

The fracking boom

Shale gas in the US rust belt. Analysis, Page 7

Occupy Wall Street
protests express a truth
John Gapper, Page 9

World Business Newspaper

News Briefing

Heads of scandal-hit
UBS business unit quit

The business heads in charge of the UBS unit where the bank's \$2.3bn alleged rogue-trading scandal took place have resigned less than a fortnight after former group chief executive Oswald Grubel did the same. **Page 13; Editorial Comment, Page 8**

Funds net healthy gains

Bearish hedge fund managers have reaped some of their biggest gains since the collapse of Lehman Brothers amid the market turmoil triggered by the eurozone debt crisis. **Page 13**

Russia defends veto

Russia, has defended its decision to veto a UN resolution on Syria in the face of outrage from the US, Europe and the Syrian opposition, insisting that its suggested amendments had been ignored. **Page 5**

Microsoft set for Skype

Microsoft is set to win Brussels approval for its planned \$8.5bn acquisition of online telephone service Skype, highlighting the turnaround in its long-strained relations with European competition authorities. **Page 13**

China's tester for US

Beijing has put the brakes on renminbi appreciation just as the chances have increased in the US of the passage of a bill that would penalise China for currency intervention – raising the prospect of a dispute between the world's biggest economies. **Page 3**

Karzai chooses India

Afghanistan's president Hamid Karzai said his country had chosen India over Pakistan for a partnership to help rebuild a shattered peace because of the strength of its economy and freedom of its people. **Page 3**

US job losses surge

Planned lay-offs in the US rose to a two-year high as Bank of America and the US military announced heavy cuts, while companies continued to hire workers at a modest pace in September. The private sector added 91,000 jobs, according to a report. **Page 2; Lex, Page 12**

PLO wants Blair to quit

The Palestine Liberation Organisation is calling for former UK prime minister Tony Blair to resign as the international community's envoy to the Middle East. It claims he prefers to look out for Israel's interests rather than acting as an honest broker. **Page 5**

South America fears

Slowing demand from Asia and plunging commodity prices have raised the possibility that South America, having largely escaped the 2008-09 recession, might not be so lucky this time around. **Page 2**

Nobel for Shechtman

Daniel Shechtman, from the Israel Institute of Technology in Haifa, has won Nobel Prize in chemistry for the discovery and work with so-called quasi-crystals. **Page 2**

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● Call for more robust assessment ● Writedown of peripheral debt modelled

EU to retest banks' strength



Angela Merkel, German chancellor, addresses a news conference in Brussels, where she said a 'quick decision' was needed on support for Europe's banks

Reuters

By Patrick Jenkins in London,
Alex Barker and Peter Spiegel in
Brussels, Gerrit Wiesmann in
Berlin and Hugh Carnegie in Paris

Europe's top banking regulator has started to re-examine the strength of the region's banks, modelling a big writedown of all peripheral eurozone sovereign debt.

The exercise, conducted by the European Banking Authority, could potentially identify capital shortfalls across the banking system of as much as €200bn (\$266bn).

The EBA, which is mid-way through a two-day crisis board meeting designed to assess the potential hit of mass sovereign restructurings, will use market values, to set "haircuts" on banks' sovereign holdings.

The regulator is also closely involved in talks with European officials and governments over mechanisms that could be used to forcibly recapitalise banks, enabling them to cope with sovereign defaults.

The move, a tacit admission that the EBA's two previous rounds of stress tests were not robust enough, came as Angela Merkel, the German chancellor, said she was prepared to recapitalise her country's banks if necessary. She suggested she wanted to discuss EU-wide bank support efforts at a summit in two weeks time.

"We're under the pressure of time and I think we need to take a decision quickly," Ms Merkel said after talks with the European Commission in Brussels.

According to senior officials

in the process, the EBA exercise was not an indication that EU leaders were preparing for a default in Greece or anywhere else across the eurozone.

Instead, they said it was a precautionary measure to inform accelerating negotiations on EU-wide bank recapitalisations.

The International Monetary Fund gave its support for a quick recapitalisation, with Antonio Borges, the IMF's Europe director, saying a lack of funding was causing banks to cut back on lending, which was a drag on economic growth.

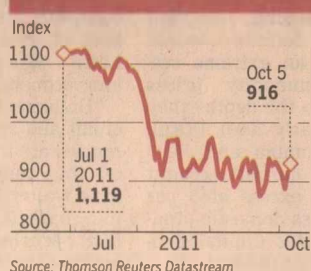
Mr Borges pegged the cost of a Europe-wide recapitalisation at €100bn-€200bn, and urged leaders to require all European banks to take part.

The primary holdout appeared to be France. Despite Paris's

ongoing efforts to rescue Dexia, the troubled Franco-Belgian bank, the French government signalled it was uncomfortable with the accelerating talk of recapitalisation.

"French banks do not need more capital than they have decided to accumulate by 2013,"

FTSE Eurofirst 300



Source: Thomson Reuters Datastream

one French official said.

The top three French banks, BNP Paribas, Société Générale and Crédit Agricole, all own huge stocks of debt issued by struggling eurozone peripheral countries and have come under pressure from financial markets.

Paris is resisting a quick recapitalisation effort run out of national capitals. It prefers Europe-wide capital injections with the eurozone's €440bn rescue fund, officials said.

Additional reporting by Joshua Chaffin in Brussels

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www.ft.com/moneysupply

China sees
surge in
trading
of CDS

By Lisa Pollack and
Robin Wigglesworth in London

Fears of an economic slowdown in China have fuelled trading in instruments that insure investors against sovereign bond defaults, making the country a new focal point for the widely used financial products.

The net value of outstanding credit default swaps on Chinese sovereign debt has soared to \$8.3bn, according to data released this week by The Depository Trust and Clearing Corporation.

The market for China CDS is now the world's 10th largest, bigger than those for Portugal and Bank of America. Two years ago there was a net \$1.6bn of outstanding China CDS, making it only the world's 227th largest at the time.

"Clearly, there is increasing market concern about China and a few cracks are starting to appear in its economic growth," said Ann Wyman, head of emerging market research at Nomura. "A 'hard landing' still isn't our house base-case scenario, but we're more concerned about this than we have been in the past."

Prominent hedge fund managers such as James Chanos and Hugh Hendry have frequently and publicly predicted a property crash and sharp economic slowdown in China, and have launched funds dedicated to profit from this. Mr Hendry's fund, Eclectica Credit Fund, has notched up significant gains in the past two months, even as many industry peers have suffered losses due to the recent financial turmoil.

While China's sovereign debt is still considered as among the safest in the world, the price of China CDS hit a two-year high of 208 basis points this week, according to Markit.

On Wednesday the cost of China CDS fell to 187bp, meaning it costs the equivalent of \$187,000 annually to insure \$10m for five years.

China test, Page 3

Learning tablet



The world's cheapest tablet computer, on sale for as little as \$35, has been unveiled in India in the latest attempt by the emerging economy to shift from being a global outsourcing centre to one of frugal innovation for lower-income consumers. The launch of the Aakash is designed to boost e-learning to help India solve its education problems and bridge the digital divide in Asia's third-largest economy.

Report, Page 14

Top Democrats eye tax rise for
rich to help fund Obama planMove aimed at avoiding
White House defeat

By James Politi in Washington

Top Democrats have fired up the debate over taxation of the wealthy in the US, proposing a 5 percentage point surtax for Americans who earn more than \$1m to help pay for President Barack Obama's \$447bn economic stimulus package.

The plan – presented by party leaders in the Senate on Wednesday – marks the latest bet by Democrats in Washington that higher levies on the rich to support the recovery and shrink the country's budget deficits will be a winning message in next year's election.

"I can assure you that Democrats will do whatever it takes to heal our ailing economy, even if it means the richest of the rich in America have to contrib-

ute a little bit more tomorrow than they do today," said Harry Reid, Senate majority leader, on the floor of the upper chamber.

But Republicans have dismissed higher taxes on the wealthy as "class warfare" that would damage generators of employment, making it unlikely that the proposal will be adopted in a divided Congress.

"Whacking small businesses with this massive tax increase for another stimulus is bad for the economy and bad for job creation," said Orrin Hatch, the Utah senator and top Republican on the finance committee.

The proposal follows several months of discussion – in the business world as well as Capitol Hill. Warren Buffett, the billionaire investor, made a high-profile pitch for higher taxes on millionaires in August, to which many conservatives responded that he could donate money to the US Treasury and make his

own tax returns public. So far Mr Buffett has demurred, but in an interview with Fortune magazine this week he said he would publish his tax information if Rupert Murdoch did.

Even if the new millionaires tax is not adopted, Democrats proposed it to maximise the chances that the president's jobs plan can at least pass the upper chamber of Congress, which they control, avoiding an embarrassing defeat.

The Obama administration had already suggested limiting tax breaks on the wealthiest households, including on mortgage interest and charitable giving, starting at \$250,000 of annual income. But some Democrats had balked at those measures, forcing a delay on the legislation despite the White House's insistence that it should be passed as rapidly as possible.

John Gapper, Page 9

World Markets

STOCK MARKETS	Oct 5	prev	%chg
S&P 500	1138.37	1123.95	+1.28
Nasdaq Comp	2447.49	2404.82	+1.77
Dow Jones Ind	10899.5	10808.71	+0.84
FTSEurofirst 300	916.62	887.77	+3.23
Euro Stoxx 50	2179.42	2091.09	+4.22
FTSE 100	5102.17	4944.44	+3.19
FTSE All Share UK	2632.35	2557.82	+2.91
CAC 40	2973.9	2850.55	+4.33
Xetra Dax	5473.03	5216.71	+4.91
Nikkei	8382.98	8456.12	-0.86
Hang Seng	(c) 16250.27	-	-
FTSE All World \$	(u) 178.93	-	-

CURRENCIES					
	Oct 5		prev		
\$ per €	1.331	1.328	€ per \$	0.751	0.753
\$ per £	1.542	1.541	£ per \$	0.648	0.649
£ per €	0.863	0.862	€ per £	1.159	1.160
¥ per \$	77.0	76.7	¥ per €	102.4	101.9
¥ per £	118.7	118.2	£ index	79.4	79.5
\$ index	80.2	80.4	€ index	92.90	92.72
Sfr per €	1.228	1.222	Sfr per £	1.423	1.418
COMMODITIES					
	Oct 5		prev		chg
Oil WTI \$ Nov	75.67		75.67		-
Oil Brent \$ Nov	99.79		99.79		-
Gold \$	1.620	40	1.656	90	36.50

INTEREST RATES	price	yield	chg
US Gov 10 yr	101.97	1.90	0.12
UK Gov 10 yr	112.26	2.36	0.10
Ger Gov 10 yr	103.72	1.84	0.10
Japan Gov 10 yr	100.27	0.97	-0.03
US Gov 30 yr	117.25	2.88	0.12
Ger Gov 2 yr	100.44	0.52	0.06
Fed Funds Eff	0.07	0.08	-0.01
US 3m Bill	0.03	0.02	0.01
Euro Libor 3m	1.50	1.50	-
UK 3m	0.92	0.92	-

Cover Price

Austria	€3.50	Malta	€3.30
Bahrain	Dh15	Mauritius	MUR50
Belgium	€3.50	Morocco	Dh40
Bulgaria	Lev7.50	Netherlands	€3.50
Croatia	Kn29	Nigeria	Naira75
Cyprus	€3.30	Norway	NOK50
Czech Rep	Kc115	Oman	ORI50
Denmark	Dkr30	Pakistan	Rupee120
Egypt	EGP1	Poland	z16
Estonia	€4.00	Portugal	€3.50
Finland	€3.80	Qatar	QRI15
France	€3.50	Romania	Roni17
Germany	€3.50	Russia	€5.00
Gibraltar	€2.30	Saudi Arabia	Ris15
Greece	€3.50	Serbia	NewD370
Hungary	HUF80	Slovak Rep	€3.50
India	Rs185	South Africa	€3.50
Italy	€3.50	Spain	€3.50
Jordan	JOD1.25	Sweden	SKr34
Kazakhstan	US\$5.20	Switzerland	Sfr5.70
Kenya	KSh300	Taiwan	NT\$4.74
Kuwait	KWD1.50	Turkey	TL16.75
Latvia	Lats3.60	Ukraine	€5.00
Lebanon	LB\$7000	USA	Dh15.00
Lithuania	Lit155	Ukraine	€5.00
Luxembourg	€3.50	Ukraine	€5.00
Macedonia	Dm220		

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World news

US job cuts hit two-year high

Army and Bank of America restructure

Pace of hiring shows little change

By Shannon Bond
in New York

Planned lay-offs in the US urged to a two-year high as Bank of America and the US military announced heavy cuts, while companies continued to hire workers at a modest pace in September.

The private sector added 91,000 jobs last month, beating forecasts of 75,000 new

positions, according to a report from ADP, the payroll processor. The pace was "virtually identical" to the 89,000 jobs added in August and showed "modest job creation", said Gary Butler, ADP chief executive.

The report was "positive because it's not negative but it's not doing a lot for growth," said Steve Blitz, senior economist at ITG Investment Research. "The economy downshifted in the second quarter from second gear to first gear and it's just been revving in first gear. There's no true sign of deceleration but no sign of acceleration either."

But lay-offs surged last month to the highest level in more than two years, according to a separate report from Challenger, Gray & Christmas, the placement company.

Employers said they would cut 115,730 jobs in September, compared with 51,114 in August and 37,151 a year ago. The surge left the total number of redundancies announced in the third quarter at 233,258, more than double the level of the second quarter and the highest since 2009.

Seventy per cent of last month's cuts came from two employers: the US

government, led by the army's five-year troop reduction plan, and Bank of America, which announced 30,000 lay-offs as part of a restructuring plan.

While "neither of these cuts is directly related to recent softness in the economy... both could definitely be a sign of more cuts to come," warned John Challenger, chief executive of Challenger, Gray & Christmas.

"Bank of America is not the only bank still struggling in the wake of the housing collapse and the military cutbacks are probably just the tip of the

iceberg when it comes to federal spending cuts and lay-offs."

Job creation has been sluggish in recent months, with net job creation zero in August, as government cuts offset a feeble 17,000 new private sector positions.

That tally was affected by a strike at Verizon Communications that has since been resolved. The return of thousands of striking workers is likely to boost the September figures, said John Ryding and Conrad DeQuadros, analysts at RDQ Economics.

Economists expect a net

gain of 60,000 jobs in September when the labour department announces its monthly report on Friday. The estimate for private sector job creation is 90,000, in line with the ADP figures.

Wednesday's ADP report showed job growth was led by small and medium-sized businesses, while companies employing more than 499 people shed 5,000 jobs. The services sector created 90,000 positions, while goods producers added just 1,000 jobs.

Analysis, Page 7
Lex, Page 12

Romney's soft underbelly on the right has still to be tested

GLOBAL INSIGHT



Richard McGregor in Washington

Where is the love? Mitt Romney might have asked himself that question this week, and not for the first time.

The former Massachusetts governor and private equity executive saw off on Tuesday another potential challenger for the Republican nomination for the 2012 presidential poll. On this occasion it was Chris Christie, the brash New Jersey governor who has thrilled conservatives with his ruthless dismemberment of union rights and hard-nosed budget cutting in his state.

So much so that a band of Republican donors clustered around Wall Street decided that, after less than two years in office in New Jersey, Mr Christie was president material. Mr Christie, in the end, declined their entreaties to join the race to beat Barack Obama.

The New Jersey governor is not the first potential candidate to rule himself out of the Republican race, or simply just fall by the wayside.

The long list of also-rans includes the developer Donald Trump, congresswoman Michele Bachmann, and former governors Mike Huckabee and Tim Pawlenty.

A motley cast of political characters, they straddle the policy and tribal divides in the Republican party. The one thing they have in common is they are not Mitt Romney.

As Fox News host Greg Gutfeld puts it: "Mitt Romney is somebody you hook up with periodically until you get serious."

Mr Christie's brief moment in the sun, however, is the latest signal that the Republicans might be going to the altar with Mr Romney next year after all. If so, it will be a remarkable result.

Mr Romney scarcely fits the Tea Party mould. Bar long-shot Jon Huntsman, he is the most centrist, least radical Republican on offer for 2012 and his success so far is not reassuring for those who thought that the winds of change were blowing through Washington.

The Republican battle for the nomination still has a long way to run. One announcement alone on Wednesday from Mr Romney's chief rival, Rick Perry, the Texas governor, was evidence of this.

Mr Perry's campaign said he had pulled in \$17m in his first fundraising quarter on the campaign

trail. That is nothing compared with Mr Obama, whose target is \$55m, but is well ahead of Mr Romney's expected haul of about \$12m.

Mr Perry's campaign has crashed in recent weeks. He lost conservatives when he struck a compassionate note on immigration. He has scared many seniors with his criticisms of Social Security, or pensions. He has also entered televised debates badly underprepared.

But the fact that he has money means he has resources to fight to the bitter end, if he can get his campaign back on track.

Mr Romney, by contrast, shows every sign that he has learnt from his failed attempt to win the Republican nomination four years ago. He has run a ruthless and highly disciplined campaign that has left rivals gasping for air. Mr Perry's missteps, in particular, have been remorselessly pounded.

But Mr Romney has a soft underbelly on the right which has yet to be tested.

Put simply, many conservatives cannot bring themselves to embrace Mr

A loveless marriage with the Tea Party movement might not be enough in 2012

Romney, no matter how many dates he takes them on.

Mr Romney has been both for and against abortion rights. He pushed through a health reform in Massachusetts later used as a model by the Obama administration. Whereas the Tea Party seems radically idealistic, Mr Romney comes across as cynical, someone who will do whatever it takes to get the job.

Mr Romney is also a Mormon, a big no-no for many evangelicals, who neither regard the religion's followers as Christian nor welcome the competition for souls from a highly organised rival.

For all the professionalism of his campaign and his own slick performances, Mr Romney has struggled to get above a 25 per cent level of approval among voters.

When Mr Perry shed support in recent weeks it went not to Mr Romney but to the latest flavour of the week on the right, Herman Cain, the former head of Godfather's Pizzas.

Polls show Mr Romney is the best hope Republicans have when matched head-to-head with Mr Obama. But he needs to enthrone his own side as well. A loveless marriage with the Tea Party might not be enough.

Recession fears loom in one of the few global bright spots

South America

Lower commodity prices and slowing Asian demand threaten economies, writes John Paul Rathbone

Every day Luis Castilla, Peru's finance minister, says he lights a candle and "prays that China won't crash".

His prayers are echoed by many in a region that remains one of the world economy's few bright spots.

South America's commodity-rich economies grew 5 per cent in the first half of this year. Last year, these new motors of the world economy added half a percentage point to global output. But slowing Asian demand and plunging commodity prices have raised the spectre that South America, having largely escaped the 2008-09 great recession, may not be so lucky this time around.

Another recession would "hurt more than last time, as there won't be the same positive effects from [growth in] China and India," Sebastian Edwards, the World Bank's former chief Latin America economist, said. A recession "would be more global, so it would affect us more".

Abetted by US and European gloom, markets have swiftly priced in that possibility.

Copper, an export mainstay of Chile and Peru, respectively the world's largest and second biggest producers, has fallen 27 per cent per cent this year to \$6,990 a tonne, below its five-year average. Soya, which accounts for a quarter of Argentine exports, has fallen by 11 per cent.

Meanwhile, oil, which accounts for 90 per cent of Venezuelan exports, has held up relatively well. But at \$100 a barrel, Brent is 20 per cent below this year's peak and only \$17 above its five-year average. Further falls would limit President Hugo Chávez's ability to boost spending before the 2012 elections.

Nonetheless, tight commodity supplies mean most predict only a downwards blip in commodity prices, rather than a crash.

"On a 12-months to two-year view the outlook is very good," says Catherine Raw, natural resources portfolio manager at BlackRock, the fund manager.

Still, if the commodity price drop does prove prolonged, analysts say there would be three main effects. Tax revenues would fall and investment in marginal mining projects would be postponed or even cancelled. Peru alone has been expecting more than \$40bn of mining investment.

"I really believe that [the drop in prices] will affect the decision for projects that... looked quite interesting with high prices," Diego Hernández, chief

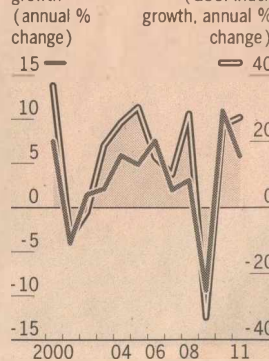


End of the rich seam?

Latin American commodity exports (as a % of GDP, 2011)



Latin America terms of trade growth (annual % change)



Sources: Capital Economics; IMF; Thomson Reuters Datastream

Price squeeze: disposal of molten copper slag at the world's largest open-pit mine in Chile

Corbis

executive of Chilean state-owned copper company Codelco, said. "Now people will be much more cautious." Second, current account deficits would widen. In an extreme scenario (commodity prices dropping to the depths they fell to in early 2009), Brazil, Chile, Colombia and Peru would run current account deficits in excess of 5 per cent of gross domestic product, estimates Capital Economics, a consultancy.

Third, a drop in commodity-related capital inflows would force exchange rates lower. That might help Bra-

zilian and Mexican exporters of manufactured goods but it would crimp local purchasing power and curb consumer credit booms, both of which helped drive Latin America's decade-long economic boom.

"Unfortunately, consumer credit and appreciating currencies are the main drivers of the consumer boom," says Walter Molano, emerging markets economist at BCP Securities.

"That means that it is vulnerable to a reversal in external conditions." To counter a domestic slowdown, the region's better-

managed economies still have powerful weapons to deploy. Interest rates have ample room to be cut, sovereign debt levels remain low and foreign reserves are high.

Against that, countries have less fiscal ammunition to fire off than they did a few years ago.

The International Monetary Fund warned this week that government spending continued to run ahead in Argentina and Venezuela in particular.

Elsewhere, much of the region is running structural budget deficits after unleashing power-

ful stimulus packages in 2009.

Nobody, therefore, is predicting doom for a region that in many ways is in better macroeconomic shape than the developed world. Banking systems are sound, even if much of them are foreign-owned. Fiscal accounts are solid. And inflation is low.

A prolonged commodity price drop would pose the first real test of what has almost become the region's new economic orthodoxy.

Additional reporting by Javier Blas and Jack Farahy

Quasi-crystals work wins Nobel Prize

By Andrew Jack in London

A scientist once ostracised by his peers for the discovery of a solid material comprising regular but never repeated patterns of atoms in crystals has been awarded the Nobel Prize in chemistry.

Daniel Shechtman, from the Israel Institute of Technology in Haifa, won the \$8.1m (\$1.45m) prize for his work identifying in 1982 "quasi-crystals", which are regular according to mathematical rules but do not repeat.

The finding - which he

made while studying a rapidly cooled metal mixture of aluminium and manganese under an electron microscope - contradicted the long-held idea that solids were structured inside crystals in repeated patterns.

The Royal Swedish Academy of Sciences concluded: "In the course of defending his findings he was asked to leave his research group. However, his battle eventually forced scientists to reconsider their conception of the very nature of matter."

The ratio of various distances between atoms is

related to the ancient Greek geometric concept of the golden mean, and quasi-crystal patterns are found in medieval Islamic mosaics in the Alhambra Palace in Spain and the Dar-e Imam shrine in Iran.

Naturally occurring quasi-crystals have since been discovered in samples from a Russian river and a Swedish company has found them acting as a reinforcement in one form of steel.

Scientists, who have since also reproduced quasi-crystals in the laboratory, are now experimenting with using them in products

including frying pans and diesel engines.

Andrew Goodwin, of the department of chemistry at Oxford university, said: "Shechtman's quasi-crystals are now widely used to improve the mechanical properties of engineering materials and are the basis of an entirely new branch of structural science. If there is one particular lesson we are taking from his research it is not to underestimate the imagination of nature herself."

More on the Nobel Prize at www.ft.com/globaleconomy

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News digest

Bahrain medics to be retried

Bahrain has backed down in the face of international condemnation and granted a civilian retrial to 20 medical staff jailed for up to 15 years for their role in protests that swept the tiny kingdom this year.

Ali al-Boainain, attorney-general, has determined that the case files of the medics charged with felonies, including possessing weapons and spreading false news, should be reheard after their initial sentencing by a military-led court.

Simeon Kerr, Dubai
See www.ft.com/mideast

Somalia warning after scores killed

Al-Qaeda-linked militants threatened more terror

attacks that will "increase day by day" after a suicide bomber killed 72 people outside government ministries in Mogadishu, Somalia's capital, on Tuesday.

Mourners transported coffins on cars on Wednesday to funerals for those who died in al-Shabab's deadliest bomb attack in the east African country. AP, Mogadishu

Scuffles at Greek strike protest

Greek riot police have fired teargas at a group of hooded youths near the finance ministry in Athens and scuffles erupted outside parliament as protesters tried to break through a police barricade during a demonstration coinciding with a 24-hour union-led strike. The strike

is being organised by Greece's two biggest trade unions to protest against fresh wage reductions and a first round of job cuts in the public sector.

Kerin Hope, Athens
www.ft.com/europe



Smoke rises after a suicide bomb attack in Mogadishu

Speedier growth in EU urged

The European Union must accelerate its anaemic growth rate to help consolidate the bloc's tattered public finances, says a report, to be released today, by the Polish EU presidency.

Jan Cienksi, Warsaw
www.ft.com/europe

Green groups sue over US pipeline

Environmentalists sued the US government on Wednesday to stop the clearing of grasslands and other work on a 1,700-mile pipeline to bring Canadian oil sands crude to Texas, a project which is opposed by green groups because of the petroleum's high greenhouse gas emissions. Reuters, Washington

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