

India axes tender for \$1.5b tunnel after opposition criticism

REUTERS, New Delhi

India's transport minister Nitin Gadkari has cancelled a contract to build a \$1.5 billion tunnel in the Himalayas, after opposition politicians alleged irregularities in the bidding for India's most expensive road project.

IRB Infrastructure Developers Ltd won the right to build the Zojila Pass tunnel in Jammu & Kashmir state in January after it emerged as the sole bidder. It said Gadkari's ministry had cancelled the award without giving a reason.

"We have no clue as to why," Virendra Mhaikar, IRB's managing director, told Reuters on Wednesday.

Shares in IRB fell more than 4 percent on the cancellation of a deal worth three-fifths of its entire order book. They later rebounded to trade 1 percent up.

India's opposition Congress Party had seized on the winning bid for the 100.5 billion rupees (\$1.49 billion) project, accusing Gadkari of violating India's anti-corruption rules - a charge the ministry rejected.

Gadkari, a leading figure in Modi's nationalist government, is leading a drive to upgrade India's infrastructure. This week's annual budget

hiked annual spending on roads and railways by 22.5 percent to \$33 billion.

As state transport minister in Maharashtra in the 1990s, Gadkari championed the construction of India's first major express highway. That toll road, from Mumbai to Pune, is one of around 20 road concessions now run by IRB.

IRB has acknowledged having invested in a company owned by Gadkari in the early 2000s, when the latter did not hold public office. Both Mhaikar and Gadkari have denied any wrongdoing.

Digvijaya Singh, Congress general secretary, has said that these past links between Gadkari and Mhaikar should have been disclosed in relation to the tunnel tender.

Modi is sensitive to charges his government cosies up to big business rather than working for everyday Indians, and is desperate to avoid the corruption allegations that dogged his predecessor.

A senior transport ministry official said the decision to cancel the tender was taken at "the highest level" but declined further comment beyond saying the project would be retendered this month.

A call to Gadkari's spokesman went un-

swered.

The roads ministry said on Jan. 12 that it had followed due process and maintained complete transparency in the Zojila tender, and that IRB won only after it was extended several times in the absence of other participants.

Mhaikar said he did not think the cancellation had anything to do with the alleged irregularities. IRB would await the revised terms of the new tender before deciding whether to bid again.

"The allegations have no base," Mhaikar said of the rebuttal by the transport ministry after the tender was awarded in January. "The matter was rubbished by the ministry there and then."

One analyst said that IRB still had good chances of winning the order. "They are the only company in the country who can take on this type of project," said Vibhor Singhal at Phillip Capital in Mumbai.

The 14 km tunnel would open up a strategic highway running east from Kashmir's summer capital Srinagar that now only opens in the summer months. Its completion would strengthen New Delhi's grip on the disputed region, over which India and Pakistan have fought two of their three wars.

Alibaba eyes stake in China business magazine



REUTERS/FILE

A logo of Alibaba Group is seen at its headquarters in Hangzhou, Zhejiang province, China.

AFP, Shanghai

The publisher of one of China's most respected business magazines, Caixin, said Wednesday it was seeking new investors following reports e-commerce giant Alibaba plans to take a stake in the company as it looks to expand its media empire.

Alibaba founder Jack Ma is seeking to diversify beyond the core business of providing online retail platforms and in December bought Hong Kong's premier English-language newspaper, a move that raised concerns about media independence.

Caixin Media provides financial and business news through its flagship magazine and several other platforms under the editorial leadership of Hu Shuli, who has received international attention for her brand of investigative journalism within the boundaries of the Communist-ruled state.

Bloomberg News said on Wednesday that Alibaba's financial services unit Ant was in talks to invest in Caixin Media, but gave no size or price for the stake.

China's TMTpost, a business technology information provider, reported that the deal had already been signed.

Caixin Media said in a statement it was

about to bring in "several high-quality institutional investors", without identifying them.

"The new investors, like the original shareholders, respect Caixin Media's principal of editorial independence which is not influenced by the business interests of shareholders," it said.

A spokesman for Alibaba declined to comment.

The December purchase of Hong Kong's South China Morning Post for \$266 million has sparked fears the newspaper will lose its independent voice, in what analysts see as part of a gradual erosion of press freedoms after the semi-autonomous city was returned to Chinese rule in 1997.

Others have compared Alibaba's media push under Ma to that of Amazon founder Jeff Bezos, who bought the respected Washington Post newspaper two years ago. Ma's net worth is now around \$27.3 billion, according to Bloomberg Billionaires.

Caixin's biggest shareholder is China Media Capital, a Shanghai-based media and entertainment investment firm, which in December bought a \$400 million stake in Premier League football giants Manchester City.

Brazil's Petrobras corruption investigation targets Lula



REUTERS

A demonstrator holds a poster with a drawing of Brazil's former president Luiz Inacio Lula da Silva in front of the headquarters of private Brazilian construction firm Odebrecht, one of the main companies at the centre of the nation's biggest corruption probe, in Sao Paulo on February 22.

REUTERS, Brasilia

Federal prosecutors who uncovered a huge corruption scheme at oil company Petrobras are looking into whether Brazil's former president Luiz Inacio Lula da Silva received undue favours from engineering firms they are investigating.

In a letter to the Supreme Court made public on Monday, the head of the investigation, Deltan Dallagnol, argued for a federal probe because some of the alleged gifts were made while Lula was still in office.

The prosecutors suspect favours were extended to Lula by executives of engineering firms Odebrecht and OAS that have been charged with corruption and money laundering in the massive bribery and political kickback scandal involving contracts with state-run Petroleo Brasileiro SA.

If the Supreme Court authorizes the probe, it would be the first time federal prosecutors will be looking to link the once wildly popular leftist president and Brazil's biggest ever corruption case.

Lula, who was president from 2003-2010, has already faced police questioning over the financial dealings of one of his sons and now faces questioning by Sao Paulo state prosecutors over his alleged ownership of a beach-front penthouse triplex and country estate.

The triplex and country home were allegedly renovated by OAS and Odebrecht. Lula has said the properties don't belong to him.

His lawyers appealed to the Supreme Court last week against the federal investigation, arguing that Dallagnol and his team had overstepped their jurisdiction by duplicating the inquiry by Sao Paulo state prosecutors.

Brazil has been rocked by the growing Petrobras scandal that has ensnared dozens of members of its business and political establishment and could now implicate Lula.

To avoid being summoned to a police station to answer questions on the properties, Lula and his wife have offered to make statements in writing, their lawyers said.

Brazil's justice minister Jose Eduardo Cardozo quit on Monday under pressure from the ruling Workers' Party over his failure to curb the corruption probe that has spread to its founding leader Lula.

His resignation weakened President Dilma Rousseff as she struggles to survive opposition attempts to impeach her or annul her 2014 reelection alleging bribe money helped fund her campaign.

Spanish jobless numbers inch up in February

AFP, Madrid

Spain's unemployment queue inched up slightly in February, the government said Wednesday, due mainly to a rise in the number of jobless in the agriculture sector.

The number of people registered as unemployed rose month-on-month by 2,231 people, or 0.05 percent, to 4.15 million in February, the Labour Ministry said in a statement.

It was the first increase in the number of jobless during the month of February since 2013.

The number of jobless in the agriculture sector rose by 14,029 people but fell by 6,724 people in the construction sector and by 9,753 people in the services sector.

Spain was hit hard by the global financial crisis, experiencing five difficult years of on-off recession that saw unemployment rocket from a low of around eight percent in 2007 to a high of 27 percent in 2013.

The unemployment rate registered a record fall last year, dropping nearly three percentage points to 20.9 percent.



ROBI

Tawfique Imam, general manager for loyalty and win-back at Robi, and Mohammad Shahidul Islam, managing partner of Nawab Chatga restaurant, pose at the signing of an agreement in the capital. Robi customers will enjoy 10 percent discounts on bills above Tk 500 at Nawab Chatga outlet in Gulshan 1, Dhaka.



MTB

Syed Rafiqul Haq, deputy managing director of Mutual Trust Bank, and Mahboob-ur-Rahman, managing director of GasMin Ltd, exchange documents of an agreement for home loan discounts for the clients of Sayeman Heritage Residence, which is a project of GasMin.

US factory, construction data bolster growth prospects

REUTERS, Washington

US manufacturing appeared to stabilise in February, with production accelerating and new orders holding steady at higher levels, in another dose of good news for the economy after growth slowed in the fourth quarter.

The economic outlook was further bolstered by another report on Tuesday showing construction spending scaling a more than eight-

year high in January. Though automobile sales slowed a bit in February, they remained at levels consistent with strong consumer spending.

The reports added to upbeat data on consumer spending, the labor market, industrial production and durable goods orders in suggesting that economic growth picked up at the start of the first quarter, which should further ease fears of a recession.

"To be clear, none of this data are at levels suggesting a boom, far from it, but neither do they support the notion of an economy slipping into recession," said Steve Blitz, chief economist at ITC Investment Research in New York.

The Institute for Supply Management (ISM) said its index of national factory activity increased 1.3 percentage points to a reading of 49.5 last month, the highest reading since September.

German new car sales up 12.1pc in February

AFP, Frankfurt

New car registrations in Germany, a key indicator of demand in Europe's top economy, rose strongly in February, data showed on Wednesday.

A total of 250,302 new cars were registered last month, an increase of 12.1 percent compared with the figure for the same month in 2015, according to data compiled by the federal road transport authority KBA.

Car sales had already risen by three percent in January.

In the breakdown of sales by different carmakers, new own-brand registrations of the country's biggest carmaker Volkswagen increased by 4.3 percent in February.

Volkswagen has admitted to installing emissions-cheating software in 11 million diesel engines worldwide, sparking a worldwide scandal.

Debt collectors strike fear in recession-hit Russia

AFP, Moscow

"If you don't die by yourself, we'll help you," threaten the phone messages that Natalya, a 69-year-old Russian pensioner, has been receiving for months after falling further behind on her credit card payments.

Resorting to harassment and threats of violence, debt collectors sent out by banks to recover money have become notorious in Russia and, many complain, usually face no punishment. But as Russia's unpaid debt soars to dramatic levels due to an economic crisis, authorities are now seeking to regulate the cowboy sector.

For Natalya, who declined to give her full name due to fear of reprisal, the problems began last summer.

She had to go into hospital and was forced to stop the part-time car park supervisor's job that supplements her monthly pension of around 150 euros (\$164) plus the 70-euro disability benefit of her son, who lives with her.

It became impossible for Natalya, who lives in the region outside Moscow, to cover the monthly bills for her credit card which she says come to about 5,000 rubles (60 euros, \$66), although she does not understand exactly what the amount represents.

Interest rates can reach as high as 20 percent for longer term loans such as mortgages, and much higher for short term ones. The menacing phone calls have become increasingly frequent, "day and night," she said. Noting the telephone numbers used by the debt collectors, she has listed up to 18 calls per day.

The callers' tone has also grown more

menacing, with threats of violence

"We will come to your home to see if you have any gold teeth," or "we will confiscate your property," and "we will make you run for the cemetery" -- just some of the threats she received.

"They got me into such a state that I didn't have the strength to leave my flat. I begged them but to no avail. They just kept on shouting and insulting me," she said, fighting back tears.

She finally went to a lawyers' association to attempt to get her repayments cut to a manageable level. Natalya's case is far from unusual, as are the tactics used against her.

Russian media has carried reports of bailiffs beating up people with debts, posting insults in the entrance halls of their apartment blocks and threatening to attack their children. "Over the last year, we have seen a wave of complaints," said Irina Malinina, a lawyer who heads a group helping people with unpaid loans.

"Delays or failures to make payments have increased so visits and phone calls from debt collectors have gone up," she told AFP.

Collapsing oil prices and sanctions on Russia due to the conflict in Ukraine have plunged the country into recession, prompting a drop in spending power that caught out many Russians who had taken loans during the boom years when credit was available with almost no background checks.

Payments were late on nearly 18 percent of personal loans on January 1, up from 10.3 percent a year earlier, according to the National Bureau of Credit Histories, a company that holds a large database of credit history records.