

MEXICO PRESIDENT TRIES TO CALM ANGER OVER GAS HIKE

MEXICO CITY: Mexico's president tried again on Thursday to calm anger over the big jump in gasoline prices this month amid a historically weak currency and continued threats by Donald Trump to steer manufacturers back to the United States. In his latest speech, the deeply unpopular President Enrique Pena Nieto outlined measures that he said would help families mitigate the impact of the price hike. Yet steps like notifying more than 3 million Mexicans older than 65 that they have money in government retirement accounts seemed unlikely to dissipate

the outrage that led to widespread looting in parts of the country and marches calling for his resignation.

Earlier this week, Pena Nieto promised to police price increases for staple goods and invest in modernizing public transportation. But it was difficult to see how any of that could make up for the overnight 20 percent increase in the price of gasoline when the government ended price controls.

After days of seeking ways to strike a calming chord, Pena Nieto tried taking a more relaxed posture Thursday, leaning casually on the podium, cracking jokes -

and telling Mexicans to suck it up.

"It is a difficult step that we have to adapt to," he said. He spoke a day after the peso fell below 22 to the dollar as the US president-elect again promised to make Mexico pay for a new border wall. The interbank rate strengthened some Thursday to close at 21.70 to the dollar, but retail customers were still paying 22 pesos per dollar at exchange houses. Jose Antonio Gonzalez Anaya, head of the state-owned oil company Pemex, said Thursday that the previous system of having the government set the price for gasoline across Mexico

made it unattractive to bring more gas to various parts of the country and to invest in infrastructure such as fuel pipelines to move fuel. He noted that most of Mexico's gasoline is still transported by tanker trucks, a far more costly alternative.

Pena Nieto said that he had heard many times that eliminating the gasoline subsidies would happen only when the government had no other alternative or when there was no more oil. He pointed out that Mexico is producing far less oil than it used to. "In a way both things coincided," he said. — AP



SEOUL: Women pass by sale signs at a shopping district in Seoul yesterday. South Korea's central bank lowered its forecast for the country's growth in 2017 due partly to the fallout from a massive influence-peddling scandal. —AP

BANK OF KOREA CUTS GROWTH OUTLOOK

SEOUL: South Korea's central bank lowered its forecast for the country's growth in 2017 due partly to the fallout from a massive influence-peddling scandal.

Bank of Korea said yesterday that the economy will likely expand 2.5 percent this year, slower than its October prediction of 2.8 percent growth. It said Asia's fourth-largest economy will grow 2.8 percent in 2018. The bank cited weak private consumption because of meager income growth, heavy household debts and the political fallout from the scandal.

Parliament impeached President Park Geun-hye in December and the Constitutional Court is considering whether she should be removed from power permanently for allegedly letting a long-time friend secretly meddle in state affairs.

Uncertainties over the next presidential election have left companies reluctant to increase investment and hiring. Bank of Korea Gov. Lee Ju-yeol told reporters that economic policy should focus on encouraging consumer spending.

South Korea's shipping and shipbuilding companies have shed tens of thousands of jobs to stem heavy losses. Youth unemployment has risen, pushing the number of jobless among 15 to 29-year-olds to 1 million people for the first time last year. Lee said the grim job market was hurting consumer sentiment.

Despite slowing growth, inflation is expected to rise to 1.8 percent this year from 1.0 percent in 2016, partly due to higher oil prices. Bank of Korea kept its policy rate at 1.25 percent this month, keeping the benchmark rate at a record low for a seventh straight month. —AP

WORLD'S JOBLESS TO RISE AMID SLOWER GROWTH

UN AGENCY SEES GROWING UNCERTAINTY

GENEVA: The ranks of the world's jobless are expected to grow this year due to slow growth, political and economic uncertainty and a lack of investment, the International Labour Organization (ILO) said on Thursday. Unemployment is rising in major emerging economies, especially those reliant on commodity exports such as Russia, South Africa and Brazil, the United Nations agency said.

Due to the failure to create jobs, global unemployment is forecast to increase by 3.4 million people in 2017, bringing the total to 201 million, it said in its annual report World Employment Social Outlook.

"That corresponds to an increase in the rate of unemployment in the world from 5.7 percent in the year that has just closed to 5.8 percent in 2017, and this is a tendency driven by deteriorating labor market conditions, particularly in emerging countries," ILO director-general Guy Ryder told a news briefing. "We

have a situation in which, despite relatively high cash holdings, companies seem uncertain about investment. Investment levels are not where they need to be," he added.

MIGRATION

Globalization and trade liberalization are increasingly questioned, Ryder said, noting that the intentions of the incoming US administration of Donald Trump were a "major cause of uncertainty".

Long-term unemployment remains stubbornly high in Europe, Canada and the United States, the report said. At the same time, social unrest and a lack of decent wages are prompting job-seekers to migrate from developing regions. "Migration is an essential part of the world of work, it's an essential part of stimulating future growth, sharing prosperity, making our global economy more inclusive," said Ryder, a former head of the international trade union ICFTU.

"The irony, dilemma, paradox of our time is that at a moment when the economic case for migration, taken globally, has probably never been stronger, it seems that the social and political obstacles to migration are becoming even higher." Major commodity-exporting economies are hardest-hit by insufficient jobs.

"For instance, we note an increase in the unemployment rate in the Russian Federation, South Africa, Brazil ... and some levelling off at least in Saudi Arabia and again also in Indonesia," said ILO senior economist Steven Tobin.

Latin America and the Caribbean remain scarred by recent recessions, while sub-Saharan Africa is in the midst of its lowest level of growth in more than two decades, the report said. Latin America's unemployment rate is set to rise by 0.3 percent in 2017 to 8.4 percent, largely due to the slowdown in Brazil, the continent's largest economy, it said. — Reuters

SOUTH AFRICA EXAMINES BARCLAYS AFRICA OVER APARTHEID-ERA BAILOUT

JOHANNESBURG: South Africa's anti-graft watchdog has reopened an investigation into whether Barclays Africa Group benefited from an apartheid-era bailout, the bank said yesterday. A preliminary report by the country's Public Protector has found that the apartheid government breached the constitution by supplying Bankorp, which was acquired by Barclays Africa unit, Absa, in 1992, with a series of bailouts from 1985 to 1995, the Mail & Guardian newspaper reported.

Barclays Africa could have to repay 2.25 billion rand (\$166 million) if the finding by Public Protector Busisiwe Mkhwebane is upheld, the paper added. A previous investigation in 2000 by a central bank-appointed panel found that the loans were made to stabilize the banking system and Absa shareholders did not derive any undue benefit, recommending no further action be taken.

Former Public Protector Thuli Madonsela instituted the follow-up investigation after a 2010 complaint by Paul Hoffman of non-governmental organization Accountability Now, the Mail & Guardian newspaper said. Barclays Africa said it would continue to cooperate with the Public Protector, but it believes Mkhwebane's preliminary report has "several factual and legal inaccuracies".

"In its current form it creates the incorrect view that

Absa Bank Limited (Absa), a subsidiary of the Group, received undue benefits by virtue of the South African Reserve Bank (SARB) assistance to Bankorp," Barclays Africa said in a statement.

Shares in Barclays Africa were down 1.46 percent to 168.50 rand. Barclays PLC is in the process of trying to reduce its stake in Barclays Africa to 20 percent from 50.01 percent as it focuses its business on other markets. A spokesman for Barclays in London declined to comment on whether the case had any implications for the bank's plans to sell its stake in Barclays Africa.

South African Reserve Bank (SARB) Governor Lesetja Kganyago said yesterday the central bank will also cooperate in the Public Protector's investigation. Mkhwebane, whose office did not immediately respond to requests for comment, has given Absa, the SARB, the national treasury and the presidency until Feb. 28 to make further submissions before finalizing her investigation, the Mail & Guardian said, citing a copy of a preliminary report.

In her suggested remedial action, Mkhwebane proposed that South African President Jacob Zuma should consider a commission of inquiry to see whether other apartheid-era loans should be repaid by other institutions, the paper said. — Reuters