

Proposed India-Mideast corridor to redefine Eurasian connectivity

IMEC seeks to connect India with Europe via Mideast by sea and port

NEW DELHI: The proposed 'India-Middle East-Europe Economic Corridor' (IMEC) announced during the G20 Leaders' Summit in Delhi will prove to be a game-changer project and provide huge impetus to global trade, Engineering Exports Promotion Council India (EEPC India) said on Monday.

The corridor will also make the "global supply chain more resilient", EEPC India chairman Arun Kumar Garodia said. The project seeks to connect India with Europe via the Middle East by sea and port, reports India's PTL.

This will redefine the movement of goods and services across the continents as it will bring down logistics costs and ensure quicker delivery of shipments, Garodia said in a statement.

For India's engineering exports sector, both the Middle East and Europe are key markets, and having transport infrastructure of this scale will greatly enhance its competitiveness globally, he said. Garodia also said the investment in the transformative project will greatly boost economic activities, create jobs, and most importantly, help reduce carbon footprint.

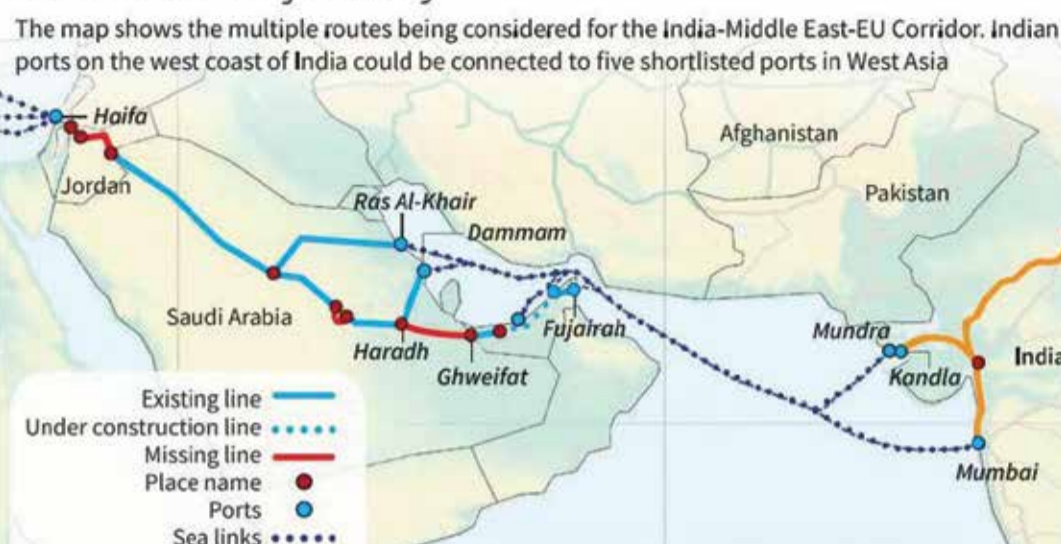
India along with the US and several major economies on September 9 announced the ambitious economic corridor with Prime Minister Narendra Modi emphasizing on respect for the sovereignty and territorial integrity of all nations while promoting con-

nectivity initiatives. According to a White House statement the initiative "will be comprised two separate corridors, the east corridor connecting India to the Arabian Gulf and the northern corridor connecting the Arabian Gulf to Europe. It will include a railway that, upon completion, will provide a reliable and cost-effective cross-border ship-to-rail transit network to supplement existing maritime and road transport routes - enabling goods and services to transit to, from, and between India, the UAE, Saudi Arabia, Jordan, the Zionist entity, and Europe".

The new economic corridor, which many see as an alternative to China's Belt and Road Initiative, was jointly announced by the leaders of the US, India, Saudi Arabia, the United Arab Emirates, France, Germany, Italy and the European Union on the sidelines of the G20 summit. EEPC India noted that the inclusion of the African Union into the G20 and the announcement of the Global Biofuel Alliance are the other two landmark developments which will positively impact trade and investment, and help chart out sustainable growth paths.

"At a time when the engineering exporting community is looking for new markets, permanent member status to the African Union on the proposal of India will create significant goodwill for Indian businesses in African countries," Garodia said.

Corridor trajectory



According to EEPC, India's G20 Presidency has sought to structurally transform global policy-making, especially in the areas of trade, investment, and climate and development financing. "India's G20 Presidency under the

leadership of PM Modi has delivered spectacular results. The New Delhi Declaration, which was adopted by members, is a shining example of his decisive and action-oriented leadership," Garodia added. — Agencies



Fatih Birol

IEA chief Birol: An 'unexpected hero' of climate fight

PARIS: Faith Birol had big dreams of becoming a footballer or a filmmaker when he was younger. Instead, he became a surprising champion of the battle to kick the world's addiction to fossil fuels as the executive director of the global energy watchdog. Birol, 65, heads the International Energy Agency, a Paris-based organization that was founded in 1974 in the wake of the oil crisis to ensure the security of the world's supplies of crude.

Created by the Organization for Economic Co-operation and Development, the IEA advises 31 wealthy democracies ranging from the United States to Mexico, Japan and European nations. Its mission has evolved in more recent years. Today, Birol goes around the globe to press nations to accelerate their development of renewable energy and wean themselves off oil, gas and coal - with IEA data to back his case. "I'm a very direct man, I believe in numbers," Birol told AFP in an interview at the IEA's headquarters near the Eiffel Tower. He cited a 1970s French music hit, "Paroles paroles", meaning "words words", to press his point. "There is a lot of 'paroles'. I believe in numbers. I believe data always win," Birol said. Last week, Birol made headlines again by stating that the world "may be witnessing the beginning of the end of the fossil fuel era" as he gave a preview of next month's annual IEA energy outlook report.

Demand for oil, gas and coal will peak by the end of 2030 thanks to the "spectacular" growth of clean energy technologies and electric cars, Birol said. "Some people say climate change is not real, some people say we shouldn't move so fast," he told AFP. "There are different views but the rigor of our analysis is not questioned," said the Turkish energy expert, who has worked at the IEA for two decades and became its executive director in 2015.

OPEC career

The IEA caused a stir in 2021 when it published a roadmap to reach the Paris Agreement goal of having a carbon neutral world by 2050 and limit global warming to 1.5 degrees Celsius. The message from the organization that once worked to secure crude supplies was blunt: all future fossil fuel projects must be scrapped. The report has opened the window of "what is deemed possible" in the rapid deployment of low-emissions energy, said Gernot Wagner, a climate economist at Columbia Business School. Birol featured on Time magazine's list of the 100 most influential people in the world that same year. Some climate campaigners have described him as an "unexpected hero" in the movement against global warming.

Such an image may have once seemed unlikely for a man who worked for six years for the Organisation of the Petroleum Exporting Countries (OPEC), the Saudi-led oil cartel. But Birol said he now goes around the world telling countries that rely on oil revenues that demand for their product will slow down. "The real friends say the bitter truth. Instead of feeling upset, it's a wake up call for them to diversify their economies, not to focus their economies only on the oil income," he said.

Oil industry 'shock'

Birol has also pushed for change within the IEA, too, through a "modernisation strategy" that include opening the organization's door to emerging countries such as Brazil, China, India, Mexico and South Africa. Of those, Mexico became a full-fledged member in 2018.

He had also decided that it was "time to make the IEA a leader in global clean energy transition".

He said the UN's 2018 report on the impact of climate change showed the IEA needed to draw a roadmap for the energy transition. The document "became a benchmark" for governments, investors and the boards of energy companies, Birol said, noting that it "was a shock" for the fossil fuel industry. — AFP

US auto union chief warns ready to 'amp up' strike if no deal

WASHINGTON: The United Auto Workers chief warned Sunday that a historic strike at the top three car manufacturers will expand if the companies do not raise their wage offers in ongoing negotiations.

Stellantis, one of the three, had offered its workers what it called a "highly competitive" wage increase of 21 percent over four years, but UAW President Shawn Fain called that "definitely a no-go."

"If we don't get better offers and... take care of the members' needs, we're going to amp this up even more," Fain told CBS News talk show "Face the Nation," saying General Motors, Ford and Stellantis have "no excuse" for not resolving salary disputes given their massive profits of recent years.

"We're prepared to do whatever we have to do. The membership is ready, the membership is fed up."

The UAW is demanding improved conditions across the board for its workers, including a 40 percent pay raise over the next four-year contract. All three companies have been offering raises of around 20 percent. A UAW source confirmed that the union held talks with General Motors on Sunday, the third day of the strike, but offered no further details.

The standoff has fed already acrimonious debate in Washington over President Joe Biden's economic policies ahead of the 2024 election - and whether he has done enough to avert or resolve the auto dispute. Only 12,700 of the union's 150,000 workers are currently on strike, but Fain's comments pointed to the possibility of a much broader action, with echoes throughout the economy.



DETROIT: United Auto Workers (UAW) union president Shawn Fain speaks to members of the United Auto Workers (UAW) union during a rally in Detroit, Michigan, on September 15, 2023. — AFP

France to allow loss-making petrol sales to bust inflation

PARIS: France will lift a ban on below-cost sales to bring down fuel prices, Finance and Economy Minister Bruno Le Maire said Monday, hoping to soothe consumers' inflation anxieties.

With a draft law set for debate in October, "I hope it will come into force from the beginning of December," Le Maire told broadcaster France 2. Selling products at a loss has been mostly banned in France since 1963, over fears larger retailers could drive small competitors out of business by offering artificially low prices whose costs they could afford to absorb.

But Paris is extremely sensitive to discontent over

2024 presidential race

Republicans on Sunday tried to tie the strike to voters' concerns on inflation and the Biden administration's overall economic leadership. "I have no doubt in my mind that all those hard-working autoworkers are living in the same reality as other Americans, and that is that wages are not keeping up with inflation," former vice president Mike Pence said on CNN. Pence, who is seeking the Republican presidential nomination in the 2024 election, blamed Biden's stewardship for "the worst inflation in 40 years" and added that the administration's electric vehicles push would mainly benefit battery-makers in China.

Pence's former boss Donald Trump, who holds a resounding lead in polls over other Republican presidential aspirants, has been critical of the union's leadership and of Biden's focus on promoting EV manufacturing. "The auto workers will not have any jobs... because all of these cars are going to be made in China - the electric cars, automatically, are going to be made in China," Trump said in an interview aired Sunday on NBC's "Meet the Press."

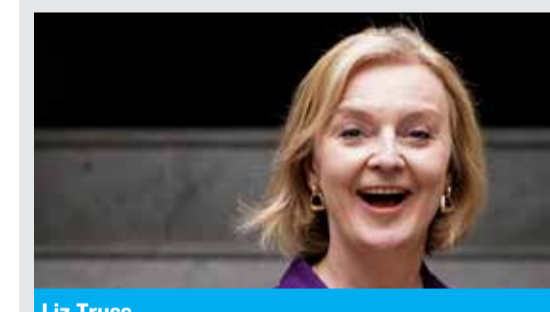
Democrats have lined up solidly behind the autoworkers - and Biden. "The president has made it clear which side he is on in this struggle," liberal senator Bernie Sanders said on CNN, adding that Biden had repeatedly said "that a strong labor movement benefits all of us." On social media, Vice President Kamala Harris said she agreed that "a new contract should promote good middle-class jobs - and ensure the UAW remains at the heart of our auto economy."

Hakeem Jeffries, the Democratic leader of the House of Representatives, echoed that theme.

"Incredible economic prosperity has been generated for the corporations," he told ABC's "This Week," shortly before heading to Detroit to stand with the workers. "It's only fair that everyone share in those record profits." — AFP

Unrepentant Truss urges UK govt to cut taxes to spur growth

LONDON: Former Conservative prime minister Liz Truss on Monday waded in to give the Tory government economic advice, nearly a year after she triggered market turmoil and took the UK to the brink of financial meltdown. In a speech, Truss blamed "25 years of economic consensus" for causing stagnation, characterizing her opponents as an "anti-growth coalition" of the "political and economic establishment".



Liz Truss

"I believe it is vital that we understand that and shatter that economic consensus, if we are to avoid worse problems in the future," she told the Institute for Government political think-tank. Her intervention came with the UK still feeling the after-effects of her chaotic, short-lived tenure, heaping pressure on her successor Rishi Sunak with a general election expected next year. Year-on-year inflation is currently at 6.8 percent - the highest in the G7 - while GDP shrank by 0.5 percent in July after growing by the same amount the previous month. Current finance minister Jeremy Hunt is preparing to outline government spending, ruling out tax cuts while inflation remains stubbornly high, causing a row in the ruling Conservative party.

An unrepentant Truss - a self-described free-market liberal who promised "growth, growth, growth" before she took office - urged Hunt to cut taxes to stimulate the UK economy. She also urged the government to ditch some net-zero commitments, including the ban on the sale of new petrol and diesel vehicles from 2030, and to increase the retirement age. But she was roundly mocked even before she gave the speech.

"Liz Truss giving a speech on economic growth is like an arsonist giving a talk on fire safety," said the deputy leader of the smaller opposition Liberal Democrats, Daisy Cooper. Truss had been warned when she took office in September last year - notably by Sunak - that trying to stimulate growth through tax cuts with more borrowing would make inflation worse.

She and her finance minister Kwasi Kwarteng ignored critics, causing the pound to plummet and a surge in mortgage rates, adding more pain to households already squeezed by hikes in food and energy bills. After a U-turn, Truss fired Kwarteng then resigned herself on October 14 last year with her government's credibility in tatters. — AFP

rising fuel costs as prices soar - remembering the massive and sometimes violent "Yellow Vests" protests sparked by a planned new fuel tax in 2018-19.

"This never-before-seen measure will give us concrete results for the French public, without subsidizing fuel," Prime Minister Elisabeth Borne told daily Le Parisien at the weekend. "The state can't bear the cost of inflation by itself, otherwise that will deepen the deficit," Le Maire said Monday. So far the government had pushed price limits and called on groups to prolong at-cost sales to try and ease the pain, urging major fuel sellers to show "solidarity" towards drivers. Oil giant TotalEnergies - which operates one-third of French forecourts - said it would keep prices for petrol and diesel capped at 1.99 euros (\$2.12) per liter into next year.

Ministers have often insisted that higher prices are down to global oil market factors, including Saudi and Russian production cuts, the recent devastating floods in Libya and forecasts of still lower supply in the fourth quarter. With low-cost

petrol mainly a way to bring in customers who go on to buy higher-margin items, large retailers have been calling for the right to sell at a loss - meeting opposition from smaller service stations. "My members get 40 or 50 percent of their income from fuel sales, so if they sell at a loss, I'd give them three months" to survive, said Francis Pousse, president of the Mobilians industry group representing 5,800 independent service stations.

Large groups "can't keep losing 15 euro cents on every litre of fuel," Pousse added, saying he was "skeptical" of the measure's effect on purchasing power. France's law against selling at a loss got a high-profile outing in 2018, when supermarket giant Intermarche admitted that offers of up to 70 percent discounts on products including Nutella chocolate spread were not in line with the rules.

The firm was later fined 375,000 euros over the promotions, which triggered scenes of shoving and even fights in several of its shops over pots of the creamy hazelnut treat. — AFP