

# After Recession, World Economy To Grow By 3 Percent In 2010: IMF

Washington: (IANS) As the world economy comes out of a deep global recession, global activity is forecast to expand by about 3 percent in 2010 after contracting by about 1 percent in 2009, according to the International Monetary Fund (IMF) projections.

Though well below the rates achieved before the crisis, these projections in the October 2009 World Economic Outlook (WEO) reflect modest upward revisions to those in the July 2009 WEO Update.

The WEO was released in Istanbul where the IMF-World Bank group held its annual meeting this year.

Advanced economies are projected to expand sluggishly through much of 2010, with unemployment continuing to rise until later in the year, the WEO said with annual growth in 2010 projected to be about 1.25 percent, following a contraction

of 3.50 percent in 2009.

The recovery of activity is more clearly evident on a fourth-quarter-over-fourth-quarter basis: from 2009:Q4 to 2010:Q4, real GDP is expected to rise by about 1.75 percent, up from an expansion of about half percent (annualised) during the second half of 2009 and a 2 percent contraction in the first half, it said



In emerging economies, with rebound driven by China, India, and a number of other emerging Asian economies, real GDP growth is forecast to reach almost 5 percent in 2010, up from 1.75 percent in 2009, the WEO said.

Other emerging economies too are staging modest recoveries, supported by policy stimulus and improving global trade and financial conditions, it said. Downside risks to growth are receding gradually but remain a concern.

The main short-term risk is that the recovery

will stall, the IMF report said. Premature exit from accommodative monetary and fiscal policies too seems a significant risk because the policy-induced rebound might be mistaken for the beginning of a strong recovery in private demand.

In general, the fragile global economy still seems vulnerable to a range of shocks, including rising oil prices, a virulent return of H1N1 flu, geopolitical events, or resurgent protectionism, the WEO warned.

The recovery is expected to be slow, as financial systems remain impaired, support from public policies will gradually have to be withdrawn, and households in economies that suffered asset price busts will continue to rebuild savings while struggling with high unemployment, the report said.

The key policy requirements remain to restore financial sector health while maintaining supportive macroeconomic policies until the recovery is on a firm footing. However, policymakers need to begin preparing for an orderly unwinding of extraordinary levels of public intervention, the WEO said.

## Gates Still Forbes' Richest American Four Indian-Americans Among Top 400

Washington: (IANS) Four Indian Americans are among America's super-rich with Microsoft Corp co-founder Bill Gates still holding the top spot on the Forbes 400 list of wealthiest Americans with a fortune of \$50 billion.

Warren Buffett, who's worth \$40 billion, comes in No.2 in the Forbes magazine's annual ranking, followed by Oracle founder Lawrence Ellison (\$27 billion) and members of the Walton family, owners of Walmart. The four Waltons have fortunes between \$21.5 billion and \$19 billion.



**Bharat Desai**

The number of list members losing value more than doubled to 314, compared with 126 in 2008. Billionaires fell to 391 from 489, as the biggest economic slump since the Great Depression set in.

"There's a lot of people who think most of the people on this list grew up with a silver spoon but, in fact, 274 of the 400 are entirely self-made, meaning they came from humble origins. Another 52 inherited a small fortune and turned it into a very large one," says Forbes.

The four Indian Americans on the list are:

#212 Bharat Desai & family: Born in Kenya, spent teens in India. Earned engineering degree from Indian Institute of Technology; moved to US after landing programming job for Tata Consultancy Services in 1976.



**R Wadhvani**

Founded outsourcing outfit Syntel in 1980 with wife, Neerja Sethi. Public 1997; shares up 300 percent since. Revenues in 2008: \$410 million, up 22 percent from 2007, as cost-cutting clients exchange more outsourcing work for lower prices. Stepped down as chief executive in February.

#272 Kavitar Ram Shriram: India-born entrepreneur joined Netscape 1994. Created online shopping site Junglee; sold to Amazon in 1998. Founded venture firm Sherpalo 2000, became early investor, board member of Google.

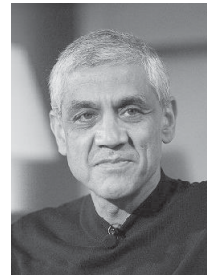
Still owns 1.3 million shares worth \$600 million. Sold voice-application company TellMe to Microsoft 2007, took career site Naukri public same year. Today backs Indian, US outfits: InMobi (mobile ads), Mint (online finances).

#277 Romesh Wadhvani & family: Rode tech bubble onto The Forbes 400 in 1999 with \$9.3



**Kavitar Ram Shriram**

billion sale of Aspect Development software firm to i2 Technologies. All-stock deal left fortune depleted 4 years later.



**Vinod Khosla**

#347 Vinod Khosla: Venture capitalist continues to flog the green theme: dismisses wind power, electric cars as too expensive, unreliable to become mainstream. Partners India-born founded Sun Microsystems in 1985.

Four years later joined Sun investor John Doerr at venture outfit Kleiner Perkins Caufield & Byers. Split in 2004 to start Khosla Ventures. Recently raised \$1 billion across two funds to invest in clean tech, IT.

## NASSCOM Chief Sees US Visa Limits As 'Business Killer'

Washington: (IANS) The head of an Indian trade group fears proposals in US Congress to limit visas for foreign high-tech workers would be a "business killer" for India's burgeoning information technology industry and would not reduce US unemployment.



Som Mittal, president of India's National Association of Software and Service Cos. (NASSCOM), told the Washington Times he was concerned that pending legislation would sharply restrict the hiring of foreign workers by domestic and overseas companies operating in the US, harming rather than helping the US economy.

Two senators, Democrat Richard J. Durbin and Republican Charles E. Grassley have proposed legislation that would prevent any large company from hiring more foreign high-tech workers if more than half its work force already consists of visa-holding foreigners.

"It's a business killer for us," Mittal said, adding that such a move could harm US competitiveness and was not needed anyway because there are not enough Americans to fill the high-tech jobs.

The Grassley-Durbin visa reform bill was first introduced in 2007. Congress is preoccupied with health care and climate change legislation, but Mittal said he fears that elements of the visa bill could be incorporated in immigration legislation that Congress is expected to take up next year.

US technology giants argue that they need more, not fewer, foreign workers to tackle highly technical jobs.

"Sixty percent of all technology PhDs are foreign nationals," Mittal said. "[The visa requirement] could be detrimental to the US economy. You do want to retain the best and brightest."

The industry also needs the ability to make rapid changes to its work force in response to demand or new product development, he said.

Launching a new product in the United States requires the temporary infusion of technicians from the country where the product was developed, he said.

It's no different, he said, when a company such as General Electric is building power systems in India - the company will need to temporarily assign a substantial number of US technicians to India.

## Most India Inc Top Honchos Expect Economic Recovery To Sustain

New Delhi: (IANS) A whopping 63 percent of top executives of India Inc believe a sustainable economic recovery is under way, according to a survey conducted by a leading think-tank.

Indian business honchos are the most optimistic of the lot in Asia of a sustainable economic recovery, said the survey, conducted among 258 senior executives from Asia by the Economist Intelligence Unit (EIU). China follows a close second, with about 62 percent of its executives hopeful that the signs of an economic recovery would turn into reality and here to stay.

In contrast, business honchos in developed economies like Japan and Australia are not so optimistic.

"The most pessimistic executives live in Japan. Forty-four percent of Japan-based respondents see no economic recovery in that country at all," said the survey.

Only 38 percent of respondents in Australia are optimistic that the recovery will be sustained. Optimism is even lower in Hong Kong and New Zealand (both 17 percent) and in Singapore (16 percent).

Indian companies, however, seem to be adopting a more cautious stand compared to the Chinese, Singaporean and Japanese firms on using the dampened economic conditions and falling asset prices to make an acquisition.

While 45 percent of the executives from India said they were unlikely to take advantage of distressed asset prices to make an acquisition, 42 percent in China, 47 percent in Singapore and 37 percent in Japan believe their companies will embark on a merger and acquisition (M&A) drive.