

GLOBAL ECONOMIC CRISIS MAP (GECM)

Every
Sunday**Fed to keep rates low to support weak recovery**

WASHINGTON: To sustain the fragile economic rebound, the Federal Reserve is sure to leave interest rates at record lows and is likely to repeat a pledge to keep them there for a while. The Fed resumed its two-day meeting Wednesday with policymakers having cause for optimism as well as caution. The economy has been growing again for nearly a year. Manufacturing activity is picking up. Businesses are spending more. And Fed Chairman Ben Bernanke has expressed confidence that the nation won't fall back into a "double dip" recession.

EU to weigh bond levy on high-debt states, draft says

BRUSSELS: European governments will consider imposing a charge on bond sales by countries that violate debt rules in the wake of the Greece-driven fiscal crisis, a draft document showed.

New home sales at record low as tax credit expires

WASHINGTON: Sales of new homes dropped a record 32.7 percent in May to the lowest level in at least four decades as the boost from a popular tax credit faded, adding to worries over a slowing economic recovery.

Cigars out as Sarkozy cuts perks ahead of austerity plan

PARIS: Parliamentary Pensions, a lavish Bastille Day garden party and ministers' Cuban cigars are to be sacrificed in the name of economic recovery as the French government seeks to show that ministers are sharing the pain of their austerity drive. With his government attempting to raise the retirement age and bracing people for cuts of €45 billion in public spending, president Nicolas Sarkozy has said ministers must lead by example and reduce their own budgets.

Ecuador 'growth problem' puts GDP goal out of reach

QUITO: Ecuador faces a "growth problem" and economic expansion won't meet the government's 6.8 percent estimate this year because of lower-than-forecast public spending, central bank President Diego Borja said.

G20 needs 'growth-friendly' budget cuts, Gordhan says

JOHANNESBURG: Group of 20 nations need to cut their budgets without sacrificing the global economic recovery, South African Finance Minister Pravin Gordhan said. Spending cuts and tax increases should be "growth friendly," Gordhan told reporters in the capital, Pretoria, ahead of his trip with President Jacob Zuma to attend the G-20 meeting in Toronto.

European shares end lower on US new home sales

LONDON: European shares slipped on Wednesday on renewed concerns over global growth after U.S. new home sales hit a record low, with commodities and banks lower as investors stayed clear of riskier asset classes.

China must keep macro-economic policy stable and flexible, says deputy central bank governor

SHANGHAI: China should maintain a stable and sustainable monetary and fiscal policy, and also leave room for necessary policy restructuring, deputy governor of the nation's central bank said on Saturday. "We should keep the policy flexible and leave room for adjustment," said Yi Gang, deputy governor of the People's Bank of China, or the central bank.

World Bank loans to India will likely rise four-fold

NEW DELHI: The World Bank's loans to India may jump more than fourfold to a record this year after the government sought financial help amid the global recession, the institution's country director, Roberto Zaghera, said. The Washington-based lender will likely give \$9.3 billion in the year ending June 30 from \$2.2 billion in the previous year, Zaghera said in a press conference in New Delhi. India asked for additional support to "ensure that its planned development investments are not delayed by disruptions in capital markets," Zaghera said.

Australian dollar falls on global slowdown concern

TOKYO: Australia's dollar weakened for a second day against the greenback as speculation Europe's debt crisis will damp global economic growth reduced demand for higher-yielding assets. The Australian and New Zealand currencies also fell versus the yen as Asian stocks dropped before a report that economists said will show sales of new U.S. homes slumped the most in 16 years in May.