

Asian workers rally against govt labour reforms

TENS of thousands of South Korean workers held May Day rallies on Friday, vowing to wage an "all-out general strike" if the government pushes through with planned labour reforms.

Elsewhere in Asia, dozens of protesters in Taiwan threw smoke bombs near the presidential office during a workers' rally, while in Hong Kong domestic helpers were out in force to seek greater rights.

Hundreds gathered in downtown Manila to press for higher wages and more job opportunities at home, to prevent so many Filipinos heading overseas, often into vulnerable situations or outright danger.

Activist Renato Reyes said the case of Mary Jane Veloso, a maid who narrowly escaped execution in Indonesia this week for drug crimes, highlighted a "very severe jobs crisis" that forces the poor to go abroad.

South Korean union leaders said more than 100,000 workers took part in two rallies in Seoul, while police put the total number of participants at 38,000.

"We will crush any government attempts to suppress labour rights with an all-out general strike," Federation of Korean Trade Unions head Kim Dong-Man told the crowd at one of the rallies near parliament.

President Park Geun-Hye's conservative administration is seeking to push through a reform plan that it argues would introduce flexibility to a rigid labour market, by making it easier to hire and fire.

Similar themes played out at a protest in Taipei attended by several thousand



Thousands of Indonesian workers take part in a rally to mark May Day in Jakarta on Friday.

people who demanded that Taiwan's government enact higher pay, shorter working hours and a ban on temporary hiring.

"We threw the smoke bombs to protest and ridicule the government's chaotic policies and its inability to resolve issues such as unemployment and low pay, especially among young people," said Han Shih-hsien, an organiser of the protest.

In Hong Kong, hundreds gathered to sing songs and dance in calling for better working conditions for both local and migrant workers.

The plight of maids in Hong Kong was highlighted by the case of Indonesian helper Erwiana Sulistyarningsih, who was beaten and starved by her employer Law Wan-tung in a case that made world headlines.

Despite the Sulistyarningsih case, the Hong Kong government "did not budge" on foreign domestic workers' demands for more humane working conditions, migrant rights campaigner Joselito Natividad told AFP.

"The Hong Kong government can certainly do a lot to bring down that archaic, traditional and feudal attitude towards domestic workers," he said.

US manufacturing slows in April

AFP, Washington

US manufacturing continued to grow at a sluggish pace in April, partly hurt by the strong dollar but supported by cheap energy, the Institute for Supply Management said Wednesday.

But, in the separate University of Michigan consumer survey, consumer optimism surged last month to its second highest level since 2007, helped by gains in jobs and incomes.

The ISM purchasing managers index for the manufacturing sector was unchanged from March at 51.5, and remained well below the 12-month average of 55.2.

A reading above 50 on the PMI, based on a survey of 18 manufacturing industries, indicates expansion.

Two of the 18 sectors said activity had contracted in the month: apparel, leather and related products; and computer and electronic products.

There were some signs of improvement in the month: new orders and production both picked up pace, and prices gained.

Shell, Total align trading, refining units to drive profit growth

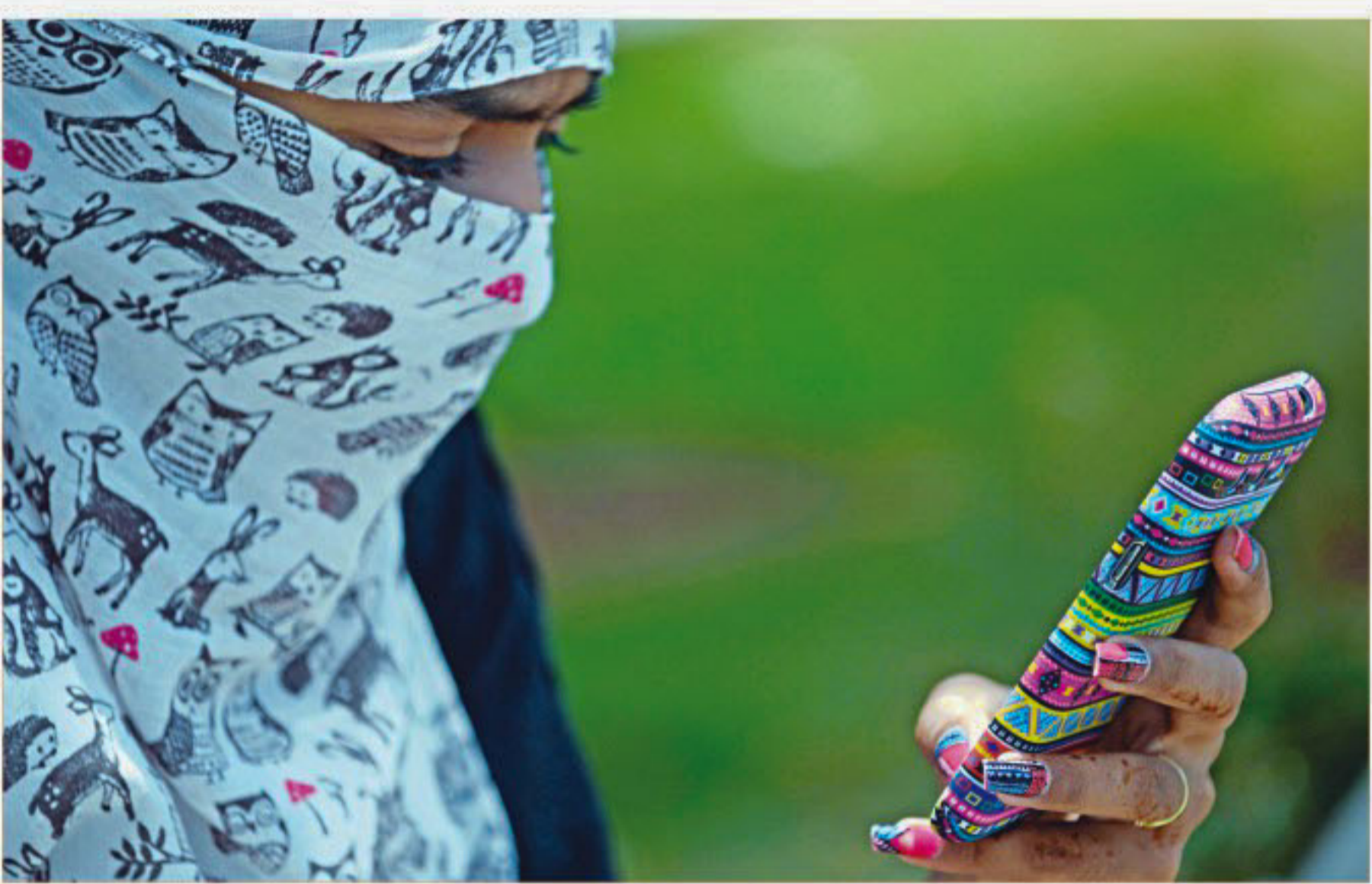
REUTERS, London

Top oil firms Royal Dutch Shell and Total are bringing their refining and trading operations closer together, seeking alternative ways to drive profits as oil prices fall and independent trading houses expand into their territory.

The restructuring will enable the Anglo-Dutch and French companies' in-house traders to capture profits faster from the fluctuating prices of the different crude oil sources and products coming through their refineries.

Snapping at their heels are energy brokerages Vitol and Gunvor, which have bought refining plants in Europe in the last two years in order to do the same.

"As traders grew assets in downstream, majors realised there was a lot of money to be made on optimisation. So to a certain extent, trading houses encouraged us to change," said a high level source from one of the oil firms, speaking on condition of anonymity because he was not authorised to speak publicly on the matter.



An Indian student checks her mobile phone in Mumbai. India raised a record \$17.6 billion during intense bidding on a government auction of wireless spectrum recently in one of the world's largest smartphone markets. The new spectrums for traditional voice and faster data services are seen as crucial for companies competing in the cut-throat Indian market, which has around 952 million mobile subscribers, according to figures released by India's telecoms regulator, TRAI.

Foodpanda raises \$100m in round led by Goldman

REUTERS, Frankfurt

Foodpanda, an online takeaway delivery service backed by tech investor Rocket Internet, said on Friday it had received \$100 million in a financing round led by a Goldman Sachs hedge fund.

Goldman Sachs Investment Partners will take a seat on Foodpanda's advisory board. Existing investors including Rocket also took part in the round.

The Berlin-based company has raised more than \$310 million since it was set up in 2012. Foodpanda is part of the Global Online Takeaway Delivery group.

Despite executions, drowning, some Ethiopians still dream of Europe

AFP, Addis Ababa

ON the walls of homes in the poor Cherkos neighbourhood of Ethiopia's capital, the portraits of "martyrs" killed in their attempt to enter Europe offer a grim warning.

The murders of several Ethiopian Christians last month in Libya horrified Ethiopians and sparked global condemnation, including from Pope Francis who expressed his "great distress and sadness".

At least five of the victims out of the group of 28 migrants on the

"They've transformed their lives and the lives of their families," one of them said.

Ethiopia's economy is one of the best performers in Africa, and foreign investment is pouring in. But without any qualifications, the young men say they have little hope of a good job -- beyond labouring for around 50 birrs (just under \$3) a day.

The way out is well-known: a bus ride to neighbouring Sudan, then the crossing of the Sahara desert to reach the Libyan capital Tripoli, which is 3,700 kilometres (2,300 miles) from Addis Ababa. After that



Migrants wait to disembark from a tug boat after being rescued in the Pozzallo harbour, Sicily, Italy.

gruesome video were recognised as coming from this poor neighbourhood in the heart of the Ethiopian capital and its tightly packed clusters of simple brick, tin roof buildings.

"We were about to leave, now we will wait a bit, but not too long," said one young man aged around 20, sitting with friends, all shocked by having watched the horrific executions on their mobile telephones.

"In a few months this will all be forgotten. But our situation has not changed."

Sitting on the side of the street and recounting their frustrations, the three young men instead point to the "20 or so" migrants who they say they know have made it to Europe -- to Malta, Sweden, Britain and Germany.

with measures including tougher laws against human traffickers.

Not far from where Baheru runs his church group, a funeral was being held for Biruk Kassa, one of the victims who appeared on the video. Among the mourners, family friend Ferek admitted he still dreamt of Europe despite the obvious risks.

"If I had the money to pay the smugglers, I'd go right away," he said, complaining that at 24 and even as a student of marketing, he believed he had few prospects. In Britain, however, he believed he could earn the equivalent of a monthly salary in a day.

As for the dangers of the journey, he shrugs his shoulders: "Some make it, others don't. It's a question of luck."

Ratings agencies say no default if Greece misses ECB, IMF payments

REUTERS, London

MOST top credit rating agencies say they would not cut Greece's rating to default if it misses a payment to the International Monetary Fund or European Central Bank, a stance that could keep vital ECB funding flowing into the financial system.

Greece owes nearly 1 billion euros to the IMF in May and almost 7 billion euros to the ECB over July and August and there are concerns that the government, stuck in funding talks with official lenders, will miss the payments.

This would be an unprecedented move that could put Athens' future in the euro in doubt and has raised questions about whether it could set off a chain reaction, possibly accelerating repayments due to other official and private sector creditors and compounding Greece's problems.

But for most rating firms, whose views determine whether the ECB can still accept sovereign Greek securities as collateral for lending to its banks, a missed IMF payment would not lead them to label the country in default.

This is critical to keeping the life-support mechanism, the ELA emergency cash provided by the Greek central bank with the blessing of the ECB, flowing to banks because the ECB would not accept any securities issued by a government in default.

Standard and Poor's, Fitch and DBRS, three of the top four, all say that as the IMF and ECB are not standard creditors, a missed payment to either, although likely to push Greece's rating even deeper into junk, would not be classed as a default.

"If Greece were, for whatever reason, not to make a payment to the IMF or ECB that would not constitute a default under our criteria as it is 'official' sector debt," said Frank Gill, who rates Greece for S&P.

As was seen during Greece's massive 2012 debt restructuring, only when all four of the main agencies -- Moody's is the other one -- declared Athens in default, did the ECB say it would not accept Greek bonds as ELA collateral.

Even then it did a quick U-turn after euro zone countries put 35 billion euros into an escrow account to cover the central bank in case there were any problems during the restructuring.

Fitch's Ed Parker and Fergus McCormick, head of sovereign ratings at DBRS both say their firms hold the same view as S&P.

Moody's also agrees with them on a missed IMF payment but differs on the ECB. Its top euro zone analyst, Dietmar Hornung, says that not paying the ECB would be a default as the bonds it holds are potentially marketable and so could be looked on as the same as any other marketable debt.

Even though the ratings agency might not declare a default after a missed IMF or ECB payment, the International Swaps and Derivatives Association (ISDA) committees, which are run by banks and other bonds holders, could decide to do so which could trigger payouts on Credit Default Swaps and 'cross defaults' on other bonds.

Nevertheless, the risk of automatic 'cross defaults' from a missed payment to the IMF or ECB to other public and private sector Greek debts appears minimal according to legal experts.

The only potential impact Allen & Overy's Yannis Manuelides saw from any missed payments was that they could technically give the European Financial Stability Facility (EFSF) the option to demand immediate repayment of one of its big Greek loans. But as the EFSF is government controlled, that seems highly unlikely and it would most likely waive that option.

Still, failing to make the payments to the ECB and IMF -- Fitch has said it "cannot be discounted" -- would leave the ECB in a powerful position with regard to Greece.

Although it would probably not cut off Greek banks' emergency funding completely, the ECB could raise the 'haircuts' or discounts applied to Greek government securities when they are used as collateral, reducing the amount of cash it will extend to Greek banks.

The average haircut on Greek ELA collateral is estimated to be around 35 percent although it can be smaller, particularly on government bonds with a few years left to run.