

# Eurozone outlook still gloomy as others recover

The United States and Japan are leading an economic rebound according to the latest forecast from the Organisation for Economic Co-operation and Development, which says the outlook has finally strengthened for the Group of Seven top world economies

But the OECD cautioned it was too soon for governments and central banks to end their exceptional measures to prop up growth and thinks the Eurozone needs an interest rate cut to ensure a recovery takes hold. OECD Chief Economist Pier Carlo Padoan said, "In the euro area Germany is growing at a healthy rate — above 2.0 percent — which is good news; but France, which is the second largest economy, will not be growing possibly at all



Eurozone crisis doesn't ease down that effects French manufacturing enterprises

in 2013, and will possibly start growing again in the latter part of this year and Italy continues to be in recession, although this recession is shrinking which means that Italy might see positive growth at the end of 2013."

Padoan said the European Central Bank would be justified in cutting interest rates as inflation is low and an explicit indication of its future intentions for rates could be needed. Because of the weakness of the region's

second largest economy, France, and even greater weakness in the third biggest, Italy, the Eurozone will not see a meaningful recovery until at least the second half of this year the OECD believes. The G7 major economies would grow on average 2.4 percent in the first quarter on an annualised basis, after shrinking 0.5 percent in the previous three months it said.

The United States, the world's biggest economy, was seen lead-

ing the pack with growth estimated to reach 3.5 percent in the first quarter, slowing to 2.0 percent in the following three months. New measures to boost the Japanese economy would help it grow 3.2 percent in the first quarter and 2.2 percent in the second quarter. The OECD's latest predictions were contained in a brief report in which it gives quarterly estimates for a handful of countries before a fuller publication in May.

## Weather pushes German jobless total up

**German unemployment unexpectedly climbed in March, according to figures adjusted for seasonal factors**

The number of people out of work increased by 13,000 to 2.935 million. However, the Federal Labour Office said that was due to bad winter weather and the unemployment rate held steady at 6.9 percent of the workforce, where it has been since October 2012. "The economic conditions of the last few months are having little impact on the German labour market, which remains solid," Labour Office Chief Frank-Juergen Weise said in a statement.

The unadjusted jobless total, which is the headline number used in Germany, remained above the three million mark for a third straight month. The jobs numbers should work in German Chancellor Angela Merkel's favour as she courts votes ahead of an election in September.

Combined with data released earlier on Thursday showing retail sales rose unexpectedly for a second straight month in February, the unemployment figures bode well for domestic demand, which economic advisers to the German government expect to drive growth in Europe's largest economy this year. "The small rise (in unemployment) is not dramatic. The hard winter is certainly playing a part," said Thilo Heidrich, an economist at Postbank.



Book about *Mona Lisa*, displayed in Louvre

## Louvre is most visited venue of 2012 year

**The Louvre in Paris has topped the list of the most visited art museums of 2012**

The publication's annual survey found 9.7 million people visited the French institute — one million more than 2011. New York's Metropolitan Museum of Art was the second most-visited venue, with three London museums taking the third, fourth and fifth spots. The most popular exhibition of the year was a show of Dutch Old Masters at Tokyo's Metropolitan Art Museum. Masterpieces from the Mauritshuis, which included Vermeer's 1665 painting *Girl with a Pearl Earring*, brought 10,500 visitors a day to the Tokyo gallery between June and

September 2012. The paintings had been on loan from The Royal Picture Gallery Mauritshuis in the Hague, which is closed for refurbishment until mid-2014.

The collection will tour the US and Italy before returning to the Netherlands next year. Visitor numbers at the Louvre, which has topped the annual list of most popular venues since it began in 2007, were boosted by the museum's new wing of Islamic art. While the position of the top 10 venues showed little change on the previous year, British museums had an 'excellent' 2012 according to the survey, boosted by increased visitors to London for the summer Olympics.

## Cypriot cash controls set to stretch into May

**Restrictions on cash withdrawals, money transfers and the movement of cash in and out of Cyprus could remain in place for a month**

Foreign Minister Ioannis Kasoulides said capital controls would be lifted gradually, appearing to contradict earlier estimates that curbs would end in days. He spoke at the end of a first day of operations in almost two weeks for the country's crisis-hit banks. Earlier, the president praised Cypriots who queued in orderly fashion for cash. Nicos Anastasiades hailed the country's 'maturity and responsibility' on a day that saw many wait to access their cash.

The government has appointed three former Supreme Court judges



Depositors at Laiki Bank before its opening in Nicosia

to investigate possible criminal activity in the crisis. The tight capital controls were put in place after a 10bn-Euro bailout deal was agreed with the EU and IMF. Withdrawals over 300 Euros are banned, and there are limits on moving money. Branches were replenished with cash overnight and police were deployed amid fears of a run on the banks. Some queues did form but the mood was generally calm. Branches began to open at noon local time (10:00 GMT) and closed at 18:00 (16:00 GMT).

Some did not open on time, causing tension among customers. The longer queues formed outside branches of Laiki, which is being wound up. Some armed police were deployed in cities and hundreds of

staff from the private security firm G4S are guarding bank branches and helping to transport money.

Cyprus is the first Eurozone member country to bring in capital controls. Cyprus needs to raise 5.8bn Euros (\$7.4bn; £4.9bn) to qualify for a 10bn-euro bailout from the European Commission, European Central Bank and the International Monetary Fund, the so-called troika. As part of the bailout plan, depositors with more than 100,000 Euros will see some of their savings exchanged for bank shares. An earlier plan to tax small depositors was vetoed by the Cypriot Parliament.

The severe new rules have been imposed to prevent a torrent of money leaving the island and credit institutions collapsing.