

India eyes US aircraft carrier technology as arms ties deepen

REUTERS, New Delhi

INDIA wants to use state-of-the-art US technology to boost the range and potency of a planned aircraft carrier, defence sources said, in a move that would tie their arms programmes closer together and counter China's military influence in the region.

The proposal, referred to only obliquely in a joint statement at the end of President Barack Obama's recent visit to New Delhi, is the clearest signal yet that Washington is ready to help India strengthen its navy.

Although the aircraft carrier in question would not be ready for at least another decade, such cooperation could act as a balance against China's expanding presence in the Indian Ocean.

It would also represent a shift away from India's traditional reliance on Russian military hardware, particularly if, as some experts expect, it leads to knock-on orders for US aircraft in the longer term.

After years of neglect, India's navy is in the midst of accelerated modernisation under Prime Minister Narendra Modi.

It inducted an old aircraft carrier from Russia in 2014 to add to an ageing British vessel likely to be decommissioned in 2018. Last year, soon after taking office, Modi cleared funds to ensure another carrier being built domestically was ready for service in 2018.

He also endorsed navy plans for a further carrier which would be its biggest, and it is this one that may be built with US technology, a defence ministry source and two former navy vice admirals with ties to the naval establishment said.

The joint statement by Obama and Modi spoke of a "working group to explore aircraft carrier technology sharing and design" as part of the Defense Trade and Technology Initiative.

Defence officials said this could lead to direct US participation in building the 65,000-tonne INS Vishal carrier.

"The US navy is the only one that operates large carriers today, so we are looking at what they can offer, what is possible," the defence source said.

Former vice admiral Arun Kumar Singh said naval planners want a carrier that can launch heavier planes, and the only way to do that is from flat decks which U.S. carriers have instead of Russian "ski-jump" decks.

"The Americans, I believe, have said 'ok, we will help you design a ship and you also buy our catapults' to launch aircraft," he said.

Former rear admiral Ravi Vohra said the Indian navy's ultimate objective was a five-carrier fleet comprising a mix of large and small carriers.

At the heart of the proposed collaboration is a US offer to share the Electromagnetic Aircraft Launch System (EMALS) developed by General Atomics and which is now being installed on the Gerald R Ford class of carriers that are joining the navy.

The new system means jets can launch off a flat deck at a faster rate and with less fatigue to aircraft.

US defence and industry officials said sensitivities over selling advanced EMALS technology to India meant any major movement on the carrier question was unlikely in the near term.

Two sources familiar with the issue added that the US response to Indian overtures had been cool



REUTERS

US President Barack Obama laughs as he talks with India's Prime Minister Narendra Modi at a home reception at the Rashtrapati Bhavan presidential palace in New Delhi on January 26.

until very recently.

"Things are finally beginning to look a lot more positive," said one of the sources, who was not authorized to speak publicly.

For India it is a big leap. Its existing carrier force uses ski-jump ramps to help planes take off and brings them in using wires to slow them down. For that reason, planes have to be lighter and are fewer in number.

With an EMALS system on a flat deck, India's navy planners hope to increase the number of aircraft on board the INS Vishal to 50 from 34 and field heavier fighter jets with longer reach as well as airborne early warning aircraft.

"EMALS is one of the most revolutionary things in carrier

technology because it completely changes the way you fire a plane off the top of a ship," said James Hardy, Asia-Pacific Editor for IHS Jane's Defence Weekly.

"The Chinese have been talking about getting it for their carriers for a long time ... but it's quite a big technological ask."

The Indian defence source said representatives of General Atomics showed the technology to members of a Naval Design Bureau working on the next-generation carrier back in 2013.

The defence ministry declined to comment. China is operating a lone carrier, the 60,000-tonne Liaoning bought from Ukraine, but reports have circulated of a second carrier under development.

China wants to develop an ocean-going "blue water" navy capable of defending its interests as it adopts a more assertive stance in territorial disputes with neighbours in the South China Sea.

Modi has sought to improve ties with China, seeing it as a vital economic partner.

But the government has been rattled by Chinese naval forays in the Indian Ocean, including when a submarine docked last year in Sri Lanka.

Vijay Sakhujia, director of defence ministry-funded National Maritime Foundation think-tank, said US involvement in the flight-launch technology of an Indian carrier could lead to future deals for US aircraft makers.

Workaholic Japan eyes five compulsory paid holidays

AFP, Tokyo

Japan is considering making it compulsory for workers to take at least five days' paid holiday a year, in a bid to lessen the toll on mental and physical health in a country famed for its long hours.

Workers typically use less than half their leave in a year, according to a survey by the labour ministry which found that in 2013 employees took only nine of their 18.5 days average entitlement.

A separate poll showed that one in every six workers took no paid holidays at all in 2013, Jiji Press said.

The government wants to boost the amount of paid leave used to 70 percent by 2020, and is planning to submit legislation mandating holidays in the current parliament session, Jiji said.

In early discussions, employers' groups have proposed limiting the number of compulsory paid holidays to three days, while unions have called for eight.

Japan's culture of long working hours and unpaid overtime is regularly criticised as a leading cause of mental and physical illness among employees.

The term "karoshi", which means "death by overwork", entered the lexicon a few years ago amid a surge in the number of people dying because of stress-related problems, or taking their own lives.

According to a poll by the Japanese unit of Washington-based travel website, Expedia, workers in France enjoyed 37 paid holiday days in 2010 and used 93 percent of them.

Spain had 32 paid holiday days and Denmark 29, with the average employee using up more than 90 percent.

As well as the health benefits, days off encourage workers to spend money on leisure activities, thereby boosting the economy.

Japan has a relatively high 15 statutory holidays annually. In recent years there has been a move to shift the days so that they fall adjacent to the weekend, making domestic holidays more of a possibility.

This year for the first time there will be a five-day weekend in May and in September, to which it is expected some employees will add a few days' leave to make their vacations longer.



AFP

Sony's Chief Financial Officer Kenichiro Yoshida announces the firm's financial results in Tokyo yesterday.

Sony cuts full-year net loss forecast to \$1.4b

Afp, Tokyo

Sony on Wednesday cut its full-year loss forecast by more than a quarter to \$1.4 billion, thanks to a weak yen and improving smartphone sales but it warned of further job cuts as part of its sweeping corporate overhaul.

The firm said it now expects to lose 170 billion yen in the fiscal year to March, down from an earlier estimate of 230 billion yen, as it also cited lower restructuring costs.

Sony has struggled in the consumer electronics business that built its global brand, including losing billions of dollars in televisions over the past decade as fierce competition from lower-cost rivals pummelled the TV subsidiary's finances.

The company is going through a huge restructuring, including job cuts, unloading its laptop business and selling its Manhattan headquarters, is it tries to drag itself out of the red.

The company also said Wednesday it would shed another 1,100 jobs in its mobile phone business -- on top of a previously announced 1,000 redundancies, which will mean the division had lost about one-third of its workforce.

However, the plunging yen has partly offset the bleeding at Sony as it inflates the value of Japanese exporters' repatriated overseas income.

On Wednesday, it said the improving results were primarily "due to the favourable impact of foreign exchange rates, a significant increase in mobile communication segment sales reflecting an increase in unit sales of smartphones" among others.

Sony's upbeat third-quarter results saw net profit more than triple from a year earlier to an estimated 89 billion yen.

China's Lenovo shares up after Q3 net profit drop

AFP, Hong Kong

Shares in China's Lenovo jumped five percent Wednesday, a day after it announced better-than-expected third-quarter net profits, boosted by a strong performance in its smartphone unit following the purchase of Motorola last year.

The world's biggest PC maker said it earned \$253 million in the final three months of 2014, five percent less than the previous year but better than the average \$182.4 million forecast by analysts in a Bloomberg News survey.

The result sent its shares jumping 4.95 percent to HK\$11.46 at the close in Hong Kong Wednesday.

While growth in the PC market is softening, the firm said its revenue increased 31 percent year-on-year to \$14.09 billion, thanks to a more than doubling of mobile phone sales to \$3.39 billion.

Global mobile phone shipments surged 78 percent to 24.7 million units in the quarter, boosted by the \$2.9 billion purchase of Motorola from Google in October, according to a company filing with the Hong Kong exchange.

That buyout came soon after the Chinese giant paid \$2.3 billion for IBM's low-end server business as it looks to diversify beyond PCs.

"Lenovo continued to deliver solid performance along with smooth integration of two major mergers and acquisitions transactions," it said in the filing. "Lenovo has now become a truly global smartphone player."

CEO Yang Yuanqing told Bloomberg News: "We are very fortunate that both of the acquired businesses performed pretty well.

Sharing economy reshapes markets, as complaints rise

AFP, Washington

WANT to make a bit of extra cash driving strangers around in your car, taking care of someone's dog, renting your apartment or cooking a meal?

Welcome to the sharing economy. With Internet-based apps and services like Uber, Airbnb and others, you make money, and the consumer saves. So it's a win-win? That's the multibillion-dollar question.

The new way of operating has been reshaping entire economic sectors, with the promise of improved efficiency and more flexibility.

The spectacular rise of ride-sharing, home-sharing and other services turned these economic models upside down, and has fueled complaints that these services effectively skirt rules on safety, consumer protection and labor rights.

Some economists say this "peer-to-peer" model offers numerous advantages by tapping underutilized resources.

The sharing economy "can improve consumer welfare by offering new innovations, more choices, more service differentiation, better prices and higher quality services," says a study by George Mason University economists. Researcher Christopher Koopman, an author of the George Mason report, said the sharing economy "allows people to take idle capital and turn them into revenue sources."

"People are taking spare bedroom, cars, tools they are not using and becoming their own entrepreneurs."

There is no official definition of the sharing economy. Some include online delivery services like Instacart and Postmates; neighbor-sharing platforms like Peerby; pet-sitting service DogVacay; and the restroom service Airpnp.

The research firm PwC estimates that five sharing economy segments -- finance, online staffing, accommodation, car sharing and music or video streaming --could be worth \$335 billion by 2025, up from just \$15 billion today.

"The sharing economy will be part of the overall economy going forward," said technology strategist Mary Jesse in a blog post.

"Some industries -- like taxi services in transportation and B&B rentals in travel -- will be completed transformed, while others, such as financial services, will be only peripherally impacted. This is part of the 'technology revolution,' as well as a new norm."

Arun Sundararajan, a New York University economist who studies the sharing economy, told a January congressional hearing that "this transition will have a positive impact on economic growth and welfare, by stimulating



AFP

A San Francisco taxi competes alongside a car run by Lyft, an Uber-like online cab service.

new consumption, by raising productivity, and by catalyzing individual innovation and entrepreneurship."

Uber is the best known platform in the sharing economy, having reached a valuation of \$40 billion while expanding to more than 200 cities in 54 countries.

But Uber and similar services like Lyft and Sidecar have fueled heated protests from taxi drivers, who complain that the new entrants don't have to meet the same requirements for licensing, safety and insurance, making the competition unfair.

Airbnb, the leading online platform for peer-to-peer lodging, has sparked similar complaints from the hotel sector. Responding to complaints, the San Francisco startup recently expanded efforts to collect lodging taxes in some locations.

Other services in the sharing economy include "Feastly," which allows individuals to cook meals for customers; Vinted, a marketplace for unwanted clothing; and Lending Club, one of several platforms for peer-to-peer loans.

Dean Baker, an economist with the left-leaning Center for Economic and Policy Research in Washington, said these players can thrive largely because they don't play by the same rules as incumbents.

"It doesn't make sense to have a regulated sector and another one where the rules don't apply," Baker told AFP. "What you want to do is separate out is where they deliver innovation or create a real benefit."

Baker said ride-sharing services have raised

particular concerns because drivers are competing against taxis, which are limited by most cities under a licensing scheme such as the "medallions" in San Francisco which can sell for \$250,000 or so.

"There is an issue of fairness," Baker said. "If the cities want to let anyone drive, they should buy back the medallions."

From the labor perspective, the new digital platforms are touted as ways to encourage more people to become entrepreneurs.

A study commissioned by Uber and led by Princeton University economist Alan Krueger which surveyed US drivers for Uber found they earned above-average wages and were generally satisfied with the arrangement.

The study found Uber driver earned around \$6 per hour more than traditional taxi drivers, but noted that comparison is difficult because Uber drivers must pay certain expenses.

Baker says this arrangement "is great for people to have an option to work in their spare time and make extra money," but that it still lacks the benefits of full-time employment.

"What happens when someone has an accident? Do they have workers comp (insurance)?," he said.

Baker said imposing regulations and costs on sharing economy firms could hurt their profitability but would level the playing field.

"These companies are going to have a choice where they have to get serious about accepting reasonable regulation or they will be chased out of business," he said.