

GLOBAL HIGHLIGHTS

FEBRUARY 8, 2010

WORLD

Toyota has recalled hundreds of thousands of Prius hybrid cars to fix a potentially dangerous brake defect. The expected recall of Toyota's flagship green vehicle risks inflicting further damage to the reputation of the world's biggest carmaker. It has already recalled more than 8m cars worldwide because of potential accelerator problems. The firm is expected to initially recall and repair around 270,000 of the petrol-electric hybrids in the US and Japan where drivers have reported momentary brake failure at slow speeds, particularly on bumpy or slippery roads. The recall may later be extended to other countries, the reports said. US authorities are looking into 100 complaints affecting the newest Prius model, which went on sale last May, while Japan's transport ministry is aware of dozens of similar cases. Toyota said the problem was not mechanical, but was due to a software glitch that can be fixed. Last week it invited allegations of a cover-up after it admitted it had already started fixing the defect on models assembled since the end of last month. The Prius, the world's most popular hybrid model and the best-selling car in Japan last year, is regarded as pivotal to Toyota's attempts to corner the market in fuel-efficient cars. Toyota has sold more than 300,000 of its third-generation Prius in 60 countries since its launch last May, including 170,000 in Japan, 100,000 in the US and 29,000 in Europe.

guardian.co.uk

Top international finance officials renewed their commitments to keep spending to support a global rebound while playing down differences over new U.S. approaches on bank reform. Finance ministers and central bank presidents of the G-7 major industrial economies normally seek to strike a united front at their meetings to avoid upsetting financial markets. That imperative seemed even more urgent at their two days talk given the bad week experienced by global markets, which were thrown into a tailspin by new worries over rising debt levels in Greece, Portugal and Spain. The G-7 officials struck a united front at their closing news conference announcing an agreement to push the international lending agencies to grant new debt relief for earthquake-ravaged Haiti and expressing broad consensus on the need to continue spending to support a tentative economic rebound.

The G-7 countries are the United States, Japan, Germany, France, Britain, Italy and Canada. www.topix.com

AFRICA

Developed countries have set aside \$30 billion for **African countries** as soft loans for adaptation and mitigations to reduce the effects of climate changes in the continent. Addressing a press conference yesterday in Dar es Salaam, the foreign affairs and international relations Minister Bernard Membe said \$15 billion was donated by Japan alone. The balance was given by other donor countries in the west. Membe said the money will be given to programmes which are environmental friendly like planting trees, solar energy and wind electricity. He called on individuals and companies to apply for the funds through Japan International Cooperation Agency (JICA).

Angola's parliament has approved a new constitution which abolishes direct presidential elections. The head of state will now automatically be the leader of the party with the parliamentary majority. The main opposition, Unita, boycotted the vote, accusing the government of trying to destroy democracy. President Jose Eduardo dos Santos has been in power for more than three decades and the next polls are not expected until 2012. The oil-rich nation is recovering from a long civil war which ended in 2002. news.bbc.co.uk

The **Nigerian** cabinet has been ordered by the federal court to decide within 14 days if ill President Umaru Yar'Adua is fit to lead the country. The president has been in Saudi Arabia for two months, receiving treatment for a heart condition. The court ruling directed the cabinet to pass a resolution about whether he "is incapable of discharging the functions of his office". news.bbc.co.uk

Nigerian Senator Mohammed Abba-Aji confirmed that President Umaru Yar'Adua will hand over to Vice-President Goodluck Jonathan after handing in a letter of his medical vacation to the National Assembly. The revelation was upon pressure from the Peoples' Democratic Party (PDP) to extend its ultimatum for President Yar'Adua to hand over the letter by February 15. The PDP senators also vowed not to accept any executive communication from Vice President Goodluck Jonathan in his present capacity. allafrica.com

AMERICA

US assessment of Venezuela's oil reserves could give the country double the supplies of Saudi Arabia. Scientists working for the US Geological Survey say Venezuela's Orinoco belt region holds twice the petroleum previously thought. The geologists estimate the area could yield more than 500bn barrels of crude oil. news.bbc.co.uk

The IMF approved a \$1.27 billion loan to support Jamaica's plan to recover from mounting government debt, weak economic growth, and the effects of the global economic crisis. The money will help Jamaica, a Caribbean country of 2.8 million people; implement its two-year plan, which includes

- Reform of the public sector to substantially reduce the large budget deficit
- A debt strategy to reduce debt servicing costs
- Reforms to the financial sector to reduce risks.

With the plan in place, the IMF predicts growth rates in Jamaica to increase from -3 ½ % in 2009 to ½ % by late 2010, and to rise to 2 % in 2011. www.imf.org

Costa Rica is set to have its first female president. According to preliminary results Laura Chinchilla Miranda from the leftist ruling National Liberation Party, has garnered some 47% of the vote and her closest contenders, left-centrist Otton Solis and conservative Otto Guevara have already acknowledged defeat, congratulating the former vice president on victory. Laura Chinchilla is a strong supporter of the incumbent President Oscar Arias and has vowed to continue his democratic course, focusing on solving economic problems in the country. During her election campaign she pledged to fight poverty and ensure the protection of women's rights. emm.newsbrief.eu

EUROPE

The Organisation for Security and Co-operation in Europe (OSCE), the continent's top election monitoring body, has endorsed the first round of the Ukrainian presidential poll, saying it was of "high quality" and demonstrated "significant progress". Opposition leader Viktor Yanukovich will now face Prime Minister Yulia Tymoshenko in a run-off in February. Joao Soares, the head of the OSCE mission, said the vote was "very promising for the future of Ukraine's democracy". That assessment is, of course, in marked contrast to the election of 2004, when large scale vote-rigging initially returned a victory for Mr Yanukovich. news.bbc.co.uk

Governments in Greece, Spain and Portugal have struggled recently to subdue fears of a looming debt crisis in Europe that is pummeling the euro and rippling across global markets as authorities vowed to impose fiscal austerity. Investor panic is threatening to drive up the cost of borrowing for numerous nations around the world and to destabilize global currency markets, with the falling euro and strengthening dollar already hitting U.S. exporters by making such items as American beef and U.S. steel more expensive overseas. Last week the euro fell to its lowest level in eight months, tumbling almost 1% against the dollar. Investors also drove up the cost of insuring against a default in Greece, Spain and Portugal.

Portugal, in recent days, has been swallowed up in the debt market panic that began in Greece late 2009. Portuguese officials have pledged to slash spending but opposition lawmakers on Friday pushed through a controversial bill funneling tens of millions of Euros to the Azores and Madeira islands, a move the country's finance minister openly warned could have "grave consequences for Portugal's public accounts."

In Greece and Spain, analysts additionally fear bouts of civil unrest that could roll back attempts to address the fiscal problems. The Greek government's pledge to slash spending and curb public-sector pay sparked protests in Athens as customs officials and tax collectors walked off the job in the first of a number of planned mobilizations against government austerity measures set to continue next week. www.msnbc.msn.com

ASIA

China has said its economy expanded by 8.7% in 2009, exceeding even the government's own initial expectations. The pace of change increased as the year progressed, with growth in the final quarter of 2009 increasing by 10.7% from the same period a year earlier. China is now on course to overtake Japan and become the world's second-biggest economy.

news.bbc.co.uk

Atomic energy chief Ali Akbar Salehi confirmed this week that Iran plans to build 10 new uranium enrichment facilities. The statement comes after President Mahmoud Ahmadinejad instructed Iran's Atomic Energy Organisation to start work on producing higher-grade nuclear fuel for a Tehran reactor. Iran's announcement raised the stakes in its dispute with the West, but President Ahmadinejad said talks were still possible on a nuclear swap offer by world powers designed to allay fears the Islamic Republic is making an atomic bomb. emm.newsbrief.eu