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Free Trade Agreement with European Union in suspended animation till new Govt. takes over

The long-negotiated ambitious Free Trade Agreement (FTA) between India and its largest trading partner European Union (EU) will remain in the doldrums till a new government takes over in New Delhi next year. Top EU officials now virtually acknowledge that further progress on "the few remaining contentious issues" in the proposed FTA, which has missed several deadlines in the past, is unlikely with India heading for general elections next year. EU, which itself will undergo a leadership change in May and is busy negotiating similar pacts with the US and Japan, is willing to wait and watch. "We are waiting to see the fate of the Insurance Bill (which seeks to raise the FDI cap from 26% to 49% despite stonewalling by the BJP) in the winter session of the Indian Parliament (beginning from Thursday). Insurance is a key deliverable for us," said an EU official.

The Broad-based Trade and Investment Agreement (BTIA), if and when inked, will be a landmark one as EU will for the first time seal such an agreement with an emerging economy like India. New Delhi, too, will for the first time enter into such a comprehensive agreement with an economy outside Asia.

Chinese manufacturers fuel emerging market business growth in Nov -HSBC

Business activity in emerging markets grew at the fastest rate in eight months in November, supported by momentum in Chinese manufacturing activity, a survey showed on Thursday. The composite HSBC emerging markets index ticked up to 52.1 from 51.7 in October, moving further above the 50 line that divides expansions in activity from contractions even though growth in the services sector stalled at October's seven-month high. Manufacturers picked up the slack, led by China, where stronger domestic demand drove manufacturing growth to its sharpest increase since March, and also helped by India."In India, manufacturing business conditions are turning to positive after a few months other emerging markets also saw faster growth in manufacturing, with Central and Eastern Europe and Turkey benefiting from the euro zone's ongoing recovery. But the manufacturers' index was dragged down by slowing growth in Brazil, Russia and South Korea and by a contraction in Indonesia.

India holds nerves to have its way

By his own admission, getting a favourable deal in Bali has not been easy. "We withstood pressure and didn't blink," said a relaxed Anand Sharma, commerce & industry minister, after managing to have his way at WTO. While negotiations are always difficult, the last 48 hours were particularly testing for Sharma and his team. It all began with back-to-back meetings on Wednesday evening after it became clear that India was not going to blink on its demand on food subsidy and made its displeasure clear during the plenary session through a strongly-worded message, rejecting the offers on the table. Sharma first spent some time with Indonesian trade minister Gita Wirjawan, chairman of the ministerial conference. By then, Indonesia, which was a key proponent of the plan, had jumped the ship to make a success of the ministerial, leaving Brazil and South Africa as major allies for India. Next came a meeting between WTO director general Roberto Azevedo and trade ministers from India, Brazil, and South Africa. By then it was slowly emerging that even Brazil wasn't pursuing the demand on food subsidy with the same vigor.

Over the next 100 minutes, things didn't move. "It was essentially the same text with some variation," said an official. Back in the hotel, Sharma and the negotiators prepared their wish list and Jayant Dasgupta, India's ambassador to WTO, returned with the government's message at 2.30 AM. It wasn't until 3.30 in the morning that India's 25-odd negotiators returned to their rooms."It's a war of nerves," Sharma said later. Although he had been updating PM Manmohan Singh on the progress daily, the first thing that the minister did on Friday was to dial his boss to get a political clearance, and followed it up with another call in the afternoon. It wasn't until 11 AM that things began to swing India's way and by 4 PM it was clear.

Philipp Rösler Joins World Economic Forum

Dr Philipp Rösler, former German Vice-Chancellor and Federal Minister of Economics and Technology, joins the World Economic

Forum as Managing Director and Member of the Managing Board.

"We are delighted to welcome Philipp Rösler into our leadership team. His career is remarkable, serving and driving the government of one of the world's biggest economies during the past years. Dr Rösler's expertise and experience will be very valuable to further develop the World Economic Forum as the foremost platform for public-private cooperation," said Klaus Schwab, Founder and Executive Chairman of the World Economic Forum.

124 Countries Ranked by Ability to Deliver Secure, Affordable and Sustainable Energy

Energy systems of 124 countries ranked according to economic, environmental and energy security indicators .Norway, New Zealand, France and Sweden top the rankings; Colombia and Costa Rica are non OECD countries in top ten. Regional analysis highlights EU28, MENA, BRICS, North America, Sub-Saharan Africa and ASEAN. In support of the global transition to new energy architecture, the World Economic Forum today released the Global Energy Architecture Performance Index Report 2014. Prepared in collaboration with Accenture and designed to help countries spur their efforts to meet energy challenges and opportunities in innovative ways, the Index assesses regions and 124 countries according to economic growth, environmental sustainability and energy security performance, analysing the complex trade-offs and dependencies that affect country efforts.

"Resource wealth or economic development alone does not guarantee high performance on the Index" explained Roberto Bocca, Senior Director, Head of Energy Industries, and World Economic Forum. "For an effective energy system countries need to focus on all three sides of the energy triangle - environmental sustainability, security of supply and affordability". Norway tops the Index rankings, followed by New Zealand and France. The top ten is dominated by EU and OECD countries with the exception of Costa Rica and Colombia. 41% of energy supply in the top ten countries comes from low carbon energy sources, compared to a global average of 28%.

A world economy on the brink of fracture. What will happen in 2014?

According to Jeremy Warner, assistant editor of The Daily Telegraph, Up against a gathering credit crunch, the Chinese economy will slow to almost stall-speed; the price of Brent crude will sink below $80 a barrel; Germany will slide back into recession; the eurozone will remain intact and the internet will begin to Balkanise, leading to a boom in encryption technology but problems for the big global online brands..

Greece won't need more loans, says Prime Minister Antonis Samaras

Greece's Prime Minister Antonis Samaras has said the country will exit the troika's loan agreement in 2014 The second bailout is set to end in mid-2014, and there is strong belief that Greece's weakened economy will require more EU-IMF assistance Greece will exit its EU-IMF bailout agreement as scheduled in 2014 and will require no further loans, Prime Minister Antonis Samaras has said."In 2014 we will make the big step to exit the loan agreement," Mr Samaras said in a nationally televised address."In 2014, Greece will venture out to the markets again [and] start becoming a normal country," he added. "In the new year, Greek debt will be officially declared viable, meaning there will be no need for new loans and new bailout agreements."

Greece was first bailed out by the European Union, the International Monetary Fund and the European Central Bank for €110bn in 2010.When that failed, pushing Greece dangerously close to exiting the euro zone; the country got a second rescue in 2012 worth €130bn plus a private sector debt write-off totaling more than €100bn.

Euro zone 'sleepwalking into a decades-long deflation trap'

World's largest bond fund Pimco says falling prices are the biggest risk to the currency bloc in the new year. The eurozone is "sleepwalking" its way towards a Japanese-style deflationary trap that could last decades, the world's largest bond fund has warned. The Pacific Investment Management Company (PIMCO) said deflation posed the biggest threat to the single currency bloc in 2014. A stubbornly strong euro together with painfully slow reforms and a "paucity of ambition" threatened to push the bloc's already low inflation rate into negative territory, the fund said.

"The demographics in large parts of Europe aren't great," said Mike Amey, portfolio manager and managing director at PIMCO."Even now, success in Europe is defined by 12pc unemployment and a growth rate of between zero and 1pc. If that's success, they are at risk of slipping into deflation just because they're willing to tolerate these economic conditions." Deflation poses a threat to economies, because if prices are falling people put off spending in anticipation of further falls. Retailers are forced to slash prices, which leads to declining profits, lower wages and people struggling to meet fixed loan repayments because of falling salaries.