### Berlin's new airport keeps 2017 target despite delays

The chief executive of Berlin's much-delayed international airport still hopes for it to be completed in the second half of 2017, even though the deadline is getting increasingly tight.

The 5.3 billion euro-airport meant to replace the capital's three Cold War-era hubs, has been under construction since 2006 and was originally planned to open in 2011.

Now the six-month buffer that new CEO Karsten Muehlenfeld built into his 2017 deadline has been partially eaten away because of amendments to the planning application needed to fix errors and comply with updated security guidelines. The insolvency of contractor Imtech has also caused a delay.

"Because of all the delays we have accumulated of three to four months, it definitely will not be on the first day of the second half of 2017," Muehlenfeld told journalists during a tour of the airport's terminal building on Thursday.

At first glance, Berlin Brandenburg Airport, situated to the south of the current Schoenefeld airport looks like it could be ready. The new runway is even in use while the one at Schoenefeld is being renovated. But weed-covered parking spaces outside, crossed-out motorway signs to the new hub plus scaffolding inside betray the illusion. (RTRS)

### Air France says job cuts can still be avoided if talks succeed

Air France-KLM's plans to cut jobs and flights can still be avoided if negotiations between managers and unions progress, the airline's board said.

The board reaffirmed its support for Chief Executive Alexandre de Juniac after he updated directors on talks with labour unions about a restructuring that could see 2,900 jobs cut at Air France.

"The 2017 activity-reduction plan can still be avoided if negotiations conclude quickly," Air France-KLM's board said in a statement to Reuters.

"It (the board) encouraged management and labour organisations to pursue talks in this direction."

After it failed to get the agreement of its pilots to a plan to increase working hours for the same pay earlier this year, Air France management announced a so-called 'plan B' to cut 2,900 job cuts and reduce its network, only to be met with violent protests by staff.

The conciliatory tone taken by the board on Thursday follows comments made by government ministers including Prime Minister Manuel Valls who said job cuts were not the only way to help the company recover lost ground in competing with low-cost and Gulf carriers. (RTRS)

# EU, US given 3 months to find new data pact

## Cos could face action from regulators

**LONDON, Oct 17, (RTRS): Companies could face action from European privacy regulators if the European Commission and United States do not come up with a new system enabling them to shuffle data across the Atlantic in three months, the regulators said on Friday.**

The highest EU court last week struck down a system known as Safe Harbour used by over 4,000 firms to transfer personal data to the United States, leaving companies without alternatives scrambling to put new legal measures in place to ensure everyday business could continue.

Under EU data protection law, companies cannot transfer EU citizens' personal data to countries outside the EU deemed to have insufficient privacy safeguards, of which the United States is one.

EU data protection authorities meeting in Brussels to assess the implications of the ruling, said in a statement that they would assess the impact of the judgement on other data transfer systems, such as binding corporate rules and model clauses between companies.

"If by the end of January 2016, no appropriate solution is found with the US authorities and depending on the assessment of the transfer tools by the Working Party, EU data protection authorities are committed to take all necessary and appropriate actions, which may include coordinated enforcement actions," the watchdogs said in a statement.

The Commission and the United States have been in talks for two years to reform Safe Harbour after former US National Security Agency contractor Edward Snowden revealed the existence of mass US government surveillance programmes.

Talks have been hampered by the difficulty of extracting sufficient guarantees that US authorities' access to personal data would be limited and proportionate.

The regulators said in their statement the EU and the United States should negotiate an "intergovernmental agreement" providing stronger privacy guarantees to EU citizens, including oversight on government access to data and legal redress mechanisms.

## ECB says premature to discuss new QE programme

FRANKFURT, Oct 17, (AFP): The European Central Bank feels it is too early to start discussing a new round of monetary policy easing, a top official Monday, but insisted that the ECB was still ready to act if needed.

"If anything were needed, we would need to be ready," ECB executive board member Benoit Coeure told CNBC Television in an interview.

In March, the ECB launched a highly controversial programme of bond purchases, known as quantitative easing or QE, to push eurozone inflation back up to levels that are more conducive to healthy economic growth.

Initially, the programme — under which the ECB plans to buy as much as 1.1 trillion euros ($1.3 trillion) of bonds at a rate of 60 billion euros per month until September 2016 — appeared to work. But a renewed decline in oil prices and the economic slowdown in China has pushed area-wide inflation expectations back down, reigniting fears of a potentially dangerous downward spiral of falling prices.

And that has led to speculation that the ECB might need to extend its QE programme or launch a new one.

But Coeure said it was "too early to pass that kind of judgement."

"Of course, we have only executed, delivered, one third of the programme," he argued.

The beneficial effects of a range of other policy measures — unprecedented amounts of liquidity and historically low interest rates — were also gradually making themselves felt, Coeure said.

"It is all feeding into the economy at a slow pace, so it is certainly too early to measure the full extent of what we have done over the last couple of years," he said.

So, it was "premature to discuss" a new QE programme.

"But it is certainly our duty to be prepared to cope with all kinds of contingencies," he said.

The ECB's decision-making governing council is scheduled to hold its next regular policy meeting next week in Malta.

### Sector cuts more jobs

## Time running out to save UK steel

LONDON, Oct 17, (RTRS): Time is running out to save the British steel sector, steelmakers and unions warned on Friday following news of hundreds more possible job cuts.

Tata Steel, the biggest steelmaker in the country, is expected to cut around 1,200 jobs at its Scunthorpe plant in northern England, a union source said earlier. The firm has already cut thousands of UK jobs since it entered the sector in 2007.

A Tata spokesman said it continued to review the performance of its business, without addressing reports of job losses.

The government convened a crisis summit on the steel sector on Friday, where it pledged to set up working groups to tackle energy and environmental costs, business rates, regulations and industrial competitiveness.

The summit followed the liquidation of SSI UK — the country's second-largest steelmaker — earlier this month, resulting in the loss of 2,000 direct jobs and thousands more jobs indirectly related to steelmaking.

**Emphasise**

"I cannot emphasise enough that there is an urgency here and very little time before we start to see more job losses. This really is about saving Britain's steel industry and time is of the essence," said Gareth Stace, director of industry group UK Steel.

The Unite union said: "Now is not the time for platitudes from government ministers, we need urgent action. The government ... needs to take action against the dumping of cheap Chinese imports and ... high energy costs."

According to government figures, British energy-intensive industries like steel paid about 80 percent more for electricity than the EU average in the first six months of this year, versus about 33 percent more in the last six months of 2013.

Aside from this, producing steel profitably in Britain is difficult due to cheap imports, especially from China, a strong currency, poor demand plus "green" taxes imposed on heavy industry that are some of the highest in the world.

Also, steel prices globally are at their lowest levels in over a decade thanks to over-capacity and tepid global economic growth, especially in China, which consumes nearly half the world's steel.

"There is no straightforward solution to the complex global challenges facing the steel industry. But today was an important opportunity to bring the key players together and we now have a framework of action," said British business secretary Sajid Javid.

The British steel sector currently employs fewer than 20,000 people directly, down from about 200,000 in the 1970s.

Russian President Vladimir Putin (second left), attends the 7th annual VTB Capital 'Russia Calling!' Investment Forum in Moscow, Russia. S&P says the outlook for Russia's recession-hit economy remains weak as it struggles with sanctions and lower oil prices. (AP)

### Govt struggles with sanctions, weak oil prices

# Negative outlook remains for Russia: S&P

PARIS, Oct 17, (AFP): The outlook for Russia's recession-hit economy remains weak, as it struggles with international sanctions and weak oil prices, ratings agency Standard & Poor's said Friday.

S&P said it expected the Russian economy to expand by about 0.4 percent annually between 2015 and 2018, well down on the average 2.4 percent seen in the previous four years.

S&P kept its "BB+/B' long- and short-term foreign currency rating for Russia.

"The ratings remain constrained by our view of Russia's relatively weak political institutions and economic income and growth prospects, which we believe impede the economy's competitiveness and business and investment climate," the S&P statement said.

The report comes after the World Bank downgraded the outlook for Russia late last month, warning the economy would likely shrink by 3.8 percent in 2015 and plunge more Russians into poverty.

S&P said Russia's prospects were hampered by weak political governance and the continuing crisis in Ukraine.

The predicted weak growth "also reflects a lack of external financing due to the introduction of economic sanctions and the sharp decline in oil prices," S&P said.

Russia slipped into recession at the start of this year as oil prices plunged and Western sanctions, imposed over Moscow's role in the Ukraine conflict, began to bite.

Against this backdrop, the ruble fell 20 percent against the dollar, reaching its lowest level this year in August and pushing up consumer prices.

The collapse of the currency will hit per-capita GDP in dollar terms, S&P said, forecasting it would be $8,700 in 2015, down from $14,500 in 2013.

## Pakistan and Russia sign gas pipeline 'agreement'

ISLAMABAD, Oct 17, (AFP): Pakistan and Russia signed an agreement on Friday to build a gas pipeline stretching hundreds of kms from Karachi on the Arabian Sea to the eastern city of Lahore.

Russian Energy Minister Alexander Novak and Pakistan Petroleum Minister Shahid Khaqan Abbasi signed the agreement at a ceremony witnessed by Pakistani Prime Minister Nawaz Sharif and broadcast live.

Officials said the North-South gas pipeline project would be built by Russian company RT Global Resources — a part of Russian state corporation Rostec.

The 1,100-km (680-mile) pipeline, with a capacity of 12.4 billion cubic metres (438 billion cubic feet) per year, will connect liquefied natural gas (LNG) terminals in Karachi with those in Lahore.

Russia is to invest about $2 billion in the pipeline and its first phase is expected to be completed by December 2017, a senior government official told AFP.

The project will take cooperation between Russia and Pakistan "to a new level", Novak said in a statement issued by ministry.

The statement said the pipeline will be operated by the manufacturer for 25 years before being transferred to the Pakistani government.

Russia has long been the largest supplier of weaponry to Pakistan's nuclear-armed arch rival India, which is the world's top arms buyer. But now Moscow appears to be pivoting towards Islamabad as New Delhi becomes closer allies with Washington.

Russia's ITAR-TASS news agency reported in June that the country had lifted its embargo on arms supplies to Pakistan and was holding talks on supplying Islamabad with combat helicopters.

Sharif at the time invited Russian companies to invest in Pakistan, particularly in the energy sector, and benefit from the business-friendly policies of the government.

The South Asian state is desperate for solutions to a long-running power crisis that has sapped economic growth and left its 200 million inhabitants deeply frustrated by incessant electricity cuts.

### Vlieghe in no rush on rates

## BoE's Weale sees higher productivity in Europe, US

LONDON, Oct 17, (RTRS): Living standards in Britain, the United States and parts of northern Europe should rise solidly in future as a return of business confidence boosts productivity, a Bank of England policymaker said.

Martin Weale, a member of the BoE's rate-setting Monetary Policy Committee, took issue with the idea expressed by former US Treasury Secretary Lawrence Summers that advanced economies could be destined for long-term or 'secular' stagnation.

Weale said weak business confidence since the financial crisis — which was now starting to recover — was at least partly to blame for poor economic productivity in recent years.

"Britain's most recent experience suggests tentatively that reviving business confidence can see an improvement in productivity growth," Weale said in a lecture at the University of Groningen in the Netherlands.

Weale did not directly address the outlook for British interest rates, which remain at a record low of 0.5 percent amid increased uncertainty in emerging economies and zero inflation.

Weale voted to raise rates in late 2014 but changed course as global oil prices plunged and has voted to keep them unchanged since January.

Last week the BoE gave a slightly more subdued outlook for inflation, partly because it believed underlying rates of productivity growth were higher than official estimates, reducing the impact of higher wages on consumer prices.

Weale said the United States, Britain, Germany, France and the Netherlands could all hope for annual underlying productivity growth of 1-2 percent.

**Progress**

Technological progress had continued since the financial crisis, but economic uncertainty had dissuaded businesses from making investments that would improve productivity.

Returns on investments made within businesses were stronger than returns on financial assets, he said.

"This suggests ... that plenty of opportunity for profitable investment remains," Weale said.

France, the Netherlands and Britain would benefit from better education for their workforce, while Germany and the Netherlands needed to ensure high labour market participation as their populations aged, Weale added.

Meanwhile, New Bank of England policymaker Gertjan Vlieghe established himself as one of the rate-setters least likely to vote for a interest rate hike soon, urging the bank to wait and see and warning of risks from a global economic slowdown.

In his first public comments since joining the central bank as a rate-setter from a hedge fund in September, Vlieghe said there was a greater chance that inflation in Britain would come in below target rather than above it.

"There are risks to either side, but given the current low levels of inflation the risks are probably skewed to the downside," Vlieghe told lawmakers in Britain's parliament.

Earlier, official data showed consumer price inflation in Britain dipped back below zero in September.

Despite Britain's recovery in the past two years, investors only expect a first BoE rate hike in late 2016 because inflation could stay weak if a slowdown in China and other developing nations worsens. Many economists expect a first hike earlier next year.

Vlieghe said the Bank should "wait and see" before raising borrowing costs, prompting one lawmaker to brand him a dove for sounding so cautious about the outlook.

Vlieghe said "one major risk is that global growth continues to disappoint," striking a more worried note about the risk of an impact on Britain from the world economy than most other policymakers at the BoE recently.

**Accelerating**

"It is one of the things that will prevent the UK economy from accelerating meaningfully" from its current pace of growth, he said.

Scotiabank economist Alan Clarke said Vlieghe did not look like "a die-hard dove" like Andy Haldane, the Bank's chief economist who has said the BoE's next move could be a rate cut.

Instead, Vlieghe could prove to be one of the Bank's more proactive members, backing loose policy now but possibly shifting quickly to support tighter policy in future, he said.

Only one of the BoE's nine rate setters, Ian McCafferty, has voted to raise rates in recent months.

McCafferty, who also spoke to parliament's Treasury Committee on Tuesday, sounded less worried than Vlieghe about the risks to Britain from the global economy and said the pressures pushing down on inflation were transitory.

He said there was a greater risk of inflation rising up above the BoE's 2 percent target than undershooting it.

When Vlieghe joined the Bank of England, he was allowed to keep a financial interest in his past employer, hedge fund Brevan Howard, where traders bet on interest rate moves.

But after that arrangement was criticised, Vlieghe said he would sever all links with the firm to avoid "any mistaken impression" of conflict of interest.

Asked about the issue on Tuesday, he told lawmakers there was misunderstanding in the reporting of his links to the fund but he could understand why some people had questions.

Vlieghe said the net amount he would receive from selling his interest was a "couple of hundred thousand pounds" which was "an amount of money that I would rather have than not have."

### Breach for more serious than lower-grade intrusion: Bloomberg

## Russian hackers breached Dow Jones for trading tips

NEW YORK, Oct 17, (RTRS): Russian hackers had infiltrated Dow Jones & Co to steal information to trade on before it was made public, and the breach was "far more serious than a lower-grade intrusion" disclosed by the company, Bloomberg reported, citing sources.

The Federal Bureau of Investigation, Secret Service and the Securities and Exchange Commission are leading an investigation, which began at least a year ago, Bloomberg reported.

"Since Bloomberg published its article, we have worked hard to establish whether the allegations it contains are correct. To date, we have been unable to find evidence of any such investigation", Dow Jones spokeswoman Colleen Schwartz said in an email.

Dow Jones, the publisher of the Wall Street Journal and a unit of Rupert Murdoch's News Corp, disclosed last week a breach of its systems that put payment card and contact information of about 3,500 individuals at risk.

Dow Jones had said that there was unauthorized access to its systems at certain times between August 2012 and July 2015.

"We are aware of the Dow Jones intrusion and looking into it," FBI spokeswoman Kelly Langmesser said via email.

Langmesser added that she could not confirm anything else in the Bloomberg report.

The hackers sought information including stories being prepared for publication, Bloomberg said on Friday, citing two people familiar with the investigation.

The Secret Service could not be immediately reached for comment on the Bloomberg report. The SEC declined to comment.