

[Obama's Trip to Indonesia](#)[What's Next for Climate Change? The IPCC Controversy](#)[The European Debt Dilemma and Pressure on China's Exchange Rate Policy](#)[North Korea: Repression or Opening?](#)[Member News](#)**Obama's Trip to Indonesia**

Indonesia's growing significance on the global stage thanks to its democratic and economic reforms has encouraged hopes for the signing of a [framework agreement](#) with the U.S. to bolster economic, political, and security ties during U.S. President Obama's visit to Indonesia (March 20-22). Council for Foreign Relations' [Joshua Kurlantzick](#) suggests that Obama focus on learning from Indonesia's counterterrorism strategies, show support for Indonesia's reformers, treat Indonesia like one of the BRICs, and recognize that Indonesia does not want to be portrayed as a "Muslim democracy".

**The European Debt Dilemma and Pressure on China's Exchange Rate Policy**

While China is concerned about reining in economic activity, the developed countries in Europe struggle to keep their economies growing. European countries' debt problems have spurred market volatility and raised doubts about whether the global economic recovery is sustainable. China is now under increased pressure by Europeans who contend that an undervalued RMB is making their problems worse. The robust health of many Asian economies stands in sharp contrast with the weak and uncertain recoveries in the west. [Deutsche Bank](#) estimates that China's exports will increase 16 percent this year (but only two percent of China's exports go to the fiscally troubled nations of Greece, Spain, Portugal and Ireland). Western countries see China's exchange rate policy as a distortion that will hold back adjustment of global imbalances and slow the recovery of other economies. [Steven Dunaway](#) points out that China's contribution to rest of the world's growth will diminish in 2010 and the years beyond as China's trade surplus is expected to start rising again, and should pressure China to revalue the RMB. However, China seems unwilling to make a policy change now. The RMB foreign exchange rate is "neither the root of trade imbalance nor the main cause of the world economic imbalance," Chinese commerce ministry spokesman [Yao Jian](#) argues, adding that a stable RMB exchange rate supports global financial markets and is a main policy target in China.

**What's Next for Climate Change? The IPCC Controversy**

The mistakes of the Intergovernmental Panel on Climate Change (IPCC), notably its recent error in asserting that the Himalayan glaciers would disappear by 2035, has undermined the credibility of the IPCC and the science of climate change. Dr. R.K. Pachauri, the head of IPCC, has [come under fire](#) at home in India and abroad. Critic [Roger A. Pielke, Jr.](#) suggests that crucial reforms of the IPCC are needed, including a mechanism for resolving allegations of error in its work, establishing a procedure to handle conflict-of-interest policies, and improved accountability.

**North Korea: Repression or Opening?**

North Korea carried out a sweeping currency revaluation last November in a bid to curb inflation and reportedly ensure a power transition. The confiscatory currency reform and the subsequent ban on the use of foreign currencies are economically misguided policies, [Stephan Haggard & Marcus Noland](#) say, adding that these policies will require a ratcheting up of already high levels of repression. However, articles in China state that the current currency policy reform instead might be a sign for North Korea to adopt an open-door policy similar to what China did in the 1980s. Leaders in North Korea see China's success and start to follow the way for an open economy. [Xinhua](#) of China (in Chinese) reports that North Korea decided to set up a State Development Bank and the Korea Taepung International Investment Group in an unprecedented bid to attract foreign funds, which will mark a further step for its open-door policy. [China Review News](#) (also in Chinese) noted what it said was North Korea's move to an open-door policy in a 2008 article.

**Member News**

- ✧ [Mukesh Ambani](#) of Reliance Industries was featured in *The Australian* about his view on how soft power is boosting Indian growth.
- ✧ ICICI Bank's [K.V. Kamath](#) was profiled in the *Business Standard* about his views on the Indian economy.
- ✧ Philips' [Gerard Kleisterlee](#) was featured in the *Financial Times* in an interview about his career leading Philips through a decade of radical change.
- ✧ [Bruno Lafont](#) of Lafarge was profiled by *Businessworld* about green construction and Lafarge's focus on India.
- ✧ [Anand Mahindra](#) of Mahindra Group was named Indian entrepreneur of the year 2009 by Ernst and Young.
- ✧ Rakuten's [Hiroshi Mikitani](#) was profiled in the *Wall Street Journal* about the uniqueness of online shopping in Japan, competing with Amazon.com, and his aspirations to expand Rakuten worldwide.
- ✧ Infosys' [Narayana Murthy](#) and his wife Sudha Murthy were recently awarded the Bharat Asmita Jeevan Gaurav Puraskar award by India's Maharashtra Institute of Technology (MIT) for their business and charitable initiatives.
- ✧ CIMB's [Nazir Razak](#) spoke at the Thailand Management Association Top Talk about the urgent need to re-energize and transform the ASEAN agenda.
- ✧ Standard Chartered's [Peter Sands](#) was profiled in the *Wall Street Journal* about how Standard Chartered emerged from the credit crisis with its reputation intact.
- ✧ SOHO China's [Zhang Xin](#) was featured in the *Financial Times* about how she is helping to build the new China with her office and retail developments.