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KUWAIT: People gather at the Ooredoo Kuwait headquarters during the launch of the Apple iPhone 6s and iPhone 6s Plus at midnight. (Inset) International BASE jumper Julian Deplidge after jumping from the top of Ooredoo's HQ, parachuting down to officially deliver the brand new phones. — Photos by Yasser Al-Zayyat. (See Page 25)

IMF's 'credibility' at stake: Lagarde

Peru protesters tell IMF 'imperialists' to go home

LIMA: Washington's use of its de facto veto at the International Monetary Fund to block reforms giving emerging countries a greater say is jeopardizing the IMF's credibility, its leader said Friday.

The IMF has been caught up in a protracted, politically charged battle over reforms intended to reflect the changing global economy by giving emerging giants such as China more weight at the Fund.

"It is an issue for the credibility and the representativeness of the institution, particularly vis-a-vis the under-represented countries," IMF Managing Director Christine Lagarde said at the Fund's annual meeting in Lima, Peru.

The reforms-a doubling of IMF funding and a reallocation of voting power to boost China and other up-and-coming economic powers-were originally propelled by Washington, and President Barack Obama's White House has repeatedly endorsed them. But the US Congress has refused for three years to sign off on the deal, with some legislators not wanting to contribute more money to the IMF and others concerned about eroding US dominance of the Fund.

As the rules stand now, China, the world's second-largest economy, has less than four percent of the voting power at the IMF-barely more than Italy, an economy one fifth its size.

"I... very much hope that (reforms) will be taken seriously and that the US authorities will actually appreciate the need to reinforce an institution that they participated very actively in creating," Lagarde said. US Treasury Secretary Jacob Lew repeated the administration's support for the reforms, adopted back in 2010. "The consequences for the United States and the international financial community are very significant if quota reform is not done," he said.

LIMA: (L-R) Chief Economics Commentator, Financial Times and moderator Martin Wolf; IMF Managing Director Christine Lagarde; World Bank President Jim Yong Kim; Executive Secretary of the UN Framework Convention on Climate Change Management Christiana Figueres and Patel Professor of Economics and Government, LSE, and President of the British Academy Nicholas Stern participate in a panel discussion at the National Theater. —AFP

Protests

Activists marched through the Peruvian capital Friday to protest what they called the anti-poor policies of the International Monetary Fund and World Bank, which are holding their annual meetings here.

Around 2,000 demonstrators joined the march, carrying signs with angry slogans and at one point burning the flag of the United States, where the IMF and World Bank are based. "Imperialists go home," said one sign decorated with swastikas. "World Bank, universal terror," said another. Police in riot gear carrying shields and tear gas bombs accompanied the protesters on the three-hour march, but ultimately no clashes broke out. When the march reached the meeting venues-which have been surrounded by a heavy security presence all week-a small group of protesters was allowed to go inside to hand a petition over to officials.

"Stop cutting payrolls to get out of the crisis," it said. The demonstrators, some of whom wore traditional Andean indigenous garb, threatened to call a national strike if the Peruvian government continued to "blindly" implement IMF policy prescriptions.

The march was called by Peru's largest labor union, the Workers' General Confederation of Peru (CGTP). "The economic growth the International Monetary Fund talks about in Peru in recent years hasn't been felt in the working class. It's gone to businessmen," said CGTP leader Domingo Cabrera.

The IMF and World Bank have long had thorny relations with Latin America, where they have faced accusations of forcing governments to cut programs for the poor in exchange for access to loans.

This is the first time the institutions have held their annual meetings in the region since 1967.

IMF chief Christine Lagarde sought to downplay criticisms Thursday as she kicked off the meetings in a region long resentful of being seen as America's back yard. "The world has changed ... The IMF has changed," she said. "It's not the old Latin America. It's not the old IMF either. The relationship is one of cooperation and partnership." — AFP

China concerns leave CBs in difficult spot

LONDON: The coming week will provide clues on whether the global economy is escaping from its lacklustre growth rut, amid growing concerns of another downturn which central banks have few tools left to fight. China has become the focal point for economists as they fear a hard landing there could send countries that have only just escaped from the doldrums reeling back into recession.

Beijing will publish September trade data on Tuesday and inflation on Wednesday and any significant deviation from expectations could set the tone for the week.

The deluge of data from China in coming weeks is likely to point to further weakness, reinforcing expectations Beijing will roll out more stimulus measures to ward off a sharper slowdown.

"After the past few turbulent weeks and continued concerns with regard to the world's second largest economy, the data will also attract great attention in view of GDP figures due out on October 19," said economists at DZ Bank.

In the euro zone, final inflation numbers for some member countries will be published during the week with the bloc's reading on Friday expected to confirm prices fell 0.1 percent annually last month.

Since March the European Central Bank has been pumping 60 billion euros a month into the economy as part of its battle to drive up inflationary pressures but the programme has so far failed to spark price rises. Expectations are that it will eventually have to be extended beyond its planned completion date.

"We think additional ECB easing is in the pipeline," said Martina von Terzi at UniCredit.

"New stimulus is likely to reflect the ECB's heightened risk aversion, increasing awareness by the Governing Council that the bank's inflation projections are too optimistic, and the need to counter upward pressure on the euro."

But with the ECB's next rate meeting fast approaching, most bets have already been made and the hawks seem to be winning, so there may not be any extension or expansion of quantitative easing for now. Next week some of the ECB's biggest guns are speaking so if their thinking is shifting, it will be the time to send fresh signals before the Oct. 22 gathering of rate setters in Malta.

In contrast, other major central banks long ago set the printing presses running to flood their economies with newly created money, spending around $7 trillion to defend themselves during the global financial crisis. Indeed, markets are now focusing on when the US Federal Reserve pulls the trigger and tightens policy for the first time in nearly a decade after it took a pass last month.

The minutes of that meeting showed the Fed thought the economy was close to warranting a rate hike, but policymakers wanted firmer evidence the global economic slowdown was not knocking America off course. Subsequent economic data has shown a sharp slowdown in hiring by US employers. Retail sales numbers on Wednesday ahead of industrial production and Michigan consumer sentiment on Friday will indicate if there is still a chance of a rise this year.

Inflation data is due on Thursday and four voting members of the Federal Open Market Committee also speak next week. The International Monetary Fund has urged the Fed and Japanese and European central banks to wait for more signs of recovery before tightening. IMF Chief Christine Lagarde on Thursday repeated her plea to Fed Chair Janet Yellen to stay her hand. The Bank of England left borrowing costs at a record low 0.5 percent this week, saying the outlook for British inflation in coming months looked weaker than it previously thought. Official figures on Tuesday will likely say it remained at zero last month. — Reuters