CIECA News Letter

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- **CIECA's international business covers all foreign countries and areas, except for USA, Japan and Chinese Mainland, which are handled by certain specially established bi-lateral economic promotion associations.**

World News

Europe

Germany leads record wind power growth in Europe

New figures from the European Wind Energy Association (EWEA) on Tuesday reveal nearly 11.8GW of wind power was added to the grid across the European Union in 2014, accounting for 43.7% of all new electricity generation.

In comparison, coal added 3.3GW of new capacity and gas added 2.3GW, securing wind power's position as the fastest-growing new source of electricity in the bloc.

The report reveals Germany was by far the biggest market last year, installing nearly half of new wind farms in the EU. The UK came in second place, followed by Sweden with 1.05 GW and France with 1.04GW of new capacity.

But there was a huge gap between the leading markets and the bloc's wind energy laggards, with a number of countries installing no new wind farms at all, including Slovakia, which has just 3.1MW of capacity in total, Malta, which has no wind farms, Luxembourg, which has just 58.3MW, and Cyprus which has 146 MW.

Thomas Becker, EWEA chief executive, said the figures suggest wind power is becoming an increasingly attractive investment opportunity. "Europe is at a turning point for investment in renewables and particularly wind," he said. "Ploughing financial capital into the industries of old in Europe is beginning to look unwise. By contrast, renewables are pushing ahead and investments in wind remain attractive." (Source: The Guardian 2015-02-10)

Greece's Bailout Extension Approved by German Parliament

Germany's Parliament has given its overwhelming approval to the four-month extension of Greece's financial bailout, despite unease over the new government in Athens. Lawmakers voted 542-32 on Friday to back the bailout extension. There were 13 abstentions.

Finance Minister Wolfgang Schaeuble said ahead of the vote that "this is not about new billions for Greece, not about changing this program" and stressed that the goal is to complete Greece's existing bailout successfully. Germany, a key creditor nation, has advocated unpopular spending cuts and insisted that aid must come with strings attached. Comments by Greek officials casting doubt on privatization deals and raising the possibility of further debt relief have irked some in Germany. (Source: ABC40 Newsroom 2015-02-27)

Estonia's ruling Reform Party wins election victory

Estonia's governing Reform Party won a national election overshadowed by security concerns sparked by Russia's role in Ukraine. Prime Minister Taavi Roivas, whose party has 30 seats, is set to form a coalition in the 101-member parliament.

The results are a blow to the Centre Party, which has ties to Russian President Vladimir Putin, who were expected to do well in the poll. Estonia was once part of the former Soviet Union but is now a Nato member. (Source: 2015-03-02 BBC News)

Starting pistol fired for delivery of full-scale tidal lagoon infrastructure

Gloucester, UK - Tidal Lagoon Power (TLP) will today take a first significant step towards the delivery of full-scale tidal lagoon infrastructure in the UK with the submission of an Environmental Impact Assessment scoping report for a tidal lagoon between Cardiff and Newport. The project will have an installed capacity, dependent on final design, of between 1,800MW and 2,800MW, giving a reliable annual output of 4 TWh to 6 TWh, comfortably enough low carbon electricity to power every home in Wales throughout its 120 year life.

The proposed Cardiff Tidal Lagoon would be the UK’s first full-scale tidal lagoon power plant following the pioneering Swansea Bay Tidal Lagoon. TLP has also confirmed that they are working on the delivery of four other full-scale UK tidal lagoons. Together, the national fleet of six lagoons could meet 8% of the UK’s total electricity requirement for 120 years.

Mark Shorrock, CEO of TLP mentioned that full-scale tidal lagoon infrastructure gives a sustainable way to make the most of UK’ tidal range advantage at a cost comparable to fossil fuel or nuclear generation. Even though there are still many environmental surveys to undertake before establishing the power plant, TLP will work in partnership with all nature conservation bodies so as to understand, avoid, minimise and mitigate any environmental impacts. (Source: Bloomberg 2015-01-09)

Russia to spend $35bn on economy plan

The Russian government is to spend at least 2.34 trillion roubles ($35bn, £23bn) to try to stave off an economic crisis, following a collapse in oil prices and the value of the rouble.

The country has also been subject to economic sanctions by the West over its involvement in the crisis in Ukraine.

Russia will spend most of the cash on federal loans, pensions and recapitalising its banks. The country will also make public spending cuts.Over the next three years most spending, apart military and social programmes, will be hit. Earlier this month, the International Monetary Fund forecast that Russia's economy will contract by 3% this year and 1% in 2016.

Russia's government will spend about one trillion roubles to recapitalise banks through the issue of government bonds. The plan includes a separate scheme to help recapitalise some banks with 250bn roubles, while 300bn roubles will be provided to Vnesheconombank, the state development bank.

There will be an extra 200bn roubles in state guarantees to finance investment projects, and regional governments will get 160bn roubles in federal loans.

Meanwhile, the government has proposed public spending cuts of 10% this year and 5% over the next two years. The cuts have yet to be approved by the Russian parliament. (Source: BBC 2015-01-28)

Ukraine's Hryvnia Plunges After Rate Rise

Ukraine's hryvnia plunged Thursday after the country's central bank raised interest rates and moved toward a free-floating exchange rate.

The moves underline the increasingly dire financial situation in Ukraine and the rising pressure on the government, which said it is close to agreeing on a fresh lending program with the International Monetary Fund.

Ukraine's economy and finances have been decimated by a nine-month conflict against Russia-backed militants in the east of the country, which Central Bank Governor Valeria Gontareva said was continuing to cause "panic" on the market.

The national bank said Thursday that its foreign-currency and gold reserves hit a 10-year low of $6.4 billion in January.

Ukraine's currency lost at least one-fifth of its value against the U.S. dollar Thursday, according to central bank figures, which quoted the weighted average interbank rate at 21.7 hryvnias per dollar. Data from FactSet suggested an even sharper decline to 25 hryvnia per dollar.

Still, Ms. Gontareva said a new funding program could be agreed with the IMF in the next two days that should bring some relief to the hryvnia, which lost half of its value against the dollar last year. "It is overshooting now," said Olena Bilan, chief economist at Kiev brokerage Dragon Capital. She said the rate could stabilize in a range of 20 to 23 hryvnias to the dollar.

"We may actually see some strengthening once, and if, the external funding is back on board," said Dmitry Petrov, an analyst at Nomura. The central bank earlier Thursday increased its key rate to 19.5% from 14% and ended foreign-currency auctions that had effectively acted as a peg for the exchange rate.

The bank said the move was aimed at stabilizing the market by eliminating the plethora of exchange rates, a legacy of the Soviet period, at which the currency has been trading. The unofficial street rate for the hryvnia had in recent months slid much lower than the "indicative" rate set by the bank.

The IMF has long urged the central bank to loosen its hold on the hryvnia, and analyst Timothy Ash from Standard Bank said the move would give the IMF a clearer picture of Ukraine's bailout needs.

Even with the sharp tightening of credit, central-bank officials warned that risks of higher inflation and further declines in the value of the hryvnia remain high. They also noted that the shift to a market-set rate doesn't yet amount to a full-scale free float, since administrative restrictions on access to foreign currency imposed over the past year to steady the rate remain in place.

Sergey Nikolaichuk, head of the National Bank of Ukraine's monetary-policy department, said the bank jacked up the key lending rate due to booming inflation. "The main reason for the acceleration of inflation has been the [fall in] the exchange rate."

He warned that "inflationary and devaluation risks will remain rather high in the near future," adding that, "in these conditions, there is no doubt about the need for a tighter monetary policy."

The National Bank said that gross domestic product is expected to contract 4% to 5% this year after falling 6.7% last year. Inflation, which reached an annual rate of 24.9% in December, is expected to slow to 17.2% in December 2015 and to single digits in 2016, the bank said.

Until Thursday, the national bank had been holding daily foreign-currency auctions to set an indicative market rate that was often well below the actual market level. Under the new system, the bank said "the hryvnia's exchange rate will be set by banks based on the objective parameters of market demand and supply." Ms. Gontareva said the national bank will continue to intervene in the market, but primarily by selling foreign currency directly to the state gas company NAK Naftogaz, which is the country's main importer.

The sharp rise in interest rates is aimed at fighting rising inflation and shoring up demand for the hryvnia, the national bank said, and isn't expected to substantially affect industry, since credit is already very hard to get given the economic uncertainties due to the continuing war. The National Bank also said the threat to the banking system from the rate increase is less than the threat from a continued drop in the currency. (Source: BBC 2015-02-05)

Asia

Foxconn's Chennai factory to shut down on 10 February

Chennai: Taiwan-based electronics maker Foxconn's Chennai factory will shut down on 10 February, after Nokia India, its sole client, shuttered its plant on 22 December. E. Muthukumar, district secretary of the Centre of India Trade Unions (CITU) said the unions will meet the deputy labour commissioner on 11 February and continue their protests against the plant closure. Seven rounds of talks have already taken place between Foxconn, workers and the labour department. Foxconn has offered a voluntary retirement scheme or severance package but only a dozen out of the 1,306 workers at its Sriperumbudur plant have opted for it, Muthuraman claimed.

The severance package involves two months' salary for every year of service with a cap of 12 months, with a lump sum Rs.50,000. The workers will also get a bonus of Rs.8,300 and a service compensation of Rs.2,000 for every five years, along with three months of notice period pay.

In September 2013, Microsoft Corp. acquired the Finnish handset maker Nokia but the Sriperumbudur facility did not form part of the global acquisition because of the ongoing Rs.21,153 crore tax dispute between Indian tax authorities and Nokia. Due to liens on Nokia's handset manufacturing facility, the site was left out of the devices and services deal with Microsoft which closed on 25 April 2014.

Microsoft informed Nokia that it will terminate the manufacturing services defined in the agreement with effect from 1 November 2014. In absence of further orders from Microsoft, Nokia suspended handset production at the Sriperumbudur facility in November. (Source: Livemint 2015-02-10)

India budget to boost investment

Indian PM Narendra Modi's government has unveiled a business-friendly budget aimed at attracting greater investment for the economy. Finance Minister Arun Jaitley announced an unprecedented corporate tax cut, in the government's first full budget.

But he also proposed major benefits for the poor, introducing a universal social security scheme. India will grow at a rate of more than 8% during 2015-16, a key economic report said ahead of the budget.

The growth forecast follows the country's new way of calculating GDP which has caused some confusion. Presenting the budget in parliament Mr Jaitley said the country was growing at a strong rate, inflation was down and foreign exchange reserves were high.

"We inherited a sentiment of doom and gloom. The investment community had almost written us off. We have come a long way since then," he said.

"We have turned around the economy, dramatically restoring macroeconomic stability and creating the conditions for sustainable poverty elimination, job creation, durable double digit economic growth."

Among the major announcements made by Mr. Jaitley are: Five "ultra mega" power projects of 4,000 megawatts (MW) will be built to ease the energy crisis.

- Spending on infrastructure will be raised by $11.3bn (£7.32bn) to boost growth.
- Creating a "universal social security" that would give poor Indians access to subsidised insurance and pensions.
- Implementation of a uniform countrywide goods and services tax (GST) by April 2016
- Welfare money to be paid directly into people's bank accounts to eliminate corruption and wastage
- Wealth tax to be abolished and replaced by a surcharge on the super rich

Corporate tax to be cut by 25% over next four years. Radhika Rao, an economist with DBS in Singapore told Reuters news agency that Saturday's budget was "pragmatic, wide-ranging and inclusive given the emphasis on social safety nets".

Analysts say the government's challenge will be to balance its spending with the need for fiscal restraint.

Mr Jaitley said the government would achieve its goal of cutting the fiscal deficit to 4.1% of gross domestic product (GDP) for 2014-15 from 4.5% the year before.

Some had billed this budget as being the most significant since 1991 - which effectively liberalised India's economy.

But Finance Minister Arun Jaitley's closing lines were basically admitting this was a budget lacking "Big Bang" reforms.

The devil will be in the detail as we plough through the small print. A firm start date for a much-needed goods and services tax, billions of dollars for infrastructure and a "no surprises" lower corporate tax, strike me as the big business announcements.

Not using the low oil price as a chance to make more sweeping cuts to the vast subsidy bill could well prove to be a missed opportunity.

But if the proposals for a universal social security system ever reach fruition - offering a safety net for the hundreds of millions of India's poorest - history will surely judge that as the stand-out announcement of this much-hyped budget. (Source: BBC 2015-02-28)

Sri Lanka cabinet suspends Chinese project on approval issue

(Reuters) - Sri Lanka suspended a $1.5 billion Chinese luxury real estate project in Colombo on Thursday until it obtains required government approvals, a move that risks a diplomatic row with its biggest foreign investor.

The new government, elected in January promising to end the corruption it said was rife, decided at a cabinet meeting to suspend the project critics have called a sweetheart deal between China and the previous administration.

The project, the biggest of several Chinese investments in Sri Lankan ports and infrastructure, involves a port on reclaimed land in the capital, complete with shopping malls, a water sports area, golf course, hotels, apartments and marinas.

Government spokesman Rajitha Senaratne said the China Communications Construction Co Ltd (CCCC) project had been launched "without relevant approvals from concerned institutions". The government has said the deal was not transparent and did not meet environmental standards.

China's Foreign Ministry said Sri Lanka had informed China of its decision, "stressing that the move was a suspension and not cancellation of the project", spokeswoman Hua Chunying told reporters in Beijing.

"China will continue to pay close attention to how the situation develops," she added. The project has also raised security concerns in neighboring India, which has uneasy relations with China, because it appears to be part of a larger plan by Beijing to expand its presence and influence in the Indian Ocean region.

The project was to give the Chinese firm 108 hectares of land as payment, some of it outright and the rest on a 99-year lease, and that aspect of the deal worries India because many India-bound cargoes pass through Colombo.

China has said the Colombo port and another port under development in southern Sri Lanka were good for the country as tens of thousands of jobs would be created and millions of dollars of foreign direct investment would come in.

Earlier on Thursday, before the cabinet decision, the Chinese Foreign Ministry said it hoped Colombo would resolve the issue in a way that maintains the confidence of Chinese firms investing in Sri Lanka.

China has emerged as a major investor in the Indian Ocean island state, focusing on building ports and highways.

Sri Lanka had threatened legal action against the Chinese firm if it went ahead with work on the port project. (Source: Reuters 2015-03-06)

Phone imports to Indonesia threatened by new measure

Starting next year, all cell phones imported for distribution in Indonesia will be obliged to use at least some locally made components in a bid to spur the development of the domestic industry.

Industry Ministry director for electronics and telematics industry Ignatius Warsito said on Wednesday that the government would go ahead with the plan, although many cell phone importers oppose it.

Cell phone importers must either set up their own manufacturing facilities or hand over assembly to local original equipment manufacturers (OEM), according to Trade Minister Regulation No. 38 issued in 2013.

Warsito said the government would be strict in implementing the rule and revoke the import license of any importer who failed to comply. "This measure aims to help boost the production capacity of our local cell phone industry [...] Our target is for half of [annual] cell phone demand to be produced locally by 2017," he told reporters at his office.

As an incentive to make domestic production financially competitive, the government will pay the import duties of cell phone components. Some cell phone makers have complained about uncompetitive import tax rules in Indonesia, with import duty for cell phones set at 0 per cent, while duty for components is as much as 15 per cent, discouraging investment.

Warsito said that parallel to the measure, the Communications and Information Ministry had demanded that smartphones equipped with 4G LTE technology use 40 per cent local content by 2017, or they will not be distributed in Indonesia.

These arrangements are among the latest moves by the government to spur industrial growth in Indonesia, Southeast Asia's largest economy and the most populous country.

With half of the population entering the middle class, the country has become one of the world's biggest and most promising cell phone markets. In 2013, the government tightened prerequisites for importation, including by requiring distributors to register as importers and reveal annual import plans, creating a more conducive climate for investment by preventing illegal imports.

As of the end of last year, more than 10 foreign and domestic producers had set up facilities in Indonesia, including PT Hartono Istana Teknologi, which manufactures cell phones under the Polytron brand, PT Teradata Indonusa, which assembles tablets and smartphones under the Axioo brand and PT Arga Mas Lestari, which assembles tablets under the Advan brand.

South Korean giant Samsung and Chinese smartphone maker Oppo are reportedly also set to build facilities here .

Several OEMs, such as PT Sat Nusapersada, already supply to overseas brands.

The local supporting industry is capable of producing various cell phone components such as LCDs, batteries, keypads, casing, chargers and cameras. But other items, such as integrated circuits, still depend on imports. Indonesia Cell Phone Association (APSI) secretary-general Ina Hutasoit said cell phone importers, some of which are authorised dealers of foreign brands, were ready to comply with the domestic assembling requirement. However, she said, they urged the government to set the quota at less than the planned 40 per cent.（Source: AsiaOne 2015-01-22 ）

Indonesia’s Exports miss govt’s target, challenges ahead

Indonesia’s full-year exports in 2014 missed the country’s official target as deterioration in the global economy continued to weaken the value of its key commodities and douse demand for its manufactured goods — conditions that may persist this year.

Exports settled at US$176.29 billion last year, down slightly by 3.42 percent, but still could not achieve the government’s goal of $184.4 billion, which was already lowered from $190 billion set earlier.

Such a result stemmed from a decline in the main export contributor, non-oil and gas exports, notably coal, rubber, electrical equipment and paper, by 2.64 percent to $145.96 billion from 2013, according to the Central Statistics Agency (BPS).

Soft demand still persisted in key trading partners, such as China and Japan, which saw purchases from Indonesia fall by 22.66 percent to $16.46 billion and by 9.44 percent to $14.57 billion, respectively.

The government has set an ambitious target to triple non-oil and gas exports in 2019 from last year, which industry officials say may require direct investment to jump fivefold to Rp 1.09 quadrillion ($86.63 billion). The figure is expected to break $192 billion this year, up 31.54 percent on an annual basis.

Analysts have warned of the still-bleak situation of exports for Southeast Asia’s largest economy this year, emphasizing the fragile structure of exports comprising price-volatile commodities.

Bank of America Merril Lynch economist Hak Bin Chua said that the export outlook for 2015 would remain challenging as overseas shipments still relied heavily on commodities.

“Export commodity prices continue to slip as demand — especially from China — remains soft,” he said in a research note, citing China’s commodity imports outside oil dropping at a double-digit pace since July last year.

Following a downward trend in outbound shipments, imports slid by 4.53 percent to $178.18 billion last year from a year earlier, not only due to lower oil and gas purchases, but also milder demand for capital goods, raw materials and intermediary inputs, triggered primarily by a slowdown in manufacturing activities.

Imports of oil and gas slipped by 3.99 percent to $43.46 billion, while imports of non-oil and gas decreased by 4.70 percent to $134.72 billion.

Overall, as of the end of last year, Indonesia's trade balance stayed in the red, registering a $1.89 billion deficit, as surplus generated by non-oil and gas trade could not offset a gap caused by oil trade.

The figure was down more than half of the $4.08 billion posted in 2013 and nearing $1.66 billion in 2012, a situation that analysts pointed out count provide a way to narrow the country's current account deficit to less than 3 percent of its gross domestic product (GDP).

However, BPS chief Suryamin noted that despite the whole-year downward trend, the country also saw an improvement in overseas sales across main sectors and some big markets in December with exports rising by 7.38 percent to $14.42 billion.

"This is an encouraging development as we see an increase of exports in all important commodities and destinations," Suryamin said in a press conference on Monday.

Non-oil and gas exports to the US and EU countries, for instance, rose respectively by 23.93 percent to $1.47 billion and by 13.28 percent to $1.45 percent in the final month of 2014, data showed.（Source: The Jakarta Post 2015-02-03）

Malaysia's Proton to develop

Indonesia's national car

Malaysia's Proton Holdings Bhd has signed a memorandum of understanding (MoU) to develop and manufacture an Indonesian national car, one of the accords reached during Indonesia President Joko Widodo's first bilateral visit to Malaysia.

The MoU was signed by Proton and its Indonesian partner, PT Adiperkasa Citra Lestari, at a ceremony at the Proton Centre of Exellence here.

The signing of the MoU was witnessed by Prime Minister Najib Tun Razak, Proton chairman Mahathir Mohamad and Widodo, who visited a factory run by Proton on Friday, the second day of his two-day visit.

Najib last year revived a decades-old proposal for a jointly produced "Asean car". Widodo has expressed interest in the idea, which would seek to capitalise on a booming regional car market.

The proposal is considered to be very preliminary and it remains unclear whether it would gain traction. (Source: The Straits Times 2015-02-06)

Miti forecasts moderate growth in trade, exports (Malaysia)

Malaysia's trade and exports are expected to grow at a moderate pace of 2% to 3% each this year, lower than the 5.9% and 6.4% achieved respectively in 2014, said Minister of International Trade and Industry, Datuk Seri Mustapa Mohamed.

"The 2% to 3% increase in trade and exports takes into account the following: one is the weakening global economy from 3.8% to 3.5%, number two is the uncertainty in currency market, number three is the decline in oil prices and perhaps continued modest growth in terms of commodity prices; we don't see a sharp uptrend. The two growth forecasts have taken into account these factors," he told reporters at a briefing on Malaysia's 2014 trade performance yesterday.

He said crude oil prices have been hovering around US$50 per barrel in the past few days but he believes that the US$55 per barrel forecast this year by the ministry is achievable and recovery in oil price is expected next year.

Commenting on the currency, Mustapa said the weaker ringgit will make Malaysian exports more competitive especially in the electrical and electronic (E&E) sector. Although some exports are denominated in the US dollar, he does not foresee much impact.

"Overall, Malaysia's exports will be more competitive although many people argue that it is not a very strong positive point. That's why we expect 2% to 3% growth in trade and exports," he added.

The ministry is confident in achieving another year of trade surplus despite the lower targets this year. Last year, the trade surplus grew 16.6% to RM83.11 billion, marking the 17th consecutive year of trade surplus.

Total trade grew 5.9% to RM1.45 trillion last year from RM1.37 trillion a year ago while exports rose 6.4% to RM766.13 billion, surpassing the forecast export growth of 6% in the 2014/2015 Economic Report. Imports rose 5.3% to RM683.02 billion.

Mustapa said manufactured goods bolstered export performance, growing by 7.1% and exports to Asean were higher, making up 28% of total exports.

Exports of almost all manufacturers grew, contributing RM587.25 billion or 76.7% share of total exports. The E&E segment was the top performer, growing 8.1% to RM256.1 billion and accounting for 33.4% of Malaysia's total exports.

The Asean market accounted for 26.8% of Malaysia's total trade last year, valued at

RM389.03 billion with an increase of 3.9% from 2013. Exports to Asean increased by 5.9% to RM213.58 billion. Exports to all Asean markets grew last year except for Indonesia, which fell 4.1% to RM31.76 billion.

Mustapa said with the weak global economy and uncertainty in Europe, Malaysia's focus for 2015 will be on Asean markets and new markets such as Africa and South America.

"Traditional markets will continue to play an important role in driving Malaysia's growth rate but beyond that, we are looking at Asean which is important and also some new markets. That's how we are trying to deal with the slowing down in world economic growth," he said.

Bank of America Merrill Lynch (BofAML) Asean economist Chua Hak Bin said it is cautious about the 2015 outlook, given lower oil and gas prices and weak global growth.

"In our view, lower oil prices will have only a small impact on the current account in 2015, given the small oil trade balance. Falling LNG prices will likely be the main risk and pressure on the current account. Malaysia's LNG trade surplus is huge, at RM60.4 billion (about 5.6% of GDP) in 2014. LNG prices track oil prices with a four to six month lag. This suggests that LNG prices will likely be down by about 50% by mid-2015," he said in his report.

He estimates that a 50% decline in LNG prices could shave the current account surplus by 2.5% to 3% of GDP, putting the risk of a current account deficit within striking distance.

Meanwhile, AllianceDBS Research maintained its full-year 2015 GDP forecast at 5% with downside risk and expectation of a narrowing current account surplus-to-GDP ratio to around 2% this year.

"The current external outlook demand remains challenging. China's January manufacturing PMI index entered a contractionary phase at 49.8. Besides, major advanced economies are currently grappling with low inflation risks attributed to the fall in energy prices," it said in its report. (Source: The Sun Daily 2015-02-06)

New Mideast Oil Refineries Could Stir Up Fuel-Market Dynamics

The startup of two huge oil refineries earlier this year in the Middle East is set to shake up fuel markets from Asia to Europe as the oil-producing region expands its influence beyond just exporting vast amounts of unprocessed crude.

The projects, together with a third large refinery that began operating in Saudi Arabia last year, are expected to process 1.2 million barrels of oil a day at full capacity in the next few months, equivalent to slightly more than 1% of the world's total oil-refining capacity. They will produce a variety of oil products from diesel fuel to gasoline and jet fuel, with diesel making up for more than half the output.

Once up and running, the refineries should have considerable competitive advantages, thanks to new technology, cheap crude-oil feedstock and proximity to markets in Europe and Africa, where they could displace traditional suppliers from Asia and the U.S.

"It's going to be battleground Europe as far as diesel exports are concerned," said Johannes Benigni, founder of energy consulting firm JBC Energy. The firm expects diesel-fuel exports from the Middle East to Europe to increase to 173,000 barrels a day by 2018, nearly eight times the level in 2012. Over the same period, exports of refined diesel products from Asia to Europe could drop by one-fourth to 96,000 barrels a day. (Source: The Wall Street Journal 2015-02-09)

Saudi cement stocks return higher profit margins

Saudi Arabia is the largest producer of cement in the GCC, basing a capacity of over 57 million tons by the end of 2014. The Kingdom with a 33.2 percent capacity expansion in five years also included among the top ten cement producers in the world.

Heavy infrastructural developments, including a series of economic cities lead to a high demand for cement in Saudi Arabia. Almost entire production (98.8 percent) of the sector is being consumed within the Kingdom.

Regulators' proactive approaches to overcome the labor shortage, including the major challenge of transportation, but cheaper raw materials create a competitive advantage over the global cement players.

In fact, the sector is on a growth path, extending its capacity by adding new production lines to meet the rising demands in construction.

The strong project pipeline suggests that a huge potential for cement stocks is likely to remain in force over the next few years. Fundamentals of the sector indicate an optimistic outlook in the long term.

Saudi cement stocks, however, are consolidating their financial position in a remarkable performance. Production increases despite labor shortage The cement production increased by 2.7 percent YoY and recorded 57.2 MT in full year 2014 (55.6 MT in 2013) while clinker production increased by 6.17 percent during the same period and recorded 57.59 MT.

Saudi Cement Company with its cement production of 8 MT and clinker production of 8.5 MT remained at top. The company showed a decrease of 8.5 percent in yearly cement production and 3.4 percent in clinker production as its Kilns 4 and 5 in Al-Hofuf plant were under rehabilitation.

Southern cements yearly net income grew by 3.9 percent. While, the cumulative effect of decreased production and sales revenue caused a decline of 4.3 percent in SACCO's net profitability. But the performance of SACCO's recent quarter is good as compared with same quarter last year. The reason is share increase in associated companies' profits. Cheaper raw materials aid higher profit margins . The cement industry generates higher profit margins on the back of cheaper raw materials. The sector's gross margin reached to 61.5 percent by the end of 2014 (60.8 percent in 2013). Najran Cement represented the highest gross margin of 80.7 percent whereas a minimum of 38.5 percent was reported by Jouf Cement.

Net profit margin of the sector rose to 46.26 percent in 2014 compared to 44.89 percent of last year, a sustained and improved level YoY. The Qassim Cement has achieved the highest net profit margin of 57.17 percent in 2014.

Furthermore, return on shareholders' equity is continuing at 20 percent approximately. And return on assets is more than 15 percent for the sector. Southern Province attained the highest level of ROE (35.3 percent) and ROA (26.9 percent) in 2014, reflecting effective management of its assets and equity. Assets grow on positive cumulative performance Total assets of the sector grew exceptionally to SR 40.4 billion by ending year 2014, recording a growth of 6.2 percent over the preceding year's figure of SR38 billion (Source: Arab News 2015-02-09)

Saudi's real GDP is expected to grow by 2.6% in 2015

Saudi Arabia's nonoil exports have suffered from the slowdown in China and a varied economic performance from its other main markets in East Asia. The outlook for Chinese demand appears weak in the short run, but in the longer term the huge potential of the Chinese automotive industry indicates that demand for speciality chemicals of the type that Saudi Arabia has carefully invested in will grow. Other Asian countries should also continue to suck in Saudi intermediate goods as demand for Asian manufactures in the US and, to a lesser extent the euro zone, picks up again.

The expected strength of the dollar will hamper Saudi export growth to some extent, but this will at least make imported inputs cheaper for Saudi firms, according to a report by Samba Financial Group.

"Drawing these strands together, we expect Saudi nonoil GDP growth to ease to 4.5 percent in 2015, from 5.1 percent in 2014. This represents a slowdown from the five-year average of 6.8 percent, but remains decent and certainly compares well with most other emerging markets," the Samba report said.

Nonoil growth is expected to cool to 1.6 percent in 2016, as the tighter fiscal stance feeds through (and as the calendar reverts to 12 months), before gathering pace again in 2017 and 2018 as rising oil prices restore some private sector confidence. By 2018 the nonoil economy to be expanding at a 5.4 percent pace.

With the oil sector contributing little growth, the trend in overall real GDP growth is expected to be very similar to that of nonoil GDP, growing by 2.6 percent this year, before dipping down to 1.5 percent in 2016. Growth of 2 percent is in prospect for 2017 before an acceleration to 3.8 percent in 2018. Clearly, though, this is a fair way off and any projection is hostage to developments in oil market fundamentals, which remain fluid.

Inflationary pressures are expected to remain muted over the next three years. Domestically, the main inflationary impulse will come — as ever — from rents. Despite plans for a publicly-led surge in home-building, there remains a large deficit of dwellings, particularly at the affordable end. External inflationary dynamics are likely to remain benign. A series of good harvests and decent growing conditions have seen agricultural commodity prices fall quite sharply this year. For Saudi Arabia, the most important commodities are wheat and sugar, both of which have come down in price.

A strengthening dollar should help to keep a lid on most commodity prices for the rest of the year and beyond (assuming reasonable harvests). Industrial commodities have been kept in check, largely by weakening Chinese demand and still-strong gains in global production. Allied to the stronger dollar, this should help to soften imported input prices for Saudi firms, who are in any case prepared to absorb costs in a bid to protect market share.

"Thus, although rental inflation will likely remain fairly robust, we think that this will be more than offset by weakening external pressures, and overall inflation is expected to remain comfortably below 2.5 percent through the forecast period," the report said. (Source: Saudi News 2015-02-08)

Record number of Chinese tourists to Korea

As Koreans empty the usually bustling streets of Seoul, spending the Lunar New Year holiday with parents and relatives, their travel-loving neighbors from China will surge in.

This year, an unprecedented number of Chinese tourists are expected to arrive. The country hopes to greet some 126,000 Chinese visitors for the Lunar New Year holiday starting next week, up by 30 percent from the previous year, according to the state-run Korea Tourism Organization.

A Lotte duty-free shop in Seoul is crowded with Chinese tourists on Tuesday. (Yonhap)

The number of Chinese tourists arriving during the holiday have risen steadily at an average rate of 27.5 percent for the last five years as Korea emerged as the third most visited travel destination among mainland Chinese after Hong Kong and Macau.

The country is preparing for the influx of Chinese tourists with a variety of welcome events that start from arrival gates of major international airports in Incheon, Yangyang and Gimhae to popular shopping districts.

In Seoul and Busan, temporary tourist information trucks will be parked at popular shopping places, offering useful travel information, interpretation service, and free Wi-Fi and cellphone charge. Busan expects some 15,000 Chinese travelers to visit the second largest city, up by 25 percent from last year's holiday.

Retailers are also offering sales promotions to lure the world's biggest spending travelers.

Cheil Industries of popular Korean clothing brands such as Bean Pole, Eight Seconds, KUHO and Galaxy will offer red envelopes enclosed with gift vouchers. The brands will give away prizes such as 8.8 grams of pure gold, clothing, gift cards, socks, face masks and selfie sticks for more than 2,000 customers.

Korea Grand Sale, the annual sales event in winter, will be held throughout February across the country. More than 28,000 retailers, including department stores, supermarkets, duty-free shops, are participating to offer discounts and gifts to foreign tourists.

This year, more Chinese tourists are expected to escape cities and binge shopping for outdoor activities in provinces.

"Travel patterns of Chinese tourists are becoming diversified. Their travel itineraries used to constitute shopping and sightseeing, but they are looking for new experiences like skiing in winter," said Yoo Jin-ho, director of marketing and strategy team of the KTO.

The Chinese emerged as one of the largest groups of foreign tourists visiting Korean ski resorts after visitors from Southeast Asia, he said.

The Chinese skiers in Korea, mostly from southern China, find Korean ski resorts more accessible than remote ski resorts located in the Northeast China such as in Harbin. This week, some 150 Chinese tourists from Guangdong Province visited High 1 Ski Resort in Gangwon Province for the four-day ski lesson.

Travel operators are actively developing and promoting such ski programs for Chinese tourists whose interest in winter sports is growing with the country bidding to host the 2022 Winter Olympics.

"Good quality programs like ski lessons also contribute to enhancing Korea's image to Chinese tourists. I think the popularity of Korean ski tourism will be fueled by more Chinese tourists seeking fresh experiences," said Kwak Sang-seob, head of the KTO's Guangzhou office. (Source: Weekender 2015-02-13)

Vietnam's top Taiwan envoy retires, vacancy set to be filled soon

TAIPEI, Taiwan -- Vietnam's top envoy to Taiwan has recently retired and a successor will be appointed to fill the vacancy soon, Taiwan's office in Vietnam said yesterday.

Representative to Vietnam Huang Chih-peng (黃志鵬) yesterday told the Chinese-language Apple Daily that Bui Trong Van, former head of the Vietnam Economic and Cultural Office in Taipei, has recently filed for retirement and returned to Vietnam on Feb. 8.

The vacancy left by his departure is expected to be filled by Tran Duy Hai, former Vice Chairman of the National Boundary Committee under Vietnam's Foreign Ministry, according to Huang.

Tran is now the senior advisor to the Vietnam Chamber of Commerce and Industry.

To thank Bui for his service and welcome Tran to his upcoming assignment in Taiwan, Huang said he had previously hosted them at a dinner party in Vietnam.

Tran is expected to arrive in Taiwan following the Lunar New Year break later this month or early next month, Huang said.

Bui has been stationed in Taiwan for more than four years.

During a previous round of anti-Chinese protests in Vietnam on May 2014, Bui in Taipei apologized to the Taiwanese people over the damage Taiwanese businesses in Vietnam have suffered from the nationwide protests.

The situation in Vietnam has now stabilized. (Source: The China Post 2015-02-13)

Africa

Mugabe takes over as new African Union chairman

The 24th Assembly of Heads of State and Government of the African Union (AU) convened on 30 and 31 January 2015 at the AU headquarters in Addis Ababa, Ethiopia, whereby African leaders of the 54-member deliberated on different issues including among others the Ebola crisis and peace and security on the African continent.

The AU Peace and Security Council called for a regional five-nation force of 7,500 troops to stop the "horrendous" rise of the Boko Haram insurgents.

Stating that the summit dwelt upon on the scourge of terrorism and violent extremism demonstrated by different groups in Africa, AU would provide full support to member states in their efforts to address the challenge.

The leaders are also discussing the economic recovery of countries affected by the Ebola virus, setting up a "solidarity fund" and planning a proposed African Centre for Disease Control and prevention towards preparedness and response to disease outbreak on the continent. The worst outbreak of the virus in history has seen nearly 9,000 deaths in a year -- almost all of them in the West African nations of Liberia, Guinea and Sierra Leone -- and sparked a major health scare worldwide.

The summit has also agreed, as part of Agenda 2063, to leverage Africa's resources for the benefit of its people. Stating that the summit was held under the theme, the "Year of Women's Empowerment and Development towards Africa's Agenda 2063", Mugabe said there would be an elaborated discussion on the theme at next summit.

Robert Mugabe, Zimbabwe’s 90-year-old president, has assumed the chairmanship of the African Union (AU), he said the focus of his tenure would be on “issues of infrastructure, value addition and beneficiation, agriculture and climate change in the context of Africa’s development”. (Source: News24 Kenya 2015 -02-01)

HSBC cuts SA’s economic growth outlook for 2015

HSBC has become the latest firm to cut SA’s economic growth outlook for 2015, saying electricity supply disruptions are "condemning" SA to two years of sluggish growth.

HSBC revised down the growth forecast for 2015 to 1.6% from 2% previously and to 1.9% in 2016 from 2.2% previously.

"Just over a month into the year, we have cut our growth forecasts, as it becomes apparent that the country faces a deepening and prolonged energy crisis," HSBC economist David Faulkner said.

Eskom has implemented load-shedding over the past few weeks, including during the past weekend, as demand outstrips supply and amid maintenance work at some of its power plants.

Mr. Faulkner said the prospect of frequent load-shedding — scheduled power outages and electricity rationing — would weigh heavily on confidence, deter investment and negatively affect economic activity and export performance, particularly in energy-intensive sectors of the economy.

"In an economy where growth and job creation are the economic imperatives, the deteriorating outlook suggests little progress will be made towards addressing 25% unemployment, elevated poverty and high inequality," he said. (Source: Business Day 2015-02-09)

America

Taiwan bans Canadian beef imports

Taipei - Taiwan banned the import of Canadian beef products following the confirmation of a case of mad-cow disease, local media reported Monday.

Taiwan's Food and Drug Administration said Canada had confirmed a new case of bovine spongiform encephalopathy, in the province of Alberta.

It said the affected cow had not entered the food chain, but the ban was announced as a precautionary measure. Canadian beef products make up less than 1 per cent of the local Taiwan market, the Liberty Times reported.

In 2003, Taiwan banned the import of beef products from both Canada and the United States after confirmation of cases of mad cow disease. Starting early 2014, Taiwan reopened to Canadian bone-in beef products, according to the report.

Taiwan currently bans the import of beef internal organs from countries that have reported cases of mad-cow disease over the past decade. (Source: Website of Delta Electronics, Inc.2015-02-14)

Argentina's new 'Malvinas' bank note ridiculed by Falkland Islanders

New 50-peso note which aims to bring "into daily use" the Argentine claim to the Falkland Islands mocked by critics of President Kirchner

Argentina's redesign of their 50 peso note to include the Falklands has been mocked by residents of the islands.

The new bank note will go into circulation next month, Alejandro Vanoli, president of the central bank, announced on Monday. The design of the note was unveiled last year by President Cristina Kirchner, on the 32nd anniversary of the Argentine invasion of the British archipelago, which in Argentina is termed the Malvinas.

Mr Vanoli on Monday gave the bank's reasons for the redesign, which is being launched under the slogan: "Malvinas Islands: A sovereign love."

He said the note is aimed at "incorporating a new element of daily use to the inalienable demand over the Malvinas Islands."

The 50 peso note, worth £3.70, has been designed and produced by Argentina's Mint House, and shows the map of the South Atlantic territories and another map of Latin America and the Caribbean - meant to show the support Argentina has rallied among regional nations in its long-standing sovereignty dispute against London.

（Sources: The Telegraph2015-02-24）

CORRECTED-Brazil unions sue McDonald's operator on pay, rules

Brazilian unions have filed suit alleging that the largest operator of McDonald's restaurants in Latin America violates Brazil's labor laws, a case that could lead to fines of up to 30 percent of annual sales.

According to the suit filed on Monday in Brazil's federal labor court in Brasilia, violations committed by Arcos Dorados Holdings Inc. amount to "social dumping" and helpMcDonald's Corp. illegally undercut competitors and boost profit.

The suit seeks an immediate order to end the practices described in the suit and an injunction banning the opening of any new McDonald's restaurants in Brazil until the problems are fixed.

It also seeks restitution of lost pay and damages for the rights violated. No figure was mentioned, but fines under Brazilian labor law can vary between 1 percent and 30 percent of a company's annual sales.

The suit is backed by two of Brazil's largest labor federations, CUT and UTG, as well as the Washington, DC-based Service Employees International Union (SEIU). It comes as U.S. unions representing retail and fast-food workers are pushing to boost pay and benefits for jobs that frequently pay the minimum wage or little more.

The unions accuse Arcos Dorados of a variety of violations under Brazil's extensive labor code, including unwholesome and unsanitary working conditions, time-clock fraud and failure to pay mandatory unemployment and retirement insurance.

It also says Arcos Dorados paid below legal or contractual minimum wages, forced double-shift work without breaks, forced workers to take in-restaurant lunch breaks with employer-supplied food and failed to make mandatory severance payments.

Arcos Dorados said in a statement that it has not yet seen the content of the lawsuit but defended its labor practices, saying the company "is absolutely confident in its labor practices and in the meeting of all the norms and laws it is subject to in all the places it works."

It also said it abides by agreements with Brazilian labor prosecutors over past labor law violations.

With regard to the accusation of social dumping, the suit asks the court to refer the case to CADE, Brazil's anti-trust regulator, on grounds that the company's labor practices violate competition laws. (Source: Reuters 2015-02-24)

China's loans to Latin America 'rose to $22bn in 2014'

Loans by China's state-owned banks to Latin American countries rose by 71% to $22bn (£14bn) in 2014, according to estimates published by the China-Latin America Finance Database.

The figure is the second largest on record for Chinese lending in Latin America, according to the report.

The Chinese loans exceed the combined worth of those by the World Bank and the

Inter-American Development Bank, the authors say.

Brazil alone received $8.6bn, they say.

It was followed by Argentina with $7bn, Venezuela with $5.7bn and Ecuador with $821m, according to the report by US think-tank Inter-American Dialogue and Boston University's Global Economic Government Initiative.

Report authors Kevin P Gallagher and Margaret Myers say Chinese finance is particularly popular with Latin American governments because it "comes with few strings attached".

"China may tacitly require that Chinese companies have a hand in some projects, but has avoided meddling in domestic policy," they write.

However, they warn that China's mounting financial commitments to the region also carry considerable risk.

"China is heavily invested in countries with poor credit ratings and a history of default," they say.

Since 2007, Chinese state banks have loaned Venezuela more than $50bn, which the Latin American nation has invested in mining, energy, infrastructure and housing projects.

Venezuela's socialist President, Nicolas Maduro, travelled to China in early January to ask for more funding as the Latin American nation faced a worsening economic crisis triggered by falling oil prices.

Upon his return, Mr Maduro told state media he had secured $20bn.

But with prices for Venezuelan oil almost half of what they were six months ago, this may have been less than the Venezuelan leader had hoped for and not enough to make up the shortfall, analysts say.

Chinese finance is key for a number of infrastructure programmes in Latin America, including an upgrade of the underground in the Argentine capital, Buenos Aires, and road building in Ecuador.

The report's authors predict that if Chinese pledges for further infrastructure projects come to fruition, China's investment in 2015 could beat the 2010 high of $37bn. (Source: BBC 2015-02-24)

Coffee prices face upward pressure, ICO says

Coffee prices will face upward "pressure", with reasons for support for arabica futures particularly strong, the International Coffee Organization said, despite raising its estimate for world production.

The ICO lifted by 360,000 bags to 142.0m bags its estimate for world output in 2014-15, citing improved expectations for output in Honduras, and in four African nations, including Tanzania, which is now expected to see production of 1m bags.

Indeed, the African output estimate was upgraded by 285,000 bags to 17.2m bags, a figure which, if realised, "will be the first time Africa has reached 17m bags since 1999-00", the organisation said.

However, even after the upgrade, world output will fall well behind consumption, which the ICO, in its first estimate, pegged at 149m bags for 2014, up 1.8% year on year.

There is "still strong demand in many countries, particularly traditional markets", such as Canada, the European Union, Japan and the US, said Mauricio Galindo, the ICO's head of organisation.

'Accumulation of stocks'

The impact of the production shortfall was being masked for now by reliance on stocks built up during two successive seasons of output surplus.

Inventories in importing countries ended last year some 3m bags higher than at the close of 2013.

Certified stocks for delivery against London robusta coffee futures "have been significantly reconstituted", soaring from 270,000 bags in April to 2.6m bags last month, while inventories held against New York-traded arabica futures, although declining, are also at 2.6m bags.

The "accumulation of stocks will help supply the market for now", Mr Galindo said.

'Pressure on prices'

However, this "trend cannot be maintained indefinitely", he said, adding that "it will put [upward] pressure on prices" which have fallen some 18% in New York so far in 2015, although by a more modest 1.3% in London.

The ICO acknowledged the role of currencies in coffee price behaviour, with the weakness in the real undermining dollar-denominated prices of arabica beans, of which Brazil is the top producer, while the dong, the currency of Vietnam, the top robusta grower, has held steady.

Coffee prices, while down 24% in dollar terms since the start of October, according to an ICO index, have fallen a more modest 11% in real terms.

Nonetheless, the ICO highlighted that the premium of arabica coffee to robusta has "narrowed significantly in the past month", ending February at $0.55 per pound.

"This is less than half its level of October, and should present some resistance to further decreases in arabica prices," the organisation said.（Source: Agrimoney.com 2015-03-06）

Taiwan Reports

Taiwan, Poland sign air transport agreement

Taipei, March 10 (CNA) Taiwan and Poland signed an air transport agreement Tuesday, with immediate effect.

Under the pact, carriers designated by the two countries will be able to provide air transport services beteween Taiwan and Poland.

The agreement was signed by Jack K.C. Chiang (江國強), representative of the Taipei Economic and Cultural Office (TECO) in Warsaw, and Marek Wejtko (魏馬克), chief representative of the Warsaw Trade Office in Taipei.

The agreement is expected to help increase the operational flexibility of carriers on both sides, which can further strengthen economic and trade cooperation, promote tourism development and benefit bilateral air service engagements, the Civil Aeronautics Administration (CAA) said.

With the pact taking effect, Taiwan and Poland can designate more airlines to operate on more routes from Taiwan Taoyuan International Airport and Kaohsiung International Airport in Taiwan to Warsaw and two other destinations in Poland via three mid-points, the CAA added.

Airlines wishing to operate on the new routes will require approval by the civil aeronautics authorities in the two countries. (Source: CNA 2015-03-10)

Exports in February down 6.7% from 2014: MOF

TAIPEI--Taiwan's exports were down significantly in February from a year earlier because of the loss of workdays to the Lunar New Year holiday, and they also fell slightly year-on-year in the first two months of the year.

Taiwan's exports during the month, when the country was on holiday from Feb. 18 to 23, fell 6.7 percent from February 2014 to US$19.86 billion, according to figures released Monday by the Ministry of Finance.

The Lunar New Year fell at the end of January in 2014.

Looking at the first two months of the year when the Lunar New Year holiday no longer factors into the comparison, exports dropped 1.3 percent year-on-year to US$44.98 billion.

The ministry attributed the decline in part to the slump in global crude oil prices, which reduced demand and the sales value of Taiwan's petrochemical product exports.

Overseas sales of refined petroleum products during the first two months of the year fell 48.8 percent to US$1.86 billion, while chemical sales were down 14 percent to US$2.94 billion during the same period.

Imports also slumped notably during the period, also driven by plummeting oil products.

They fell 22.4 percent year-on year in February to US$15.3 billion, and were down 13.2 percent in the first two months to US$35.62 billion.

Crude oil imports were down 58.9 percent in the January-February period to NT$5.66 billion, accounting for 61.4 percent of the total two-month decline in imports.

Taiwan's trade surplus in the first two months of the year was up 106.9 percent from a year earlier to US$9.36 billion, after rising 190.8 percent alone in February

（Source:CHINA POST 2015-03-10）

Headline consumer price index falls

The consumer price index (CPI) contracted 0.19 percent last month from a year earlier, dragged down by cheaper fuel prices and electricity rebates, though the food and entertainment industries were boosted by the Lunar New Year holiday, the Directorate-General of Budget, Accounting and Statistics (DGBAS) said in a report yesterday.

The inflationary gauge logged negative growth for the second consecutive month, but analysts dismissed worries over deflation, saying that private consumption remained healthy and might accelerate due to energy and transportation cost savings.

"Of greater significance is that the core CPI [consumer price index] — which the central bank tracks closely and indicates underlying price pressure — rebounded to 1.78 percent last month, after slipping to 0.64 percent in January," Standard Chartered Bank senior economist Tony Phoo (符銘財) said in a note.

This is the fastest core CPI increase since

February, 2013, and shows that the underlying price pressure remains a concern, Phoo said.

Fuel prices fell by 28.11 percent last month, while electricity costs plunged 24.72 percent, the DGBAS said.

State-run utility Taiwan Power Co (Taipower, 台電) last month passed on cost savings from lower oil prices with electricity rebates to households.

The rebate trimmed 0.59 percentage points from the headline CPI, the DGBAS said, adding that electricity rebates and lower oil prices brought down the headline CPI by 1.6 percentage points.

After seasonal adjustments, the CPI rose 0.01 percent last month, and for the first two months, the inflationary indicator softened by 0.56 percent from the same period last year, the report said.

Food prices, which account for 25 percent of the CPI, fell 1.32 percent, with vegetable prices dropping 15.23 percent, easing the impact of the 4.59 percent and 2.08 percent price increases of fish and meat respectively, the DGBAS said.

Dining costs, which constitute 10 percent of the CPI, climbed by 3.76 percent last month, though the pace marked the slowest increase in 10 months, the report said.

Cheaper oil prices are likely to keep the inflationary gauge in negative zone for the entire first half of this year, contracting 0.33 percent this quarter and another 0.26 percent next quarter, DGBAS predicted last month.

Soft inflation pressure caused by cheaper oil is favorable for corporate profit margins, consumer spending and the economy as a whole, the DGBAS said.

Meanwhile, the wholesale price index, a measure of production costs, fell by 8.49 percent last month, the sharpest decline in almost five-and-a-half years, amid continued price falls for crude, chemical, basic metal and electronic products, the report said. (Taipei Times 2015-03-10)

Summary of Exports and Imports for Feburary 2015

Highlights

For the month of Feb. 2015, total exports contracted 6.7% year on year to US$ 19.86 billion. However, total imports fell 22.4% from a year earlier to US$ 15.30 billion. The trade balance of this month was favorable, amounting to US$4.56 billion.

1. Exports

In Feb. 2015, comparing with the same month of last year, exports of electronic products grew by 5.3%, however exports of basic metals and articles thereof, plastics & rubber and articles thereof, machineries and chemicals declined 6.9%, 22.5%, 0.6% and 23.9% respectively.

2. Imports

In Feb. 2015, comparing with the same month of last year, imports of electronic products, mineral products, chemicals, basic metals and articles thereof, machineries declined 5.1%, 54.0%, 22.4%, 14.8% and 20.9% separately.

(Department of Statistics 2015/03/11)

Economic Index

%Change on previous year	2012	2013	2014-2015		
			Oct	Nov	Nov.-Jan.
GDP	1.48	2.11	3.63	2.83	--
CPI	1.93	0.79	1.07	0.86	1.26
Unemployment rate	4.24	4.18	3.95	3.89	3.97
Export	-2.3	1.4	0.7	3.7	3.3
Imports	-3.9	-0.2	-1.4	5.1	3.0
Export orders	1.12	0.44	13.4	6	7.0
Industrial production	-0.25	0.65	9.0	6.86	6.0
Monetary aggregate(M2)	3.5	5.8	5.0	5.2	5.64
Stock Market	7,700	8,612	8975	9187	---

* September figures (Sources: Ministry of Finance & National Development Council)

GLOBAL ECONOMIC INDICATORS-OUTPUT, PRICES AND UNEMPLOYMENT (% change on a year ago)

	Gross domestic product				Industrial production	Consumer prices			Unemployment Rate, %
	latest	quarter *	2014 *	2015 *	latest	latest	Year ago	2014 *	
United States	2.5(Q4)	5.0	2.3	3.0	5.2(Nov)	1.3(Nov)	1.2	1.7	5.8(Nov)
China	7.3(Q4)	7.8	7.3	7.0	7.2(Nov)	1.4(Nov)	3.0	2.1	4.1(Q2)*
Japan	-1.3(Q3)	-1.9	0.5	1.1	-3.8(Nov)	2.4(Nov)	1.6	2.7	3.5(Nov)
Britain	2.7(Q4)	3.0	3.0	2.6	1.1(Oct)	1.0(Nov)	2.1	1.5	6.0(Sep)*
Canada	2.6(Q3)	2.8	2.3	2.4	3.4(Oct)	2.0(Nov)	0.9	2.0	6.6(Nov)
Euro area	0.8(Q3)	0.6	0.8	1.1	0.7(Oct)	0.3(Nov)	0.9	0.5	11.5(Oct)
Austria	-0.1(Q3)	-1.6	0.9	1.2	-2.3(Oct)	1.7(Nov)	1.4	1.5	5.1(Oct)
Belgium	0.9(Q3)	1.2	1.1	1.2	-0.6(Oct)	-0.4(Dec)	1.0	0.6	8.6(Oct)
France	0.4(Q3)	1.0	0.4	0.8	-1.0(Oct)	0.3(Nov)	0.7	0.6	10.5(Oct)
Germany	1.2(Q3)	0.3	1.4	1.3	0.9(Oct)	0.2(Dec)	1.4	0.9	6.6(Nov)
Greece	1.9(Q3)	3.0	0.8	2.3	-0.7(Oct)	-1.2(Nov)	-2.9	-1.3	25.7(Sep)
Italy	-0.5(Q3)	-0.6	-0.3	0.4	-3.0(Oct)	0.2(Nov)	0.7	0.2	13.2(Oct)
Netherlands	1.0(Q3)	0.5	0.7	1.2	0.4(Oct)	1.0(Nov)	1.5	0.7	8.0(Nov)
Spain	2.0(Q4)	2.0	1.3	1.7	0.6(Oct)	-1.1(Dec)	0.3	-0.1	24.0(Oct)
Czech Republic	2.7(Q3)	1.6	2.4	2.3	3.2(Oct)	0.6(Nov)	1.1	0.5	7.1(Nov)*
Denmark	1.0(Q3)	1.6	0.9	1.5	-2.4(Oct)	0.5(Nov)	0.5	0.7	5.0(Oct)
Hungary	3.2(Q3)	1.9	3.0	2.4	1.9(Oct)	-0.7(Nov)	0.9	*nil*	7.1(Oct)*
Norway	2.1(Q3)	2.0	2.3	1.1	9.9(Oct)	1.9(Nov)	2.5	2.0	3.8(Oct)*
Poland	3.4(Q3)	3.6	3.3	3.2	0.3(Nov)	-0.6(Nov)	0.6	0.1	11.4(Nov)*
Russia	0.7(Q3)	*na*	0.6	-3.5	-0.3(Nov)	11.3(Dec)	6.5	7.7	5.2(Nov)*
Sweden	2.1(Q3)	1.3	2.0	2.4	0.1(Oct)	-0.2(Nov)	0.1	-0.1	7.4(Nov)*
Swiss	1.9(Q3)	2.6	1.6	1.8	-0.4(Q3)	-0.1(Nov)	0.1	*nil*	3.1(Nov)
Turkey	1.7(Q3)	*na*	3.0	3.8	4.5(Oct)	8.2(Dec)	7.4	8.9	10.5(Sep)*
Australia	2.7(Q3)	1.4	3.1	2.8	3.8(Q3)	2.3(Q3)	2.2	2.5	6.3(Nov)
Hong Kong	2.7(Q3)	6.8	2.4	2.6	-1.8(Q3)	5.1(Nov)	4.3	4.4	3.3(Nov)*

India	5.3(Q3)	8.1	6.0	6.5	-4.2(Oct)	4.4(Nov)	11.2	7.3	8.8(2013)
Indonesia	5.0(Q4)	*na*	5.0	5.5	8.3(Oct)	8.4(Dec)	8.1	6.3	5.9(Q3)*
Malaysia	5.6(Q3)	*na*	6.0	5.4	5.0(Oct)	3.0(Nov)	2.9	3.1	2.7(Oct)*
Pakistan	5.4(2014)*	*na*	5.4	4.6	1.8(Oct)	4.3(Dec)	9.2	7.3	6.2(2013)
Singapore	1.5Q4	1.6	3.1	3.6	-2.8(Nov)	-0.3(Nov)	2.6	1.1	2.0(Q3)
South Korea	2.8(Q4)	3.7	3.5	3.9	-3.4(Nov)	0.8(Dec)	1.1	1.3	3.1(Nov)*
Taiwan	3.2(Q4)	2.6	3.6	3.4	7.3(Dec)	0.9(Dec)	0.8	1.3	3.8(Dec)
Thailand	0.6(Q3)	4.4	0.7	4.1	-3.5(Nov)	0.6(Dec)	1.7	1.9	0.6(Nov)*
Argentina	-0.8(Q3)	-2.1	-0.6	0.3	-2.1(Nov)	—*	—	—	7.5(Q3)*
Brazil	-0.2(Q3)	0.3	0.2	0.8	-3.6(Oct)	6.6(Nov)	5.8	6.3	4.8(Nov)*
Chile	0.8(Q3)	1.5	2.0	3.6	-2.9(Nov)	5.4(Nov)	2.4	4.4	6.1(Nov)*
Colombia	4.2(Q3)	2.6	5.0	4.8	0.4(Oct)	3.7(Nov)	1.8	2.9	7.7(Nov)*
Mexico	2.2(Q3)	2.0	2.1	3.3	2.1(Oct)	4.2(Nov)	3.6	3.9	4.7(Nov)
Venezuela	-2.3(Q3)	10.0	-3.1	-2.8	0.8(Sep)	63.6(Nov)	58.2	62.2	6.4(Oct)*
Egypt	3.7(Q2)	*na*	2.2	3.6	25.7(Oct)	9.0(Nov)	13.0	10.7	13.1(Q3)*
Israel	2.4(Q3)	-0.1	2.4	3.5	-0.8(Oct)	-0.1(Nov)	1.9	0.5	5.6(Nov)
Saudi Arabia	3.6(2014)	*na*	4.1	3.1	*na*	2.5(Nov)	3.1	2.8	5.6(2013)
South Africa	1.4(Q3)	1.4	1.6	2.5	2.1(Oct)	5.8(Nov)	5.3	6.2	25.4 (Q3)*

Source: Haver Analytics NOTE: Hover over entries marked * to reveal supplemental information

Source: http://www.economist.com/indicators

Taiwan's Top 10 Conglomerate by Revenue in 2014

Conglomerate	Revenue in 2014 (billion NTD)	Increase Rate yoy(%)
Hung Hai	4,919.0 (US$158.77)	5.3
Formasa	2,091.9 (US$67.48)	0.1
Asus	1,602.2 (US$51.68)	5.6
Kinpo	1,109.4 (US$35.78)	20.7
Acer	979.2 (US$31.58)	-5.5
Quanta	944.3 (US$30.46)	5.1
TSMC	793.6 (US$25.6)	27.1
Uni-President	702.3 (US$22.65)	2.4
Auo	644.4 (US$20.78)	1.5
Fubon	497.6 (US$16.05)	2.4

Source: CMoney

2014 Average exchange Rate: 1 US$:31

Republic of China Updated January 12, 2015

General Information

Land Area	36,193 sq. km	**Population**	23.44million (01/2015)
Capital	Taipei	**Population of Capital**	2.70million (01/2015)
National Day	October 10	**Country Code**	886
Currency	New Taiwan Dollar	**Exchange Rate per USD**	US$1=NT$ 31.53(01/2015)
Languages	Mandarin, Taiwanese, Hakka, Indigenous languages		
Religions	Buddhism, Taoism, Christianity, Islam		
Participation in IGOs	Member: 1. APEC (Asia-Pacific Economic Cooperation)since 1991 2. WTO (World Trade Organization) since 2002 3. ADB (Asian Development Bank) since 1966 Observer: 1. WHA (World Health Assembly of World Health Organization) since 2009 2. OECD (Organization for Economic Cooperation and Development) – Competition Committee since 2002, Steel Committee since 2005, Fisheries Committee since 2006		

Government

Head of State	President MA Ying-Jeou
Cabinet	Premier Chi-Kuo MAO, Minister of Foreign Affairs David Y. L. LIN, Ministry of Economic Affairs Cheng-Chung DENG, Minister of Finance Sheng-Ford CHANG

Structure	The ROC government is divided into central, provincial and municipal, as well as county and city levels. The central government is consisted of the Office of the President and 5 branches (called "Yuan") - the Executive Yuan (Cabinet), the Legislative Yuan, the Judicial Yuan, the Examination Yuan, and the Control Yuan. The Cabinet is headed by the Premier, who is appointed by the President of the R.O.C.
Major Political Parties	Kuomingtan (KMT), Democratic Progressive Party (DPP), People First Party (PFP), Taiwan Solidarity Union

Economic Statistics of 2014

<table>
<tr><td>GDP</td><td>US$5,284 billion</td><td>Economic Growth Rate</td><td>3.50%</td></tr>
<tr><td rowspan="2">GDP per capita</td><td rowspan="2">US$22,583</td><td>Consumer Price Inflation</td><td>0.94% (Jan. 2015)
0.79% (2013)</td></tr>
<tr><td>Unemployment Rate</td><td>3.79% (Dec 2014)
4.18% (2013)</td></tr>
<tr><td>Major Industries</td><td colspan="3">electronics, communications and information technology products, chemicals, textiles, iron and steel, machinery, cement, pharmaceuticals</td></tr>
<tr><td>Exports</td><td colspan="3">US$ 25.12 billion (January 2015, up 3.4% of the same month of 2014)
US$ 313.8 billion (Jan.-December, 2014)
US$ 305.4 billion (2013, up 1.4% of 2012)</td></tr>
<tr><td>Major Export Items</td><td colspan="3">Electronic integrated circuits, Liquid crystal devices, Petroleum oils and oils obtained from bituminous minerals (non-crude), Telephone sets and other apparatus for transmission or reception of voice and images, Diodes, transistors and similar semiconductor devices, Printed circuit</td></tr>
</table>

Major Export Markets	China, Hong Kong, U.S., Japan, Singapore, Korea, Vietnam, Malaysia, Germany, Philippines
Imports	US$ 20.32 billion (January 2015, down 4.8% of the same month of 2014) US$ 274.2 billion (Jan.-December, 2014) US$ 270.0 billion (2013, down 0.1% of 2012)
Major Import Items	Electronic integrated circuits, Petroleum oils and oils obtained from bituminous minerals (crude and non-crude), Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays; machines, Petroleum gases and other gaseous hydro carbons, Coal; briquettes, ovoid and similar solid fuels manufactured from coal
Major Import Markets	Japan, China, U.S., Korea, Saudi Arabia, Australia, Germany, Malaysia, Singapore, Kuwait
Foreign Reserves	US$418.98 billion (until December 2014)
Outward FDI (Source: Investment Commission, MOEA)	US$ 8.09 billion (2012) US$ 5.23 billion (2013) US$ 7.29 billion (2014)
Inward Investment (Source: Investment Commission, MOEA)	US$ 5.55 billion (2012) US$ 4.93 billion (2013) US$ 5.77 billion (2014)
Foreign Direct Investment (Source: Investment Commission, MOEA)	Stock: US$ 126.3 billion (2013 accumulated) FDI: US$ 4.93 billion (2013)

FTAs signed with Trading Partners	1. FTA between the Republic of China (Taiwan) and the Republic of Panama – August 21, 2003 2. FTA between the Republic of China (Taiwan) and the Republic of Guatemala – September 22, 2005 3. FTA between the Republic of China (Taiwan) and the Republic of Nicaragua–June 16, 2006 4. FTA between the Republic of China (Taiwan), the Republic of El Salvador, and the Republic of Honduras –May 7, 2007 5. ECFA(Economic Cooperation Framework Agreement)– June 29, 2010 6. ANZTEC (Agreement between New Zealand and Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Cooperation)-July 10, 2013 7. ASTEP(Agreement between Singapore and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu on Economic Partnership)- November 7, 2013

Sources: MOFA; Bureau of Foreign Trade, MOEA; Investment Commission, MOEA; EIU; National Statistics R.O.C; Dept. of Statistics, MOEA

2015 CIECA Tentative Event Plan

（Asia, Africa, Latin America, South Asia, Middle East）

Revised on 2015/03/12

No.	Date	Events	Venue
1.	January 27	Trade and Investment Opportunities in La Rioja, Argentina	Taipei
2.	February 4	The 29^{th} CACCI Conference Planning Committee Meeting	Hong Kong
3.	March 16-20	Trade and Investment Opportunities in El Salvador	Taipei
4.	March 17	ICC's Permanent Heads of National Committees meeting	Singapore
5.	March 18	ICC's Extraordinary meeting of the ICC World Council	Singapore
6.	March 31-April 3	The 2nd Taiwan-Cambodia Joint Business Councils Meeting	Cambodia
7.	April 1	The 2nd Taiwan-Myanmar Joint Business Councils Meeting	Taipei
8.	April 20	The 15^{th} Taiwan-Malaysia Joint Economic Conference	Taipei
9.	April	Trade and Investment Opportunities in Nicaragua	Taipei
10.	May 16-20	The 12th Taiwan-Brazil Joint Business Councils Meeting	Taipei
11.	May	Trade and Investment Opportunities in Dominican Republic	Taipei
12.	May 26	The 14th Taiwan-Mongolia Joint Business Council Meeting	Taipei
13.	May-June	The 1st Taiwan-Morocco Joint Business Council Meeting	Morocco
14.	May-June	The 1st Taiwan-Tunisia Joint Business Council Meeting	Tunisia
15.	May-June	The 1st Taiwan-Gabon Joint Business Council Meeting	Gabon

No.	Date	Events	Venue
16.	May-June	The 2nd Taiwan-Sao Tome& Principe Joint Business Council Meeting	Sao Tome& Principe
17.	June	Trade and Investment Opportunities in Haiti	Taipei
18.	June 8-13	The 9th World Chambers Congress	Italy
19.	June 11-18	The 20th Joint Economic Cooperation Conference between Indonesia and Taiwan	Jakarta
20.	June-July	The 13th Joint Meeting between CIECA & Singapore Business Federation (SBF)	Singapore
21.	July 6-10	ICC Arbitration & ADR Seminar	Taipei
22.	August	The 7th Taiwan-Israel Joint Business Council Meeting	Taipei
23.	August	The 25th Joint Economic Cooperation Meeting between CIECA & FTI	Taipei
24.	September	The 15th Taiwan-India Joint Business Council Meeting	Taipei
25.	September-October	The 19th Taiwan-Mexico Joint Business Council Meeting	Mexico
26.	September-October	The 5th Taiwan-Guatemala Joint Business Council Meeting	Guatemala
27.	September-October	The 6th Taiwan-Panama Joint Business Council Meeting	Panama
28.	September-October	The 4th Taiwan-Colombia Joint Business Council Meeting	Colombia
29.	September-November	The 29h Joint Conference of ROC-Australia & Australia-Taiwan Business Council	Australia
30.	September-November	The 40th Joint Conference of ROC-Korea and Korea-Taiwan Business Council	Seoul
31.	September-November	The 5th Taiwan- Bangladesh Joint Business Councils Meeting	Taipei

No.	Date	Events	Venue
32.	October	Annual ICC conference on Corporate Responsibility and Anti-Corruption	Paris
33.	October	The 21st Joint Business Council Meeting between CIECA & VCCI	Taipei
34.	November	The 29th CACCI Conference	Hong Kong
35.	December	The 4th Taiwan-Saudi Joint Business Councils Meeting	Taipei
36.	December 3-4	The 23rd Taiwan-Philippines Joint Business Council Meeting	Taipei

2014 CIECA Tentative Event Plan
Europe

Revised on 2015/02/12

No.	Date	Events	Venue
1.	March 25	Seminar on Business Cooperation Opportunities in Ireland	Taipei
2.	April- June	Seminar on Business Cooperation Opportunities in Romania	Taipei
3.	May 8	The 21st Taiwan-Holland Joint Business Council Meeting	Hague (Holland)
4.	May 11	The 1st Taiwan-Croatia Joint Business Council Meeting	Zagreb (Croatia)
5.	May 13 -24	The 19th Taiwan-Spain Business Cooperation Committee	Madird, Bacelona (Spain)
6.	May 13 -24	The 3rd Taiwan-Portugal Joint Business Council Meeting	Lisbon, (Portugal)
7.	May 20-June 30	Seminar on Business Cooperation Opportunities in Russia	Taipei

No.	Date	Events	Venue
8.	May 23-31	Taiwan Economic & Trade Delegation to Italy and Swiss	Milan (Italy)
9.	May 23-31	Taiwan Economic & Trade Delegation to Italy and Swiss The 1st Taiwan-Swiss Joint Business Council Meeting	Zurich (Swiss)
10.	June (TBC)	The 4th Taiwan-Italy Joint Business Council Meeting	Taipei
11.	June 10	The 13th Taiwan-Poland Joint Business Council Meeting	Warsaw (Poland)
12.	June 12	The 4th Taiwan-Bulgaria Joint Business Council Meeting	Sofia (Bulgaria)
13.	June 25	Seminar on Business Cooperation Opportunities in Federation of Bosnia and Herzegovina	Taipei
14.	June 30	The 11th Taiwan-Hungary Joint Business Council Meeting	Taipei
15.	September -October	The 2nd Taiwan-Ireland Joint Business Council Meeting	Taipei
16.	September 3	The 15th Taiwan-Germany Joint Business Council Meeting	Taipei
17.	September 7-11	The 6th Taiwan-Turkey Joint Business Council Meeting	Istanbul (Turkey)
18.	September 7-11	The 3rd Taiwan-Georgia Joint Business Council Meeting	Tbilisi (Georgia)
19.	September 15(TBC)	The 8th Taiwan-Austria Joint Business Council Meeting	Taipei
20.	September 21	The 31st Taiwan –Sweden Joint Business Council Meeting	Stockholm (Sweden)
21.	September 23	The 4th Taiwan-Finland Business Forum	Helsinki (Finland)
22.	September 25	The 3rd Taiwan-Norway Joint Business Council Meeting	Oslo (Norway)
23.	October 6	The 14th Taiwan-Czech Republic Joint Business Council Meeting	Taipei

No.	Date	Events	Venue
24.	October 14-16 (TBC)	Taiwan Economic & Trade Delegation to Kazakhstan	Almaty, (Kazakhstan)
25.	October 17-20 (TBC)	The 6th Taiwan-Russia Joint Business Council Meeting	Moscow (Russia)
26.	September-October	The 17th Joint Meeting of Taiwan Britain Business Council	Taipei
27.	October-November	The 4th Estonia-Taiwan Business Forum	Taipei
28.	November 11	The 8th Taiwan-Luxembourg Joint Business Council Meeting	Taipei
29.	November	The 16th Taiwan- Belgium Joint Business Council Meeting	Taipei
30.	October 31-November 8(TBC)	Taiwan Economic & Trade Delegation to Bosnia and Herzegovina, Romania (TBC)	Sarajevo, Bucharest