

News in Brief

Nicolás Maduro is the new President of Venezuela after a closely-fought election battle with opposition leader Henrique Capriles. Mr Maduro, Hugo Chávez's long-serving Foreign Minister and nominated successor, won 50.7 per cent of the popular vote against Mr Capriles' 49.1 per cent. Mr Maduro, 50, a former bus driver and the son of a trade union leader, has vowed to continue Mr Chávez's Bolivarian revolution. He received congratulatory phone calls from Russian President Vladimir Putin and Cuban President Raúl Castro. In the face of opposition protests Mr Maduro, who will serve a six-year term, told cheering crowds outside the presidential palace in the capital, Caracas, that the result was "just, legal and constitutional". His margin of victory was significantly lower than that of the charismatic Mr Chávez, who beat Mr Capriles by 11 percentage points in the poll in October last year.

Journalists and academics have condemned the London School of Economics after it demanded that an undercover Panorama report on North Korea be pulled from the schedules. The LSE, which awarded a PhD to Saif al-Islam, the son of Colonel Gaddafi, for a thesis he did not write, after a £1.5 million donation from the Libyan dictator, has, according to insiders, "rarely found a dictator it doesn't like the look of". The LSE condemned John Sweeney – one of its former students – for his exposé of the secretive regime, which cannot feed its own people, but spends millions of won on a nuclear weapons programme.

Critics say the official chart was rigged to prevent "Ding Dong the Witch is Dead" – the unofficial anti-Thatcher anthem from *The Wizard of Oz* – reaching number one this week. The Official Charts Company, used by the BBC and many other radio stations, put the song at number two. But the BBC has a bit of previous, as they say, on this issue. The same thing happened in 1977 when "God Save the Queen" by the Sex Pistols was officially number two despite selling more singles than other record during the Queen's Silver Jubilee.

Francis Maude, Conservative MP for Horsham, Minister for the Cabinet Office, and chairman of Operation True Blue which organised Margaret Thatcher's funeral, said the cost – put at £8 million – "was money very well spent".

Keith Richmond

Germany

Revival of the German powerhouse as UK flails

by Tony Burke

The news that German factory orders rose at more than double the rate forecast for February gives the signal that Europe's largest economy and manufacturing powerhouse may have now returned to growth in the first quarter of the year.

All eyes will be on the next set of figures, though, as the European Union remains stuck in recession. If the growth in orders remains high, it may just be enough to pull other economies along.

German order books, adjusted for seasonal swings and inflation, increased 2.3 per cent from January. German economists had forecast a 1.1 per cent gain. Interestingly, retail sales also rose in February, as well as the jobless rate, which remained close to a two-decade low. The data "provides further evidence of the strength of German domestic demand," said Christian Schulz, an economist at Berenberg Bank in London.

Meanwhile, in Britain, the Conservative-led coalition avoided another hit on the triple-A credit rating, although the Chartered Institute of Purchasing and Supply described the situation as a "winter of discontent"



Angela Merkel is presiding over a healthier looking domestic economy

extending into March.

The reliable Markit/CIPS purchasing managers' index showed that manufacturing contracted in the first quarter of 2013, following another month of falling output with manufacturing companies cutting back production as demand at home and overseas falls back.

The PMI edged higher to 48.3 last month, a small improvement on February's four-month low of 47.9. Outside the automotive and aerospace industries manufacturers unions such as Unite anticipate some further decline as austerity bites.

Rob Dobson, senior economist at survey compiler Markit, said the onus was "now on the far larger service sector to prevent the UK from slipping into a triple-dip recession".

The ray of hope was again the gravity-defying car industry in Britain. The Society of Motor Manufacturers and Traders reported 394,806 new car registrations with the new 13-plate – a 5.9 per cent increase year on year, supported by strong demand for private registrations, which rose 7.8 per cent. Private registrations accounted for 51.7 per cent of the market, followed by fleet (43.5 per cent) and business (4.8 per cent).

Compared to wider German manufacturing, British manufacturing industry suffers from the lack of a government interventionist strategy. Unions want Britain to look to the German manufacturing model of investment in decent jobs, stable employment rights and support for manufacturing companies.

Cutting employment rights, with dubious schemes asking workers to give up employment rights for shares and pushing workers into low skilled, low paid jobs won't drive the British economy out of the mire.

European Union

MEPs act to cap bank bonuses

by Ben Fox in Brussels

Bank bonuses in the European Union will be capped from 2015 as part of banking sector reforms backed by MEPs. Deputies in Strasbourg backed a regulation capping the majority of bonuses at the same level as salary with an overwhelming 595 to 40 vote. Bonus payments up to twice the size of salary would require the majority approval of shareholders.

The legislation will also require banks to disclose profits made, taxes paid and subsidies received country by country, as well as turnover of employees. From 2014, these should be reported to the European Commission and, from 2015, made fully public.

Labour MEP Arlene McCarthy, who spearheaded negotiations on bonus caps, said: "It is the failure of banks to self regulate on bonuses or to exercise restraint that has now resulted in a bonus cap which aims to put an end to the excessive risk culture which lead to taxpayer bailouts and bank collapses."

"These rules will put an end to an unsustainable banking model where RBS, which is 84 per cent taxpayer owned, while suffering £5.2 billion losses, £1.1 billion fines for mis-selling payment protection insurance and £390 million fines for Libor-fixing, were still paying over £600 million in bonuses. This is neither ethical nor sustainable."

All but two Conservative MEPs abstained in the final vote in protest against the bonus cap, with Daniel Hannan and London MEP Syed Kamall voting against the rules. Lobbyists working on behalf of the banks have warned that the bonus rules could leave them unable to attract the most talented financiers.

However, Sharon Bowles, the Liberal Democrat chair of the European Parliament's Economic Affairs committee, backed the deal, saying it would "make our banking sector more resilient and brings us in line with international standards". MEPs have already signalled their intention to apply bonus caps to other areas of the financial sector. Last month, the committee voted to cap bonuses for hedge fund managers.

EU finance ministers are expected to put their rubber stamp on the regime in the coming weeks.

Syria

Army's new tactics make gains for Assad

by Marcus Papadopoulos

With America and Russia at odds over how to bring to an end the conflict in Syria, and with increasing numbers of Jihadists flocking to the country to fight against the Syrian government, a potential game changer is emerging on the military and political battlefield.

The Syrian army, which for 40 years has been trained to fight a sophisticated war against Israel, has begun to adjust to fighting an insurgency, learning the lessons of the Russians in Chechnya and the Americans in Iraq.

Instead of deploying battalions against the Free Syrian Army, Syria's generals are now sending in specialist units – some composed of just 60 soldiers – to wrest back control of those parts of the country which have fallen into the hands of al

Qaida-linked militants.

The new tactics have begun to bear fruit for the Syrian government. In the Idlib governorate, which borders Turkey, the Syrian army broke a six-month militant blockade of two huge military bases, Wadi al-Deif and Hamidiya.

That could enable Syrian forces to recapture the main route into the contested city of Aleppo and increase supplies to other military bases in a region which forms the heart of the insurgency.

The breaking of the blockade, which resulted in the deaths of more than 50 insurgents, and the supply by road of six lorries full of weapons to the two bases, which previously had to be resupplied by air, is regarded by military analysts as an important tactical victory for the Syrian army.

The Syrian army has also

recaptured the strategically important village of Aziza, next to Aleppo airport, and the Bab al-Neyrab military airbase, both of which militants had tried to storm. The recapturing of Aziza allows the army to attack from the rear those parts of Aleppo still controlled by militants.

In another specialist operation, Syrian forces secured the eastern Ghouta area in the countryside around Damascus, which the insurgents had been using to shell the centre of the capital, causing many civilian casualties.

On the political front, al-Nusra, the most potent of the militant groups which comprise the FSA, has officially pledged allegiance to al Qaida, causing embarrassment to Western leaders who like to portray the insurgents in Syria as "freedom fighters".