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Central Banks Take Action

China's Moves Spark Concern About Economy

BELJING—China's central bank lowered interest rates for the second time in less than a month, a move that sparked concern that the world's second-largest econ-

By Bob Davis,
Aaron Back
and Lingling Wei

omy may be slowing more than anticipated.

The People's Bank of China said it would cut the one-year yuan lending rate by 0.31 percentage point, to 6%, effective Friday, making borrowing more attractive.

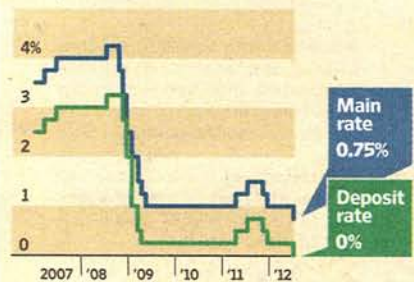
To boost the effect, the PBOC—which sets a floor on lending rates and ceiling on deposit rates—also said banks could lend at 70% of the benchmark rate, down from 80% currently, making loans more affordable for borrowers.

Combined with the similar cut in June, "in theory from where we were just a few weeks ago, the price of a one-year loan has fallen [2.4 per-

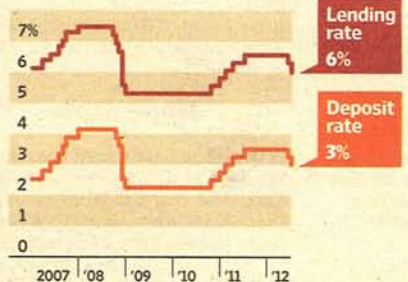
Loosening Policies



European Central Bank



People's Bank of China



Sources: ECB and People's Bank of China via Thomson Reuters; Bloomberg News (photo) The Wall Street Journal

centage] points," said Patrick Perret-Green, a Citigroup analyst.

"I think it means that [the central bank] is clearly worried," said Louis Kuijs, project

director of Fung Global Institute, a Hong Kong think tank.

"They want to have a decent amount of policy easing in the system by the time we get into the summer," he

added.

In the first quarter, China's growth decelerated to 8.1% from the year-earlier quarter, the slowest pace since the

ECB Cuts Rates, Citing Regional Economic Slump

By Geoffrey T. Smith
and Christopher Lawton

The European Central Bank cut its benchmark interest rates by 0.25 percentage point, bringing the refinancing rate to a record low of 0.75% and the overnight deposit rate to zero.

The bank's president, Mario Draghi, conceded Thursday that the euro zone's debt crisis had led to a generalized economic slowdown, hitting even the strongest countries in the region. The governing council's decision was unanimous, indicating that even hawks such as German central bank chief Jens Weidmann had voted for the easing.

Mr. Draghi, while welcoming the outcome of last week's landmark euro-zone summit, forecast profound consequences for the cherished independence of his institution

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U.S. Targets China Again, This Time Over Autos

The Obama administration Thursday intensified its trade offensive with China by pressing the World Trade Organization to force the country to stop imposing duties on U.S. auto exports.

By Jared A. Favole,
Carol E. Lee
and Tom Barkley

The announcement is the second enforcement action the U.S. has brought against China during an election year in which President Barack Obama and Republican presidential hopeful Mitt Romney are trying to appear tough on China.

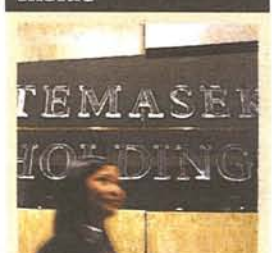
Mr. Obama, on a campaign swing in Ohio, boasted about the number of trade cases his administration has brought against China and said Thursday's announcement is designed "to hold China accountable for unfair trade practices that harm American auto makers."

"As long as we're competing on a fair playing field in-

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Inside



Temasek's fiscal-year profit fell 16%, as sluggish global growth hit the Singapore sovereign wealth fund's investment portfolio.

Business 15

India's fruitless effort to support the rupee shows how powerless some central banks are. In Depth 13

Wimbledon Throws In the Towel on Trying to Keep Them

Colorful Designs Are Popular Keepsakes Among Players

By Tom Perrotta

WIMBLEDON, England—Wimbledon has discarded another of its many traditions: The towel police are history.

After years of discouraging players from taking tournament towels, officials at the All England Club now mostly shrug as competitors stuff their racket bags with what has become the most coveted keepsake from the championships.

"We'd like to see as many of them returned as possible, but it's not the end of the world if we don't," said Johnny Perkins, a spokesman for the club. "There are bigger things to be worrying about."

This is the 25th year of the commemorative Wimbledon

towel made by Christy, a company founded in England that once made towels for Queen Victoria. It was bought by Welspun India Ltd. in 2006.

This year, Christy produced 99,500 Wimbledon towels, of various sizes, most of which are sold to the public. Sales



Tournament towel

have increased 46% since 2008, the company says; next year, Wimbledon towels will be sold in India for the first time. Towels like the players

use retail for £28, or \$44.

Christy sets aside 6,000 of the colorful towels for Wimbledon players, who are given two during each match. Robert Walker, CEO of Welspun UK Ltd., said about 60% of those 6,000 towels vanish by the end of the tournament.

When Mr. Walker was at Wimbledon last week, British star "Andy Murray threw one into the crowd," Mr. Walker said. "I said, 'Well, we'll have to knock that one off the stock list.'" He was joking: Christy and Wimbledon don't sell leftovers. "We just don't want to run a shortage at the tournament," he said.

The towels have become a popular souvenir. Novak Djokovic, the defending Wimbledon

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TRAVEL

Know Your Airplane, Pick Your Seat Early



Jiun Ho, a San Francisco-based interior designer, has traveled to nearly 100 countries, so it's no surprise that he draws inspiration from travel in his work. The 39-year-old Kuala Lumpur native often sources arts, objects and antiques from his frequent trips, including three giant skulls during his last visit to Paris.

He spoke to the Journal about picking the right plane seat, wearing kung fu pants in-flight and the trick to overcoming jet lag (hint: deny it exists).



Bruce Damme (3)

Jiun Ho

How often are you up in the air?

On average, twice a week, though my record so far had been 25 times in a month. It was three years ago when I had four around-the-world tickets, and so in three and a half weeks I traveled between Asia, Europe, the U.S. and Australia for client meetings, trade shows and production visits.

Where do you travel most?

In Asia, I usually end up in Bangkok, Hong Kong and Shanghai. When I go to Europe, it'll be London, Frankfurt and Paris.

What frequent-flier plans do you use?

Star Alliance, unless I visit a place that doesn't have a Star Alliance member airline.

You've been to 97 countries so far. Where are you headed next?

I'm planning a trip to Africa. I'm going to Kenya to climb Mount Kilimanjaro, followed by a vacation in Mozambique and Zambia.

How do you beat jet lag?

I don't get jet lag. The trick is to force your body to adjust to the local time zone immediately. Stay awake and go to bed at 10 p.m. just like everybody else. For long-haul flights, when I arrive I usually hit the gym first to get my body going.

Do you make any special requests when you fly?

I know exactly what seat I want to be on in each airline and airplane model. For example, when I take Singapore Airlines, I ask for the bulkhead seat in business class, which has to be the first row in the plane.

Carry-on essentials?

I have my own favorite airline outfit and a few key items. My outfit consists of my Lululemon kung fu pants, a polo shirt and Prada sneakers. My pants

are made of textile that breathes, so it's really comfortable and well-fitted. You can dress it up or down. For long-haul flights, I bring a pair of flip-flops for comfort. I always carry an iPhone, iPad and camera.

Best airports? Hong Kong and Singapore. Hong Kong for its efficiency and convenience—I once landed in Hong Kong, cleared immigration, got my suitcase and reached the hotel in just 45 minutes. When I have even a short layover in Singapore, I like the fact that I can just jump into a cab and reach the city center within minutes. I can then shop, have local food and still be back in time for my next flight.

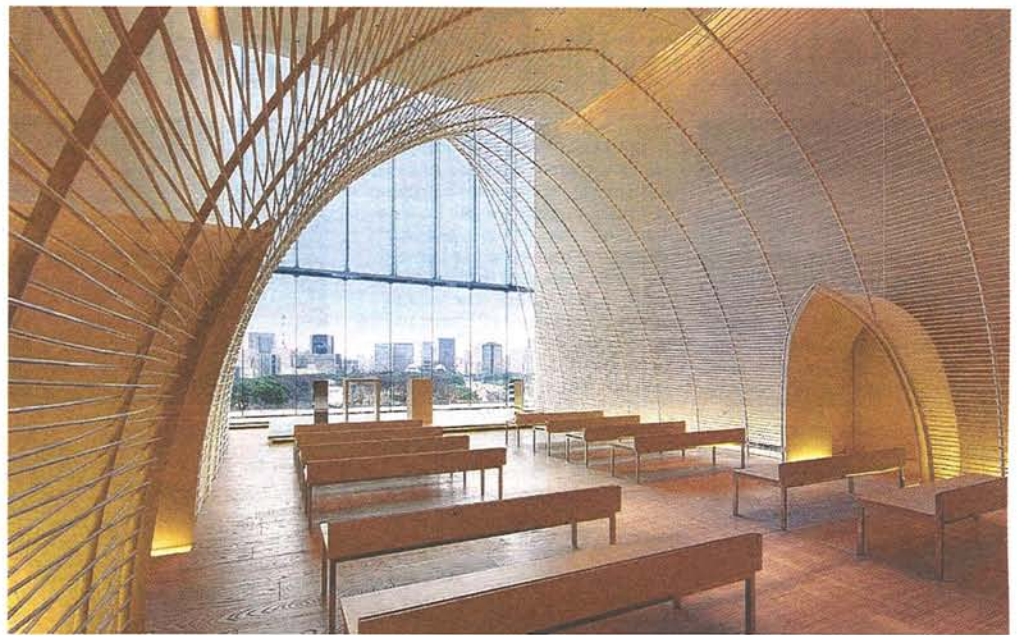
Favorite hotels? I had a great experience with Explora, a lodge-based company in Chile, going to Patagonia, Atacama and Easter Island.

What's the most interesting object you've brought back from your travels? The one I like most is a painting from Shanghai. The artist later became a dear friend, and having that personal connection is what made it special for me. The one item I thought was really memorable is this 18th-century, seven-foot-tall Laotian Buddha carved out of solid teak wood. There's also another item made by a French artist who collected animal bones, piecing it together to make a giant human skull. There are only six in the world, and I own three of them.

—Edited from an interview with Trinna Leong



Prized souvenirs from Mr. Ho's travels include a painting, above, and three sculptures, left, made from animal bones.



Imperial Ambitions, and Green Space, in Tokyo

[Stays]

BY ROBERT MICHAEL POOLE

The Palace Hotel Tokyo first opened its doors by the Imperial Palace's moat in 1961, when buildings were forbidden to rise above 30 meters. Reopened in May after a \$1.2 billion overhaul, the property has a new, 23-story design that towers over the home of the country's figurehead, though it avoids overlooking it thanks to an ingeniously curved facade.

The Design: Australian architect Terry McGinnity, head of London-based firm GA Design International, has taken his cues from the hotel's surroundings. The nature-inspired theme channels the feel of the Imperial Palace's parks and fountains with touches such as delicately sculpted ebony walls and subtle leaf motifs.

The Rooms: Accommodations are generous, especially by local standards, with the entry-level deluxe room feeling like a small but airy Tokyo apartment at 45 square meters. Many of the 290 rooms have large balconies and terraces, as well as bathtubs facing the exterior windows so guests can soak in views of the city or park. The 12 suites, which extend to 225 square meters, seem made for longer-term stays: Despite the new-hotel scent of freshly laid carpets and laminated furnishings, they give off the feel of an old, stately manor, with well-worn study and living areas. The in-room Wi-Fi is free.

The Location: Now the center of Japan's finance industry, Marunouchi literally translates as "inside the circle," a reference to being inside the Imperial Palace's outer moat. While the property's prestigious 1-1-1 address is ideal for business travelers, it is also aimed at leisure guests. Directly opposite is Kokyo Gaien, a park planted with 2,000 black pine trees, part of Tokyo's largest green expanse. Visitors can stroll



From top: The Palace Hotel Tokyo's wedding chapel, swimming pool, lobby and exterior.

there or walk to Ginza's high-end shopping, dining and entertainment in less than half an hour.

Our Tip: The Palace Hotel Tokyo houses the country's first and only Evian Spa, modeled after the Evian Resort on the shores of Lake

Geneva. Skip the uninspired pool area and head straight to one of the five treatment rooms, each reminiscent of a space ship, for a refreshing full-body massage such as the "Vitalizing Signature," which incorporates Japanese *seitai* techniques.

Getting There: A short walk west from the JR Tokyo main station—and an even shorter walk from the Otemachi subway station—will bring you to the hotel. From Haneda Airport, a train costs ¥620 (\$8) while a taxi costs around ¥7,000. Both take roughly 30 minutes. From Narita International Airport, the direct Narita Express train to Tokyo Station takes an hour and costs ¥2,940.

Palace Hotel Tokyo, 1-1-1 Marunouchi, Chiyoda-ku; Tel. +81 3 3211 5211; palacehoteltokyo.com. From ¥50,000 (about \$625) per night.