

# IMF says crisis hurting emerging nations greatly

The International Monetary Fund (IMF) Head, Christine Lagarde, has warned the global economic crisis has started to hurt growth in emerging economies

She said that uncertainty surrounding the global economy was hampering policymakers' ability to take measures to boost growth. Earlier, the IMF warned that the global economic recovery was getting weaker. The fund has also cut its global growth forecast amid the ongoing crisis. Separately, the World Bank has cut its forecast for major Asian economies, including China and India, citing global risks.

"Whether you turn to Europe, to the United States of America, to other places as well, there is a level of uncertainty that is hampering decision makers from investing, from creating jobs," Ms. Lagarde said during a press conference in Tokyo.

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One of the key concerns among policymakers across the globe has been the ongoing debt crisis in the Eurozone and its impact on global growth. The crisis has dented consumer confidence in the bloc's economies. That has already had an impact on demand for exports from Asia to the region, hurting growth in export-dependent countries such as China, Japan and South Korea. Ms. Lagarde, who was speaking in Tokyo on the eve of the annual joint meeting of the IMF and the World



Crisis hurts economic growth in developing countries

Bank, said that while Eurozone policymakers had taken measures to allay fears about the crisis worsening, a fast recovery was not on the cards. "Good news is the fact that

this European Stability Mechanism that had been discussed and in the making for the last months has now been christened," she said.

"In terms of speed, the bad news

is that for it to actually operate there will be a legislative and often parliamentary process for the fund to effectively work."

The meeting is taking place at a time of increased political tensions between Asia's two biggest economies, China and Japan.

Relations between the two have deteriorated in recent weeks after Japan said it had purchased a set of disputed islands in the East China Sea, which are claimed by both the countries as well as Taiwan.

The islands lie in important shipping lanes and fishing grounds and also close to waters thought to contain natural resources.

Japan's announcement of its purchase of the islands in September had sparked a diplomatic row and led to anti-Japan protests in China.

On Wednesday, the governor of China's central bank pulled out of the IMF and World Bank meetings.

The country's finance minister is also unlikely to go, as state media said that Vice-Minister Zhu Guangyao would attend.

Ms. Lagarde called upon the two nations to resolve their differences.

"We hope that differences, however long-standing, can be resolved harmoniously and expeditiously so that from an economic point of view the co-operation can continue and can be beneficial not only to those countries... but also to the global economy."

## Spain credit rating cut by S&P to BBB

Ratings agency Standard & Poor's has downgraded Spain's credit rating, highlighting a deepening recession and mounting pressure on Madrid's finances

S&P cut Spanish debt from BBB+ to BBB-, one level above junk status, and warned of possible further downgrades. Spain is struggling with high debt levels and the highest rate of unemployment in the Eurozone. Madrid has introduced drastic spending cuts and tax rises, but many think it will have no option but seek a bailout. "The downgrade reflects our view of mounting risk to Spain's public finances, due to rising economic and political pressures," S&P said. "The deepening economic recession is limiting the Spanish government's policy options."

Last month, the government unveiled its latest budget designed to make savings of around 13bn Euros (\$16.7bn; £10.4bn) next year, by cutting public sector wages, education, health and social services. The cuts were the latest in a series of austerity measures that have sparked angry protests across Spain.

Despite the cuts, tax rises, labour market and pension reforms, the Spanish government has said the country's overall debt levels will rise next year to more than 90 percent of total economic output. The country's borrowing costs have remained high for months, leading many analysts to argue it is only a matter of time before Madrid is forced to ask its Eurozone partners for financial assistance.

However, last week, Spanish Economy Minister Luis de Guindos denied his country would be asking for help.

## Samsung Galaxy Nexus ban overturned by appeals court

The US Court of Appeals has overturned a ban on sales of Samsung's Galaxy Nexus phone, in a blow to Apple in the ongoing battle between the two rivals

It said the district court in California, which had issued the ban in June, had 'abused its discretion in entering an injunction'. Earlier this month, a sales ban on Samsung's Galaxy Tab 10.1 tablet computer in the US was also lifted. The two firms are involved in a legal tussle over patent infringement claims.

Samsung welcomed the latest decision saying it 'confirms that the role of patent law is to protect innovation and not to unreasonably stifle competition and restrict consumer choice'. "We will continue to take all appropriate measures to ensure the availability of our inno-

vative products," the South Korean manufacturer said.

The smartphone segment is one of the fastest growing sectors for phone manufacturers and Apple and Samsung are among the biggest players in the arena. Apple, which makes the iPhone, was one of the early pioneers in the segment, while Samsung, which manufactures the Galaxy range of smartphones, has made rapid strides in the sector gaining a strong share of key global markets in recent years. However, its success has coincided with a growing legal battle with Apple, spread across various countries.

Earlier this year, a California court awarded Apple \$1.05bn (£652m) in damages, after ruling several of its software and design technologies had been infringed by Samsung. Samsung has since challenged that verdict and called for a retrial.



## Shuttle Endeavour finally completes Los Angeles journey

The retired US space shuttle Endeavour has finally reached its new home in Los Angeles' museum after long delays caused by trees along the route

It took the spacecraft that once reached 17,000mph (28,160km/h) three days instead of the expected two to travel just 12 miles (19km). Hundreds of trees, traffic lights, power lines and parking meters were removed to clear the path. Thousands of city residents turned out to see it pass.

Endeavour began its journey from Los Angeles international airport and finally arrived at the California Science Centre. For its trip across Los Angeles, Endeavour was placed on a 160-wheeled carrier which was guided by remote control. It set off on last Friday from the airport, where it had arrived three weeks ago aboard a specially equipped Boeing 747. After an early bumpy ride, it was backed into a shopping centre car park in the city's Westchester neighbourhood as crowds cheered. A delicate task was accomplished around midnight last Friday, when Endeavour crossed a



The space shuttle Endeavour slowly moves down in Los Angeles

bridge over the Interstate 405 highway. Crews had spent hours transferring the shuttle to a special, lighter towing dolly, which was then pulled across by a pickup truck. When the journey resumed in daylight, the operators soon found themselves up against trees, despite the advance removal of 400 along the route.

Most of the 'problem' trees could

not be cut down because they were old or were treasured for other reasons — some had been planted in honour of Martin Luther King. Crew members had to come up with creative solutions such as dipping a wing under branches, cutting them off or raising it over the trees. Spectators generally remained good-humoured throughout the spacecraft's journey.

Materials prepared with aid of information agencies