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# China market turmoil hits global shares

Global shares have fallen sharply after trading was suspended on Chinese markets for the second time this week.

Wall Street followed the downward trend, with indexes sliding about 1%, while European shares closed down about 2%.

Circuit-breakers triggered the Chinese share suspension following a 7% fall in the country's main index.

Later on Thursday, the Chinese authorities said they were suspending the circuit-breaker system.

The mechanism was brought in late last year to reduce volatility on China's markets and had not been triggered until this week. It will be lifted from Friday.

The slump on Chinese markets prompted renewed panic on global markets. Share dealing was halted in the first 30 minutes, making it China's shortest trading day on record.

The FTSE 100 share index in London closed down 2% at 5,954.08.

Germany's Dax, down 2.3% at 9,979.85, while France's Cac 40 fell 1.7% to 4,403.58.

Nerves Amid the uncertainty, the euro gained nearly a cent against the dollar, rising to \$1.0870.

## What does this mean for the rest of the world?

- The direct financial impact of lower share prices in China is moderate. There is not enough foreign investment in the Chinese market for it to be a major problem. The London consultancy Capital Economics has said foreigners own just 2% of shares.
- The issue is more about whether the financial turbulence shines a light on wider issues about the economic slowdown in China: is the economy heading for what's called a "hard landing", too sharp a slowdown?
- China is now such a big force in the global economy that it would inevitably affect the rest of the world. It is the second largest economy and the second largest importer of both goods and commercial services.

# Quikr acquires Commonfloor for \$200 million

Tiger Global-funded online classifieds platform Quikr has finalised a stock-cum-cash deal to acquire real estate portal CommonFloor.com for \$200 million (Rs 1,300 crore).

The deal will be announced next week, two people familiar with the development said.

A Quikr spokesperson, terming it 'market speculation', said: "We are always looking at strengthening our verticalisation strategy."

CommonFloor, which counts investors such as Accel, Google Capital and Tiger Global, was in talks to merge with Quikr, after it failed to raise additional capital to fund its business. So far, the firm has raised \$60 million.

Pranay Chulet-founded Quikr, with a valuation of around \$1.5 billion has been looking for acquisitions to strengthen its verticalisation strategy. Quikr has raised \$346 million in six rounds from investors such as Tiger Global, Warburg Pincus, and Norwest Venture Partners.

A few weeks ago, it acquired India Realty Exchange (IRX), a mobile-first aggregator of real estate agents founded by Vikram Dhawan and Karan Jindal for an undisclosed sum.

IRX tags agents and brokers with real-time projects and locations, and also helps users connect with them to buy and sell property.

The investment towards this latest acquisition is a strategic move that enables Quikr to strengthen its newly launched vertical, QuikrHomes.

# Why fly when you can drive?

The road from Germany to India across Prague, Warsaw, Moscow, Ulaanbaatar and Mandalay is one helluva ride.

The two right-hand-drive SUVs with Maharashtra registration plates were creating a buzz. We were, after all, in left-hand-drive Europe – Ingolstadt in Germany, to be precise. The ‘Ingolstadt to India’ stickers on the flanks of our cars said it all: we were set for a 20,000-km drive back to India, across nine countries, eight times zones and two continents.

But why drive from Germany to India when you can fly? Because, we tell ourselves: why fly when you can drive? Especially if it’s going to be an epic journey, a record of sorts.

For Indians to drive across the world and return to India on foreign plates can be tricky, especially across certain borders where the only way to communicate with officials is in sign language.

**9:** Number of countries passed  
**8:** Number of time zones driven through  
**2:** Number of continents crossed  
**1,829 Litres:** Total Fuel Consumed

## THE ROUTE

- Germany
- Czechoslovakia
- Poland
- Belarus
- Russia
- Mongolia
- China
- Myanmar
- India

# Understanding China's Growth: Past, Present, and Future

The pace and scale of China's economic transformation have no historical precedent. In 1978, China was one of the poorest countries in the world. The real per capita GDP in China was only one-fortieth of the U.S. level and one-tenth the Brazilian level. Since then, China's real per capita GDP has grown at an average rate exceeding 8 percent per year. As a result, China's real per capita GDP is now almost one-fifth the U.S. level and at the same level as Brazil. This rapid and sustained improvement in average living standard has occurred in a country with more than 20 percent of the world's population so that China is now the second-largest economy in the world. I will begin by discussing briefly China's historical growth performance from 1800 to 1950. I then present growth accounting results for the period from 1952 to 1978 and the period since 1978, decomposing the sources of growth into capital deepening, labour deepening, and productivity growth. But the main focus of this paper will be to examine the sources of growth since 1978, the year when China started economic reform. Perhaps surprisingly, given China's well-documented sky-high rates of saving and investment, I will argue that China's rapid growth over the last three decades has been driven by productivity growth rather than by capital investment. I also examine the contributions of sector-level productivity growth, and of resource reallocation across sectors and across firms within a sector, to aggregate productivity growth. Overall, gradual and persistent institutional change and policy reforms that have reduced distortions and improved economic incentives are the main reasons for the productivity growth.

# Stephen Hawking

Stephen William Hawking CH, CBE, FRS, FRSA (born 8 January 1942) is an English theoretical physicist, cosmologist, author and Director of Research at the Centre for Theoretical Cosmology within the University of Cambridge. His scientific works include a collaboration with Roger Penrose on gravitational singularity theorems in the framework of general relativity, and the theoretical prediction that black holes emit radiation, often called Hawking radiation. Hawking was the first to set forth a theory of cosmology explained by a union of the general theory of relativity and quantum mechanics. He is a vigorous supporter of the many-worlds interpretation of quantum mechanics.<sup>[</sup>

He is an Honorary Fellow of the Royal Society of Arts, a lifetime member of the Pontifical Academy of Sciences, and a recipient of the Presidential Medal of Freedom, the highest civilian award in the United States. Hawking was the Lucasian Professor of Mathematics at the University of Cambridge between 1979 and 2009 and has achieved commercial success with works of popular science in which he discusses his own theories and cosmology in general; his book *A Brief History of Time* appeared on the British Sunday Times best-seller list for a record-breaking 237 weeks.

Hawking suffers from a rare early-onset, slow-progressing form of amyotrophic lateral sclerosis (ALS), commonly known as motor neurone disease in the UK, that has gradually paralysed him over the decades. He now communicates using a single cheek muscle attached to a speech-generating device. Hawking married twice and has three children.

# Life after death is real, British scientists confirm

LONDON: Life after death, at least for a little while, is for real.

British scientists have confirmed such evidence in the first and largest ever medical study carried out on the subject.

Experts currently believe that the brain shuts down within 20 to 30 seconds of the heart stopping beating — and that it is not possible to be aware of anything at all once that has happened.

But scientists in the new study said they heard compelling evidence that patients experienced real events for up to three minutes after this had happened - and could recall them accurately once they had been resuscitated.

Recollections in relation to death, so-called out-of-body experiences (OBEs) or near-death experiences (NDEs), are an often spoken about phenomenon which have frequently been considered hallucinatory or illusory in nature - however, objective studies on these experiences have been limited.

In 2008, a large-scale study involving 2060 patients from 15 hospitals in the UK, US and Austria was launched.

The AWARE (Awareness during Resuscitation) study, sponsored by the University of Southampton in the UK, examined the broad range of mental experiences in relation to death. Researchers also tested the validity of conscious experiences using objective markers for the first time in a large study to determine whether claims of awareness compatible with out-of-body experiences correspond with real or hallucinatory events.

Thirty-nine per cent of patients who survived cardiac arrest and were able to undergo structured interviews described a perception of awareness, but interestingly did not have any explicit recall of events.

Among those who reported a perception of awareness, 46% experienced a broad range of mental recollections in relation to death that were not compatible with the commonly used term of NDE's.

These included fearful and persecutory experiences.

Only 9% had experiences compatible with NDEs and 2% exhibited full awareness compatible with OBE's with explicit recall of seeing and hearing events.

The study concludes "In some cases of cardiac arrest, memories of visual awareness compatible with so called out-of-body experiences may correspond with actual events. A higher proportion of people may have vivid death experiences, but do not recall them due to the effects of brain injury or sedative drugs on memory circuits. Widely used yet scientifically imprecise terms such as near-death and out-of-body experiences may not be sufficient to describe the actual experience of death. The recalled experience surrounding death merits a genuine investigation without prejudice."