

China and Germany vow to deepen ties at Li-Merkel summit

AFP, Berlin

China and Germany vowed to build up already massive business ties at their third summit this year in Berlin Friday, amid tougher times for Asia and Europe's biggest economies.

Chancellor Angela Merkel rolled out the red carpet for Chinese Premier Li Keqiang, who kicked off a week-long Europe tour in Germany, joined by his entire cabinet and some 130 business leaders.

After a welcome with full military honours and a joint cabinet session, they oversaw the signing of government agreements and business contracts worth over 2 billion euros (\$2.5 billion).

Li hailed Germany as the "locomotive for cooperation between China and Europe" at a joint press conference and stressed that it was the only country he had visited twice since taking office this year.

Merkel praised the "very intensive cooperation ... not just in classical areas" such as trade and investment but also in a variety of fields such as health, education, food production, the rule of law and human rights.

The visit came at a sensitive time as China grapples with Hong Kong's resurgent pro-democracy protests and the host country gears up to celebrate a quarter-century since the 1989 fall of the Berlin Wall ended communism in East Germany.

But neither side allowed differences over civil rights to spoil the day, part of a high-frequency diplomacy that saw Merkel visit China in July, her seventh official trip there, after Chinese President Xi Jinping visited Berlin in March.

Merkel said she hoped pro-democracy demonstrations in the former British colony of Hong Kong would stay peaceful and that "in a free exchange of ideas, solutions will be found that satisfy the population of Hong Kong".

Li highlighted the "high level of autonomy" Hong Kong had enjoyed since its 1997 handover and said he was sure its leaders could "maintain the prosperity of the city and safeguard social stability" while "protecting residents from injury and property damage".

He stressed Beijing's position that the situation in Hong Kong is an "internal affair of China".

After a meeting of 14 Chinese ministers and 12 German cabinet members, both sides hailed the "innovation partnership" between the economies that had a trade volume of around 140



AFP

German Chancellor Angela Merkel (L) and Chinese Prime Minister Li Keqiang review a guard of honour during an official welcoming ceremony at the Chancellery in Berlin on Friday. Keqiang meets Merkel for this year's third top-level talks between the export powers, held amid growing disquiet over human rights and business rules.

billion euros last year, but which both now face gloomier forecasts.

Germany's top think tanks Thursday slashed to just 1.3 percent their 2014 growth prediction for the eurozone's traditional economic engine, which has revved up trade with China to make up for lost business with its ailing neighbours.

China, which in its wildest boom years enjoyed annual double-digit growth, now expects GDP to expand by about 7.5 percent this year, said Li, citing the weak world economy and the turbulence of multiple global crises.

Merkel said that "given the difficult situation of the world economy we're seeing now, it's a sign of stability that the German-Chinese ... cooperation is developing very well, that we're getting to know each other better, that we can talk very openly."

Part of that dialogue touched on complaints by foreign companies operating in China of unfair market access, including being blocked from public tenders and having to form local joint ventures to set up shop.

Investor concern has also grown since Beijing has started cracking down on alleged malpractice by major firms. Last month it fined an affiliate of

German carmaker Volkswagen more than \$40.5 million for price-fixing.

Li vowed Beijing was taking steps to further "liberalise trade and investment", while Merkel said both sides must ensure "fair market access in both countries".

Among the agreements signed, Volkswagen, which has been in China since the 1980s, extended its joint venture with China FAW Group Corp until 2041.

Deutsche Telekom announced a joint venture with China Mobile to build a digital network for cars on Chinese roads.

And, in addition to the bilateral agreements, European aviation giant Airbus signed a deal for 70 A320 aircraft, worth \$6.6 billion at list prices, with China Aviation Supplies Holding Company.

The Chinese premier on Saturday addresses a business forum in the northern port city of Hamburg, where some 500 Chinese companies have offices.

He then travels to Russia, which is engaged in a bitter standoff with the West over the Ukraine conflict, before meeting Western leaders at an Asia-Europe Meeting in Italy on October 16-17.

Amazon's might divides opinion at world's biggest book fair

AFP, Frankfurt

US online retail giant Amazon may be absent from the stands at the world's biggest book fair but it has still been at the heart of a heated debate.

Amazon threw a shadow over Germany's book industry on the inaugural day of the Frankfurt Book Fair Tuesday by announcing the launch of a monthly flat-rate offer for unlimited access to e-book titles.

"We fear unfair competition on prices as well as authors' fees through this service," Austrian author Gerhard Ruis told a discussion by a panel of authors at the book fair this week.

"Amazon doesn't have the market it would like to have in Europe. That's the reason for this new step," he complained.

Ruis is one of about 2,000 German-language writers to have signed a petition protesting against the methods used by Amazon in its e-book price battle with Scandinavian publishing house Bonnier, a major player in German publishing.

The authors have accused Amazon of delaying the release of books and boycotting authors signed to publishing houses in dispute with the US company.

They had taken their cue from US writ-

ers involved in a similar protest over Amazon's e-book dispute with Hachette which represents "Harry Potter" author JK Rowling among others.

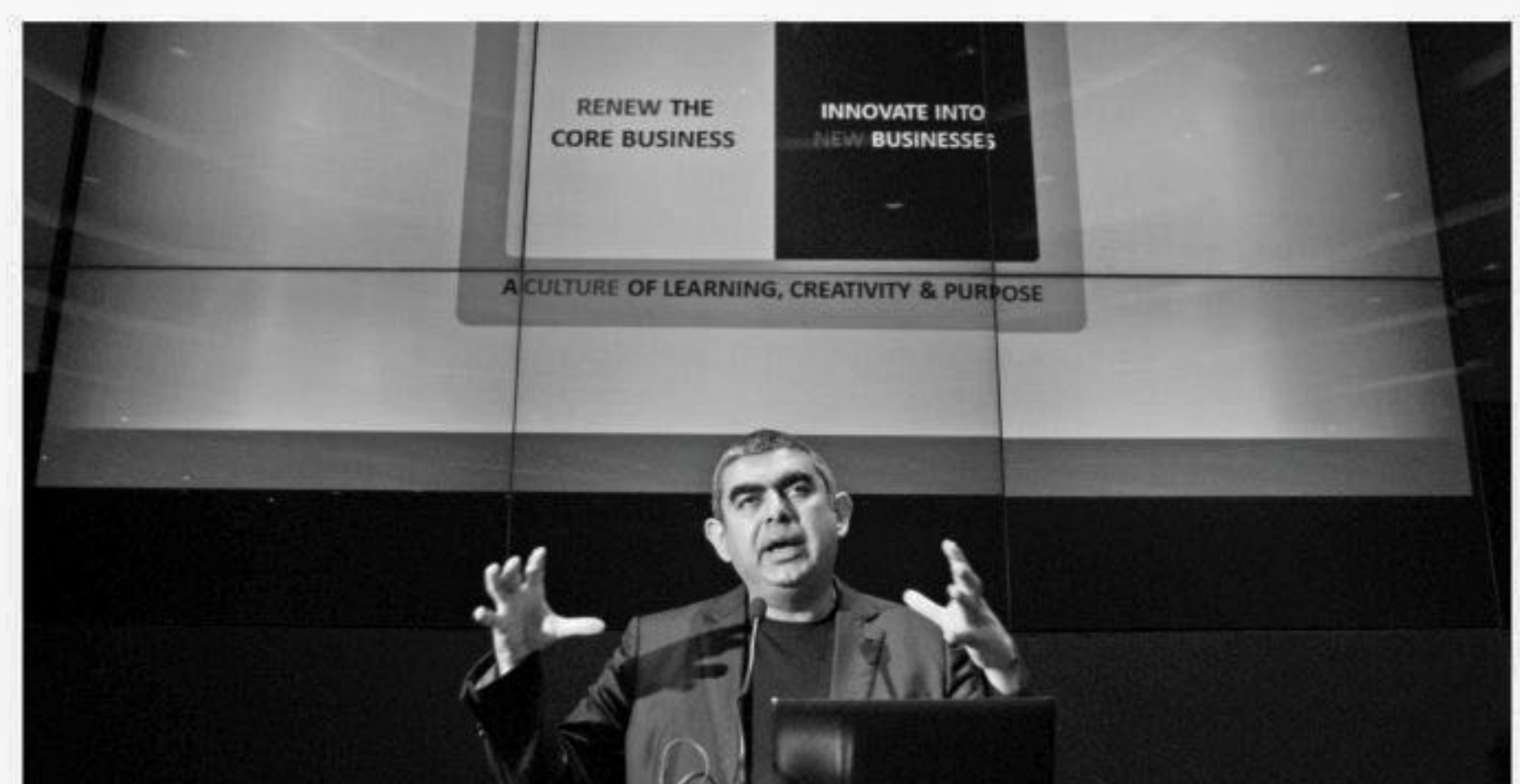
Germany is Amazon's biggest market outside the United States but the company has been hit by repeated strikes in a long-running wage dispute and a scathing TV documentary broadcast last year.

Despite it not having a stand among the thousands of exhibitors filling the sprawling halls of the book fair in the western German city, which opens to the public Saturday, the Seattle-based company is at the heart of many of the discussions.

A conference during the five-day book fair brought in to sharp focus the depth of feeling on both sides of the argument.

While one audience member stated they had "boycotted" Amazon for 20 years, another argued that the US company enabled new authors "to be published and find their readers" and pointed the finger at big publishing houses.

Online business is estimated to account for about 16 percent of the German book market, of which 50 to 70 percent are Amazon sales, according to figures by the German Publishers and Booksellers Association.



REUTERS

Infosys CEO Vishal Sikka speaks during the announcement of the company's quarterly financial results at the company's headquarters in the southern Indian city of Bangalore on Friday. The Indian IT giant reported Friday a better-than-expected 29 percent jump in second-quarter net profit, helped by a strong US dollar and cost reductions, while it announced a bonus stock issue, sending its shares soaring.



REUTERS

Drivers stand next to brand new Geely Englon TX4 taxis, which were created based on the "London cab", during an inauguration ceremony in Shanghai yesterday. Qiangsheng, Shanghai's largest taxi company, unveiled its first batch of 50 Geely Englon TX4 taxis to the public on Saturday. The China-made "London cabs" are painted in champagne gold colour, instead of the well-known black, local media reported.

Sapphire screen maker wants Apple contracts nixed

AFP, San Francisco

A supplier enlisted to make sapphire screens for Apple mobile devices on Friday urged a bankruptcy court to free it from contracts it branded "oppressive and burdensome."

Sapphire touch screens are a very tough synthetic replacement for the glass currently used on many Apple mobile devices, and are already used in a limited way for particularly sensitive parts of devices.

The synthetic screens were also expected to be used in the Apple Watch and in some versions of the latest iPhones.

US-based GT Advanced Technologies (GTAT) "believes that it has many claims against Apple arising out of its business relationship," lawyers for the firm said in paperwork filed in US Bankruptcy Court.

"The agreements imposed oppressive and burdensome terms and obligations on GTAT."

GTAT also asked the court to let it wind down synthetic sapphire manufacturing facilities in two states to extinguish an

"ongoing cash burn" that threatens to devour its liquidity.

GTAT argued in court documents that contracts benefiting Apple shifted the company's business model from primarily supplying sapphire-making equipment to being a sapphire materials manufacturer.

GTAT has formally filed for petitioned for bankruptcy protection, bringing into question where Apple would turn for its supply of sapphire touch-screens.

GTAT told the court that careful evaluation had led it to conclude that to protect its assets it needs to wind down sapphire facilities in Arizona and Massachusetts and eliminate supporting staff at its offices in New Hampshire.

Ending sapphire making operations was expected to mean the loss of 890 jobs, according to the legal motion.

Apple did not respond to an AFP request for comment but has been quoted in press reports as saying it was "surprised" by GTAT's decision to file for bankruptcy.

The GTAT group makes and supplies equipment and materials for the electronics, solar and LED light industries.

China to buy 70 Airbus planes

AFP, Paris

Airbus said on Friday that China Aviation Supplies Holding Company (CAS) has signed an agreement to buy 70 A320 family aircraft, an order worth \$6.6 billion (5.2 billion euros) at list prices.

The order reflects the strong demand from Chinese carriers for single-aisle aircraft for domestic, low cost, regional and international operations, the European aircraft manufacturer said.

"We are grateful to China for its strong vote of confidence in our leading A320 family aircraft, and are happy to see them assembled at our Chinese facilities," Airbus chief executive Fabrice Bregier said in a statement.

Microsoft CEO gaffe fuels debate on women in tech

AFP, Washington

Microsoft chief executive Satya Nadella's gaffe over women, pay raises and karma comes as the US tech industry is facing up to questions over diversity and gender equality.

Nadella, named CEO at the tech giant in April, swiftly backtracked from his comments in which he suggested working women should trust karma for pay raises.

"I answered that question completely wrong," Nadella said in a memo to staff, aiming to quell a firestorm over his comments at a conference on Thursday.

Yet Nadella touched a nerve at a time when Silicon Valley faces renewed scrutiny over the gender pay gap, and a lack of diversity in both the workforce and top management.

"The tech sector is still a non-traditional occupation for women," said Ariane Hegewisch, study director at the Washington-based Institute for Women's Policy Research, which monitors issues on women and employment.

"There's not a lot of evidence that karma has been friendly to women in this area."

Research earlier this year by Joint Venture Silicon Valley, a California think tank, found that men in the region who hold graduate or professional degrees earn 73 percent more than women with the same educational qualifications. The gap was 40 percent for those with a bachelor's degree.

An "Equal Pay Project" campaign launched this week calculated that American women over the course of their careers are paid \$435,000 less than male counterparts, adding up to a staggering \$29 trillion in aggregate.

In recent weeks, major tech firms have been looking at the issue with "diversity reports" that examine the composition of the workforce.

Microsoft reported earlier this month that its staff was only 29 percent women. At Google, the figure was 30 percent. For Facebook, the percentage of women was 31 percent, but just 15 percent in technical jobs.

According to research from the National Center for Women and Information Technology, citing census data, women obtained 18 percent



REUTERS/FILE

Satya Nadella, Microsoft Corp chief executive, attends the unveil event of the new Microsoft Surface Pro 3 in New York on May 20.

of computer science degrees in 2012, down from 37 percent in 1985. The report said women held 25 percent of jobs in the technology industry, down from 37 percent in 1990.

Some blame the male-dominated geek culture.

Researcher Catherine Ashcraft of the University of Colorado said that despite "a wealth of educational efforts to promote girls' participation in computing," there has been little increase in the number of women in the field.

She said these programs often fall short because they "take a narrow view of their purpose, ignoring important factors that shape girls' identities and education/career choices -- not least broader narratives around gender, race, and sexuality."

The tech sector has its share of well-known female CEOs -- Marissa Mayer at Yahoo, Meg Whitman at Hewlett-Packard, and co-CEO Safra Catz at Oracle -- despite the small proportion in the industry overall.

Hegewisch said that the tech sector has become in some ways more difficult for women since the 1980s.

"The geek culture has gotten stronger and the work-all-night culture has gotten stronger, so this might be push-

ing women out," Hegewisch told AFP. She said women remain underrepresented in just about every segment of the tech industry, in contrast to some other fields like finance.

"Women might study math or science, but they might go into general business, because the working conditions and culture (in tech) are not that welcoming," she said.

Nadella's comments came coincidentally during an on-stage discussion at the Grace Hopper Celebration of Women in Computing conference in Arizona.

The Microsoft chief stunned the audience by saying that women, instead of asking for a raise should just trust "that the system will actually give you the right raises as you go along."

Nadella later scrambled to damp down the controversy, in comments in Twitter and in a memo to Microsoft staff.

But Hegewisch said that the fact that Nadella made the slip-up at a conference for women in computing suggests he lacks a grip on the issues.

"It shows he doesn't really have a clue about the debate," she said. "And it shows just how far we have to go."