 at a summit in Qatar, and on-off from the outset.

US trade ambassador Michael Punke gave a bleak assessment Tuesday.

"A once-in-a-generation opportunity may have slipped our grasp," he told fellow negotiators.

Mexican trade envoy Fernando de Mateo struck a different tone, telling reporters: "Hope is the last thing that you lose. We're so near that it's not impossible."

And in a statement, European Union trade chief Karel De Gucht said: "As we are so close to the shared objective, we should not give up."

The Doha Round aims to produce a wide-ranging accord to open markets and remove trade barriers, with a key goal being to harness international commerce to develop poorer economies.

By some estimates, Azevedo noted, it could provide a \$1 trillion boost to global commerce.

The Doha Round has stalled repeatedly as rich countries, emerging powers and the world's poorest nations spar over the give and take needed to craft a deal.

Azevedo, Brazil's former trade envoy who took the WTO helm in September, was set to spend coming days telephoning ministers to try to close gaps.

"There are quite a few benefits that we are all going to let go if we don't conclude the deal, (including) the opportunity for further deals," he warned.

Earlier Tuesday, he briefed diplomats from the WTO's 159 member economies on the state of play.

They pored over a 53-page draft accord which still contained an array of bracketed options --

standard diplomatic practice -- which over recent weeks were cut from a thousand to 65.

"We should not give up now. We should not say here in Geneva that it's a failure," said Morocco's trade envoy Omar Hilale.

"We're not going to declare the Bali conference over before we've even started it," he told reporters.

"Bali provides an opportunity for ministers to discuss the complex issues and find a way forward," agreed South Africa's Faizel Ismail.

Negotiators had long ruled out the chances of major progress in the Doha Round in Bali and instead worked on lower-level thematic accords to be fed into a wider package later.

One covers "trade facilitation", which involves simplifying customs procedures to ease commerce.

Divisions there centre on the time-lag developing countries would get to fall into line, plus the support they would get from donors to do so.

Another division is over "food security", pushed by India, under which developing countries want the right to subsidise grain stockpiles to help low-income farmers and consumers -- stocks that critics warn could end up on the open market, skewing trade.

WTO rules require deals to be unanimous, and the impasse has seen many members shift focus to negotiating deals such as the Trans-Pacific Partnership or a US-EU accord.