

Macron vows wage rise

French President Emmanuel Macron unveils new measures in a bid to end 'yellow vest' revolt

- A 100 euro (\$113) monthly increase in the minimum wage as of next year, for which businesses

- The minimum wage was set at 1,498 euros a month pre-tax in 2018 and 1,185 euros after tax.

- To roll back most of an unpopular increase in taxes on pensioners

- A one-off "end of year bonus" which would be tax free

AFP | Paris, France



French President Emmanuel Macron speaks during a special address to the nation



Students hold banners reading "Tolbiac in action, Macron, same fight!"

Embattled French President Emmanuel Macron Monday announced a series of financial measures seeking to defuse the "yellow vest" revolt that has triggered violent protests in cities across the country.

In a 15-minute televised speech from the Elysee Palace, a sombre-looking president told the nation, "I accept my share of responsibility" for the crisis.

The former investment banker struck a more humble tone than usual as he sought to address criticism of his style of leadership.

"I know that I have hurt some of you with my statements," he said.

Macron stressed, however, that the protests by mostly low-income people in small town or rural France were the result of long-term problems.

"Their distress doesn't date from yesterday. We have ended up getting used to it," he said.

"These are forty years of malaise that have come to the surface."

Among the measures Macron announced was a 100 euro (\$113) monthly increase in the minimum wage as of next year, for which businesses would not have to foot the bill.

The minimum wage was set at 1,498 euros a month pre-tax in 2018 and 1,185 euros after tax.

"Insufficient", says Yellow vests

Reactions to his speech from the "yellow vests" were hard to judge as the movement is leaderless and has refused to come under the sway of political parties or trade unions.

Some protesters, interviewed on French television, acknowledged that Macron had made some "concessions", but added that these were "insufficient" to call the protests off.

"This time, there really is some progress. My smile got bigger and bigger as he spoke," said Erwan, one of the movement's "spokesmen" in the northwestern town of Rennes. But, for Pierre-Gael Lavender, in the eastern town of Montceau-les-Mines, "Macron hasn't taken the full measure of what is going on".

"Everyone of his announcements was booed and the first overall reaction was 'he thinks we are fools'," Lavender added.

Macron's government had previously suggested that any increase in the minimum wage would destroy jobs rather than



A man wearing a yellow vest with the inscription "Macron resignation" stands in front of a road blockade

Right-wing opposition leader Marine Le Pen, Macron's rival in last year's presidential run-off election, welcomed

help create them.

But the protests, which have seen rioting in Paris and other cities and taken a heavy financial

some of the tax measures announced, but accused Macron of being the harbinger of "savagery" globalisation.

"He refuses to admit it's the (economic) model which he champions which is itself called into question," she added.

Jean-Luc Melenchon, who heads the left-wing opposition Unbowed France, said Macron was mistaken if he thought "a distribution of money" will calm "the insurrection".

The European Commission, which monitors EU members' finances, said it would study the budgetary impact of Macron's measures which are expected to cost billions of euros.

"We are monitoring the potential new measures announced, but we cannot comment until they are properly announced and detailed," said Valdis Dombrovskis, the commissioner for the euro.

Since then his popularity has fallen with critics saying he favours the rich and alienates people struggling, especially in

France blows hole in budget

Paris, France

French President Emmanuel Macron's measures to help low-income families and so end the "yellow vest" protests will blow a hole in the budget and perhaps his reputation too, analysts say.

Economists estimate the cost of the sweeteners he announced could reach 11 billion euros (\$12.5 billion).

The minimum wage will be hiked next year, labour taxes on overtime will be scrapped and a tax rise on pensioners introduced this year will be rolled back.

The total bill for all the measures is estimated at 15 billion euros -- and counting.

Under EU rules, France is obliged to keep its budget deficit under 3.0 percent of gross domestic product -- something it failed to do repeatedly until 2017.

Since then his popularity has fallen with critics saying he favours the rich and alienates people struggling, especially in

provincial France.

Pensions, overtime

The 40-year-old centrist also announced he would roll back most of an unpopular increase in taxes on pensioners introduced by his government.

And he called on all businesses "that can afford it" to give employees a one-off "end of year bonus" which would be tax free.

In another move to appease protesters' anger, Macron said he would do away with all wage taxes on overtime work.

Macron, who has been in power for the past 18 months, on Monday held four hours of crisis talks with top officials.

He had previously vowed that unlike his predecessors he would not be swayed by street protests. But in an initial attempt to quell the revolt now in its fourth week, the government agreed last week to cancel a planned increase in anti-pollution fuel taxes -- the spark behind the "yellow vest" protests in car-dependent rural and suburban France.

The central bank on Monday halved its fourth-quarter growth forecast to just 0.2 percent from 0.4 percent -- far below the 0.8 percent growth needed to meet the government's full-year target of 1.7 percent.

Chinese and US negotiators discuss trade talks timetable

Beijing, China

Top Chinese and US negotiators held telephone talks yesterday to exchange views on the timetable of trade talks, the Chinese commerce ministry said.

Vice Premier Liu He spoke with US Treasury Secretary Steven Mnuchin and US Trade Representative Robert Lighthizer 10 days after presidents Donald Trump and Xi Jinping agreed to a trade war truce.

A 90-day deadline was set to reach an agreement, but no date has been set for the next round of talks and tensions have risen anew following Canada's arrest of an executive of Chinese telecom giant

Huawei at the behest of the United States.

The commerce ministry said in a statement Liu and the US officials "exchanged views on the implementation of the consensus" reached by Trump and Xi as well as on the timetable for the next round of negotiations.

Lighthizer said Sunday that March 1 was a "hard deadline" for the two sides to reach an agreement that would prevent an escalation of the trade war.

The world's top two economies have exchanged steep tariffs on more than \$300 billion in total two-way trade, locking them in a conflict that has begun to eat into profits.

India names Shaktikanta Das as new RBI governor

Reuters | Mumbai

India's government named Shaktikanta Das, a seasoned financial bureaucrat, as the next governor of the Reserve Bank of India (RBI), replacing Urjit Patel.

Das, who retired as the secretary of department of economic affairs, has been appointed as the central bank's governor for a three-year term, the government said in a statement on Tuesday.

Das is known as an experienced bureaucrat who has held key positions.

His appointment is likely to



Shaktikanta Das (file)

cheer markets as investors expect communication between

the government and the central bank to improve following a public spat that deepened an existing rift between the two sides.

"Bonds and rupee should react positively following this news," said Ashish Vaidya, executive director and head of trading at DBS Bank in Mumbai.

"He is a bureaucrat and will help in improving the RBI-government relationship. We expect the RBI to take a pragmatic approach under him, be pro-growth and change its stance going ahead, given that inflation has come off sharply."

China warns against 'bullying' of its citizens

Beijing, China

China's foreign minister warned yesterday against the "bullying" of any Chinese citizen, amid a diplomatic fracas over the arrest of a Huawei executive on a US warrant in Canada.

"The safety and security of Chinese compatriots are our priority, China will never sit idly by and ignore any bullying that violates the legitimate rights and interests of Chinese citizens," Foreign Minister Wang Yi said in a speech in Beijing, without directly referring to the Huawei case.