

Bankruptcy Legislation and Law

Re-doing
Business



Publications searched: Financial Times online; The Economist/Economist online; The Wall Street Journal online; The Times online. In addition relevant news items identified by a Google Alert search, and contained in UK national press or international media outlets have been included.

Databases: Nexis – Financial Times online, The Times; Pro Quest – The Economist/Economist online, The Wall Street Journal online.

Search Terms: “Bankruptcy/Insolvency legislation”, “Bankruptcy/Insolvency law”, “Bankruptcy/Insolvency AND legislation”, “Bankruptcy/Insolvency AND law”, “Bankruptcy/Insolvency AND reform”, “Bankruptcy code”, “Bankrupt/Insolvent AND law”. The period searched: 1/1/2013-present.

Notes: The criteria for articles and news items included in this section are relatively broad. The items listed cover not just the reporting of changes to bankruptcy and insolvency law, but also debates surrounding potential changes to legislation, the implementation and/or potential implementation of bankruptcy law and its effects, and reports on the efficacy of bankruptcy law and procedures.

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Publication	Title	Date	Author	Vol/Iss/Start page.	Article type/Under which section	Abstract or link
Reuters	India's bankruptcy draft law to be ready by mid-October - Mint	11 Sept 2015	Remyan Nair		Media	http://in.reuters.com/article/2015/08/27/idINL4N1121NQ20150827 http://www.livemint.com/Companies/IB61ZlqSHwwcD4k340CVIO/Bankruptcy-draft-law-by-midOctober.html
The Times	Eight new bills announced by the Scottish government	2 Sept 2015		p.11	News	Bankruptcy Consolidation Bill Modernises debt management and debt relief law. Brings together existing personal insolvency law to make it more coherent for practitioners and those affected to save time and money.
Wall Street	Texas Judge's	12 Aug	Peg		Business	http://blogs.wsj.com/bankruptcy/2015/08/12/texas-

Journal	Comments Reignite Bankruptcy Venue Debate	2015	Brickley			judges-comments-reignite-bankruptcy-venue-debate/
Wall Street Journal	Creditors Seek to Push Miller Energy Unit Into Bankruptcy	10 Aug 2015	Patrick Fitzgerald And Tim Puko		Business	http://www.wsj.com/articles/creditors-seek-to-push-miller-energy-unit-into-bankruptcy-1439231714
Bloomberg.com	California Guards Muni Buyers From Bankruptcy With Dibs on Taxes	5 Aug 2015	Romy Varghese		Business	http://www.bloomberg.com/news/articles/2015-08-05/california-guards-muni-buyers-from-bankruptcy-with-dibs-on-taxes
FT.com	Weak position of India's state lenders a symptom of wider malaise	28 July 2015	James Crabtree		Companies	
FT.com	Dubai's Drydocks World hires Citi for \$2.3bn debt restructuring	12 July 2015	Simeon Kerr		Companies	
FT.com	The not so friendly skies of America	12 July 2015	Edward Luce		Comment	http://www.ft.com/cms/s/0/2c750472-2892-11e5-8db8-c033edba8a6e.html#axzz3lR9rm4JI
Wall Street Journal (online)	House Lawmakers Study Adjustments to Bill for Bank Failures	9 July 2015	Katy Stech		U.S.	http://www.wsj.com/articles/house-lawmakers-study-adjustments-to-bill-for-bank-failures-1436474234
The Economist	Beautifying bankruptcy: legal reforms may help chip away at the mountain of non-performing loans	4 July 2015			Finance and Economics	http://www.economist.com/news/finance-and-economics/21656720-legal-reforms-may-help-chip-away-mountain-non-performing
FT.com	Italian banks:	25 June				

	performance enhancers	2015				
Reuters.com	INSIGHT-Trucker's bankruptcy exit may roughen road for small creditors	24 June 2015	Nick Brown		Bonds	http://www.reuters.com/article/2015/06/24/jevic-bankruptcy-idUSL1N0Z91BF20150624
Wall Street Journal (online)	Mr. Abe's Industrial Policy	23 June 2015			Review and Outlook	http://www.wsj.com/articles/mr-abes-industrial-policy-1435070193
The Guardian	Madoff trustee's appeal over \$4bn recovery rejected by US supreme court	22 June 2015			Law	http://www.theguardian.com/law/2015/jun/22/madoff-trustee-appeal-us-supreme-court
FT.com	IMF payment comes with praise for Cyprus reforms	19 June 2015	Shawn Donnan		Global economy	http://www.ft.com/cms/s/0/34b84450-16c7-11e5-b07f-00144feabdc0.html#axzz3lR9rm4JI
The Times	Banks pay high price for being playthings of India's politicians	15 June 2015	Robin Pagnamenta		Business	http://www.thetimes.co.uk/tto/business/columnists/robinpagnamenta/article4469700.ece
FT.com	Barclays wins high-profile case over loans to law firm partners	9 June 2015	Jane Croft		UK News	http://www.ft.com/cms/s/0/7fedb77c-0e9b-11e5-8aca-00144feabdc0.html#axzz3lR9rm4JI
The Economist	Terms of Indira; India's public-sector banks	6 June 2015		v.415, iss.8941; p.63	Finance	In July 1969 India's embattled prime minister, Indira Gandhi, sacked her finance minister and took the job for herself. The next day she told a senior bureaucrat to take 14 of India's biggest private banks into public ownership. Nationalisation was cheered in the streets. Banks were seen as servants of rich industrialists that ignored the needs of poor folk. The work of a few hours transformed the prime minister's political fortunes. These days public-sector banks can scarcely raise a loan, never mind a cheer. It is a problem that

						weighs on the Reserve Bank of India (RBI), the banks' regulator.
Wall Street Journal (online)	Judge Says Madoff Trustee Can Proceed With Clawback Lawsuits; Irving Picard can move forward with bid to recoup 'fictitious profits' from Madoff's customers	4 June, 2015	Fitzgerald, Patrick		Business	The recovery efforts, while overseen by the bankruptcy court, are governed by the Securities Investor Protection Act, the law governing broker liquidations, and funded by the Securities Investor Protection Corp., an agency that insures U.S. brokerage accounts.
FT.com	Why Britain has no chance of European treaty change	31 May 2015	Wolfgang Münchau		Comment	http://www.ft.com/cms/s/0/f26494d2-0618-11e5-89c1-00144feabdc0.html#axzz3lR9rm4Jl
Wall Street Journal (online)	Supreme Court Backs Power of Bankruptcy Judges; Decision allows bankruptcy judges to make final decisions on matters if all parties consent	26 May, 2015	Stech, Katy		Business	In <i>Wellness International Network Ltd. v. Sharif</i> , the high court reversed an appellate court decision finding that the bankruptcy court didn't have the constitutional authority to decide whether certain property belonged to the bankruptcy estate because the dispute also involved state laws.
FT.com	India's shadow banks lend where others fear to tread	25 May 2015	Henny Sender		Markets insight	http://www.ft.com/cms/s/0/4708ae2c-ff8b-11e4-8c46-00144feabdc0.html#axzz3lR9rm4Jl
The Economist	Uncurl the body; the economy	23 May 2015		v.415, iss.8939; p.SS8	Special report	India needs to clear its own internal blockages. In the language of laughter, it has tended to respond with discreet giggles: a series of incremental changes. Its economy did enjoy a boom in the early years of this century, with high investment and rapid growth, in spite of decades of over-regulation, state domination of many sectors, including banks, and a lingering scepticism about markets. But now it needs to uncurl the economic body properly with much bolder

						reforms. Many had hoped Mr Modi would set these in motion, but so far he has done little, even though his whopping mandate would allow him to push through any measure he wants. He has paid too little attention to the economy.
Wall Street Journal	Chapter 9 and Puerto Rican Power	20 May, 2015	Garcia Padilla, Alejandro		Letters to the Editor	Regarding Mary Anastasia O'Grady's "Puerto Rico's Debt-Relief Gambit" (Americas, May 4): As the law stands now, Puerto Rico's public corporations are expressly denied eligibility for protection under Chapter 9 of the U.S. bankruptcy code.
FT.com	India confident of overtaking China	17 May, 2015	James Crabtree and Victor Mallet		Government	
Wall Street Journal (online)	Puerto Rico Bankruptcy Temptation	15 May, 2015			Opinion	The retroactive application of U.S. bankruptcy laws to existing debts has been the historical practice since the U.S. was founded.
The Times	EU company office not an 'establishment' in UK; Law Report	14 May 2015			Law reports	http://www.thetimes.co.uk/tto/law/reports/article4439285.ece
The Times	Directors unable to attribute their wrongdoing to company; Law Report	6 May 2015			Law reports	http://www.thetimes.co.uk/tto/law/reports/article4431394.ece
The Economist	Ready, steady, go; Entrepreneurship in India	18 April, 2015		v.415, iss.8934; p.78	Book reviews	Restart: The Last Chance for the Indian Economy. Recasting India: How Entrepreneurship is Revolutionising the World's Largest Democracy by Mihir Sharma by Hindol Sengupta and Recasting India: How Entrepreneurship is Revolutionising the World's Largest Democracy by Hindol Sengupta is reviewed.

Wall Street Journal (online)	The High Cost of Saving a Failing Business	25 March, 2015	Stech, Katy; Loten, Angus		Business	By law, a federal bankruptcy judge approves the fees that a debtor pays to lawyers and other professionals. [...]it's rare to see small-business owners formally object, or challenge the fees in court. A 220-worker Georgia button manufacturer, Scovill Fasteners Inc., that sold itself through bankruptcy in 2011 got court permission to pay more than \$680,000 to bankruptcy lawyers from Alston & Bird LLP and Greenberg Traurig LLP who handled the case, according to court documents.
FT.com	Cairn's woes turn spotlight on India business environment	17 March, 2015	James Crabtree			
FT.com	China debt: pain and gain	10 March, 2015			Editorial	
FT.com	Investors optimistic about Modi budget	1 March, 2015	Amy Kazmin		Government	
The Economist (Online)	Saturday morning pictures	Feb 28, 2015			NEWS	A scattergun budget had plenty of good reforms but lacked a unifying pitch "It is quite obvious that incremental change is not going to take us anywhere," claimed Arun Jaitley, India's finance minister, at the start of his 95-minute budget speech on February 28th. A harmonised goods-and-services tax (GST), to replace the myriad of state and federal levies, would be in place by April 2016, said Mr Jaitley.
FT.com	Model law is the key to protecting 'unprotected' government debt	7/12/14	Fitzherbert-Brockholes, Francis		Government	
FT.com	Bankruptcy beyond borders	4/12/14	Lambert, Yasmin			

The Economist (Online)	What happens when a country goes bust	Nov 24, 2014			NEWS	[...]as history shows, in most countries yield-hungry lenders will eventually start lending again so long as they are adequately rewarded for the risk they are taking on. [...]credit-default swaps--financial instruments which act as a form of insurance against sovereign and corporate defaults--allow bondholders to hedge their risk.
The Economist (Online)	Going bust	Nov 4, 2014			NEWS	[...]handily, the surge in bankruptcies during the worst years--as well as growing concern that outmoded rules are slowing the flow of capital to firms that could use it better--has initiated a wave of reforms around much of Europe.
FT.com	International bankruptcy law back on the agenda	29/10/14	Moore, Elaine			
The Economist	Unstated capitalism; Chinese business	Oct 25, 2014		v.413, iss.8910; p.89	Book Review	The book Markets over Mao: The Rise of Private Business in China, by Nicholas Lardy, is reviewed.
FT.com	State funding makes waves among South Korean start-ups	22/10/14	Mundy, Simon		IT and Media	
The Economist	A moral deficit; Chinese debt	Oct 18, 2014		v.413; iss.8909; p.77	News	For all the talk of reform in China, many government officials still want to paper over bad loans. With credit going to keep moribund companies alive, China's debt levels have soared even as growth has slowed. Overall debt, including government, corporate and household, has reached about 250% of GDP, up from 150% six years ago. The same thing that got China so deep into debt is what keeps it from blowing up: state control of the financial system and the perception, often substantiated, of government backing for debts. Instead the biggest danger is 'zombification', a hollowing-out of China's financial system along the lines of Japan's slow decay over the past two decades.

						Much rests on whether the government can uproot moral hazard from the financial system. By removing the perception of state guarantees and allowing failing companies to fail, the authorities could force banks and investors to allocate their capital much more carefully, slowing the rise in debt. There are reasons for concern. Officials tend to go weak at the knees when even relatively inconsequential companies fall into distress. Nevertheless, there have been signs that China may yet manage to contain its debt problem.
FT.com	Bankruptcy turns spotlight on Apple's deals with suppliers	13/10/14	Bradshaw, Tim		Government	
Ft.com	State Bank of India head calls for regulatory shake-up	12/10/14	Crabtree, James			
Ft.com	Banks agree derivatives rules to cope with future crisis	11/10/14	Stafford, Philip; Alloway, Tracy		Banking and government	
Ft.com	Derivatives reform sparks fear of run on banks	8/10/14	Alloway, Tracy; Braithwaite, Tom		Banking	
Ft.com	Toxic politics obstruct US pension reform	6/10/14	Foley, Stephen		Government	
Ft.com	Vijay Mallya feels full force of frustration within India's banks	2/9/14	Kazmin, Amy		Government	

The Economist (Online)	A game of polarisation	Sep 1, 2014			NEWS	[...]the bill allows her further to build a Manichean political narrative around the choice purportedly facing Argentina--"homeland or vultures".
FT.com	Lenders look at levy to support banks in distress	1/9/14	Braithwaite, Tom		Banking	
FT.com	Europe looks for common default process	11/8/14	Bolger, Andrew			
Wall Street Journal (online)	Detroit Bankruptcy Plan Now Cuts Financial Watchdog; City's Emergency Manager Reverses Course on Court-Appointed Monitor	Jul 30, 2014	Dolan, Matthew		U.S.	After discussing it with the mayor and with the state of Michigan, the emergency manager determined such a monitor would have been superfluous to the financial oversight and reporting requirements already required as part of the 'Grand Bargain' legislation that was signed into law," Bill Nowling, Mr. Orr's spokesman, said in an email statement.
FT.com	Puerto Rico faces substantive choices after muni market meltdown	18/7/14	Dizard, John		Government	
Wall Street Journal (online)	GOP Lawmakers Seek to Amend Bankruptcy Rules for Big Bank Collapses; Rep. Spencer Bachus Says Legislation Meant to Address Taxpayer 'Bailout Fatigue'	Jul 16, 2014	Stech, Katy		Markets	The FDIC has outlined a plan called "Single Point of Entry," in which the agency would seize the firm's global holding company and wipe out its investors--keeping the firm's subsidiaries open and imposing losses on owners and creditors at the top rather than the banks' depositors and business partners.
Wall Street	Puerto Rico Electric	Jul 7,	Kuriloff,		Markets	Overhauling the island's public corporations has

Journal (online)	Power Authority Reaches Deal With Lenders; Utility Will Defer Payment on Lines of Credit to Two Banks	2014	Aaron; Cherney, Mike			become central as the administration of Gov. Alejandro Garcia Padilla tries to jump-start the economy, eliminate budget deficits and reassure investors that its fiscal position is improving after an eight-year recession.
The Economist	Neither a state nor independent; Puerto Rico's debt crisis	Jul 5, 2014		v.412; iss.8894; p.26	News	Puerto Rico has put on a brave face during its year-long debt crisis. But on June 28th Alejandro Garcia Padilla, the governor, made a belated concession to reality by signing a law establishing a de facto bankruptcy regime for state-owned enterprises. With the Puerto Rico Electric Power Authority (PREPA), a cash-strapped utility, teetering on the brink of default, the new system may face its first test soon. Puerto Rico's woes stem from a mix of structural weaknesses, external shocks and self-inflicted wounds. As an overseas American territory, it uses the dollar and the national minimum wage. That makes labour costly and exports uncompetitive. From 1976-2006 firms on the island were exempt from federal tax on their local profits. But once that carve-out expired, the economy fell into an eight-year recession. And after Detroit went bankrupt, investors fled risky municipal bonds, which raised Puerto Rico's financing costs.
Wall Street Journal (online)	U.S. Investment Firms Challenge Puerto Rico Restructuring Law; Wall Street Firms Say Law Violates U.S. Constitution	Jun 29, 2014	Kuriloff, Aaron		Markets	The act is a bankruptcy law and "treads on the Congress's exclusive province in enacting such legislation," the firms said in the court filing. Because it allows the power authority to seize the collateral securing its bonds, it also provides for an unconstitutional taking of property, the complaint said.

The Economist	Busted flush; Restructuring sovereign debt	Jun 28, 2014		v.411; iss.8893; p.63	General Information	Governments have a long history of borrowing abroad and not repaying their debts. Yet there are still no clear rules governing what happens when sovereigns do not pay up. The murkiness was highlighted this week when Argentina seemed to offer, under duress, to negotiate with the 8% of its bondholders who refused to accept any losses after a huge default in 2001.
FT.com	Madrid failed to protect citizens from housing crash, says report	28/5/14	Buck, Tobias		Government	
The Economist	Munk's tale; Schumpeter	Apr 19, 2014		v.411; iss.8883; p.62	Commentary	You can't be right all the time. In a 1995 profile of Peter Munk, the founder of Barrick Gold, a mining giant, The Economist concluded that the biggest problem facing the company was who would replace him as boss. Mr Munk will at last step down as the company's chairman at the annual meeting on April 30th, aged 86. In the same profile we fretted that by spending \$500m on a property company, Mr Munk risked ending up in the same boat as two fellow Canadian tycoons, Paul Reichmann and Robert Campeau, who had gone spectacularly bankrupt. In 2006 Mr Munk had the last laugh, selling the company for \$9 billion. There were lots of reasons why our 1995 profile was so pessimistic. Mr Munk was already 67. The mining industry is an unforgiving one. Diversifying into property is a well-known road to ruin. And Mr Munk had a catalogue of failures to his name. But we forgot one vital thing: his ability to turn failure into success and threat into opportunity. Failure is a hot topic in American business at the moment. Silicon Valley entrepreneurs argue that the valley's success is

						its tolerance for failure.
FT.com	Time is not on Renzi's side in reforming Italy's economy	16/4/14	Sanderson, Rachel		Government	
The Economist	Sweet smell of success; Business advice	Apr 12, 2014		v.411; iss.8882; p.85	Book Review	The Up Side of Down: Bouncing Back in Business and in Life. The Triple Package: What Really Determines Success. Commit to Win: How to Harness the Four Elements of Commitment to Reach Your Goals, by Megan McArdle Amy Chua, Heidi Reeder, and Jed Rubenfeld, is reviewed. America was once the quintessential triple-package nation, convinced of its own exceptional destiny, a chosen people with a strong Protestant work ethic and yet riddled with insecurity in the face of Europe's cultural imperialism. In recent decades insecurity and the will to work have all but vanished. What is left is essentially the swagger, complacency and entitlement of a perverted sense of exceptionalism.
FT.com	Ceva raises EUR1bn in cov-lite financing	23/3/14	Chassany, Anne-Sylvaine		Banking and Health	
FT.com	Serbia's election winner Aleksandar Vucic promises reforms	17/3/14	Barber, Tony		Government	
FT.com	Hellas' liquidators sue TPG and Apax for \$1.3bn	14/3/14	Thomas, Daniel; Chassany, Anne-Sylvaine			
The Economist	Much old in the new	Mar 13, 2014			NEWS	GM's stock initially seemed to come through the recall brouhaha largely unscathed, but has taken a sharp

(Online)						slide as critics have begun to pile on and dropped 5% after word leaked that the Justice Department would launch an investigation.
FT.com	Bitcoin exchange Mt Gox files for bankruptcy protection.	28/2/14	McLannahan, Ben			
The Economist (Online)	Revenge of the 99%	Feb 24, 2014			NEWS	Steve Spencer, a financial adviser for Financial Guaranty Insurance Corp, a bond insurer, said the move might be "politically popular", but "is contrary to bankruptcy law and will result in costly litigation". The judge in the federal bankruptcy trial has ruled that he has the power to cut pensions, but an appeal court which is considering this point may disagree.
FT.com	Bondholders hit in Detroit restructure	21/2/14	Munshi, Neil; Rodrigues, Vivianne		Government	
FT.com	Fitch warns on leveraged finance defaults	13/2/14	Bolger, Andrew		Banking	
FT.com	Puerto Rico a step closer to default	15/1/14	Sender, Henny			
FT.com	Cengage close to agreement with banks and bondholders	14/1/14	Sender, Henny		Banking	
FT.com	Foundations pledge \$330m to save Detroit's art from bankruptcy sale	13/1/14	Munshi, Neil			
FT.com	Soaring fees	5/1/14	Moore,			

	exacerbate bankruptcy process in Britain		Elaine			
The Economist	Those pension blues; Public finances	Dec 7, 2013		v.409; iss.8865; p.29	News	On December 3rd, Judge Steven Rhodes decided that the city of Detroit is eligible for protection from its creditors. This clears the path for the largest municipal bankruptcy in American history. The city is carrying more than \$18 billion in debt, and the judge remarked that he thought it should have filed for bankruptcy years ago. The judgment is good news for Detroit, which can now plan an orderly escape from much of its debt. It is a blow, though, for the city's more than 100,000 creditors, including pension funds and the retired. Labour unions had argued against bankruptcy, contending that the pensions of state employees were protected by the Illinois constitution. But Judge Rhodes ruled that federal bankruptcy law essentially treated pensions as contracts, and allowed those contracts to be broken.
The Economist (Online)	Bankruptcy or bust	Nov 15, 2013			NEWS	Will a judge allow Detroit to go bankrupt? Over the next few days it will up to one man, Steven Rhodes, a federal bankruptcy judge, to decide the fate of Detroit. The unions and retirees claim the bankruptcy is an attempt to get around a ban on pension cuts in the state constitution.
The Economist	Europe's other debt crisis; The euro zone	Oct 26, 2013		v.409; iss.8859; p.21	News	On July 2012, Mario Draghi, the president of the European Central Bank (ECB), promised to do whatever it takes to preserve the single currency. Although the bond-buying scheme set up to fulfil that pledge has never been tested, yields on sovereign bonds have fallen. The euro mess has morphed from an acute crisis into a chronic one. This week Mr Draghi launched what could become the second big turning-

						point in the euro saga: an inspection of the balance-sheets of the region's 128 biggest banks which the ECB will supervise from late 2014.
The Economist	Debtors' prison; The euro crisis	Oct 26, 2013		v.409; iss.8859; p.79	News	The European Central Bank (ECB) announced this week how it will undertake a root-and-branch examination of banking assets before it takes charge of supervision in the euro area late next year. One aim of the exercise is to identify the bad debts that are fouling up euro-zone banks and preventing the flow of new credit. This is important because parts of the single-currency area are crippled not just by public borrowing but by private debt, most of which is sitting on banking books. Throughout the euro crisis, tough austerity programmes have been aimed at tackling sovereign debt. That German-inspired focus is badly misplaced. High private debt is more detrimental to growth than high public debt, according to recent research by the IMF. Indeed the IMF study finds that excessive sovereign debt reduces growth only when household and corporate sectors are heavily indebted too.
Wall Street Journal (online)	Student-Loan Straitjacket; Filing for Bankruptcy Usually Ends Up Increasing School-Debt Balances	Sept 30, 2013	Stech, Katy		U.S.	Some bankruptcy experts say the problem shows the U.S. Bankruptcy Code is ill-equipped to handle student-loan debt, which, at about \$1 trillion, has outgrown credit cards as the largest source of consumer debt, excluding mortgages. Sen. Richard Durbin (D., Ill.), who has spearheaded student-loan debt-forgiveness legislation, said bankruptcy-repayment plans that cause student-loan balances to rise are "driving borrowers further into debt and denying people the fresh start that bankruptcy promises."
The Economist	The line from 9/11 to Lehman to Syria	Sep 11, 2013			NEWS	Natural disasters destroy the economy's physical infrastructure but, provided death is limited, leave

(Online)						intact its more critical soft infrastructure--the human capital, the business relationships, the know-how. Japan, again, typifies this: the Liberal Democratic Party dominated politics after the second world war but fractured in the early 1990s, producing a succession of unstable governments and short-lived prime ministers.
The Economist (Online)	Too much uncertainty	Aug 9, 2013			NEWS	Georgia currently comes 9th in the World Bank's Ease of Doing Business Index. Weak anti-monopoly protection reduced the number of businesses the UNM had to deal with, and allowed it to reward friends. Mr Timm argues, the libertarian model never recovered from the brief war between Russia and Georgia in August 2008 and the 2009 financial crisis.
The Economist	The Unsteady States of America; America's public finances	Jul 27, 2013		v.408; iss.8846; p.9	News	
The Economist (Online)	What's holding back Africa's low-cost airlines?	Jun 11, 2013			NEWS	At its annual meeting, held in Cape Town last week, the International Air Transport Association (IATA), an industry club, called upon African governments to liberalise air routes and cut taxes on fuel and tickets in order to make the most of air travel's ability to boost economic growth.
The Economist	An illusory haven; Sovereign-debt markets	Apr 20, 2013		v.407; iss.8832; p.77	General Information	Why do governments pay their debts? The deference with which most state borrowers treat their creditors is one of the mysteries of economics. Unlike individuals or companies, countries cannot be forced to make good on their liabilities. Those that issue debt under their own law can change it retroactively to reduce what they owe. Although sovereigns that borrow abroad waive their immunity to litigation, their assets are mostly either out of the reach of foreign courts or protected by treaties. And when

						governments do default, borrowing costs typically return to normal in a couple of years. But twice in the recent past investors have been reminded of the risks they are taking. In March 2012 investors in Greek sovereign debt suffered a 74% loss in the biggest government-bond exchange ever. Now creditors who accepted Argentina's 2005 and 2010 exchange offers are bracing themselves for an appeals-court decision in America that could prevent them from being paid there.
The Economist	Second-hand suits; Investing in litigation	Apr 6, 2013		v.407; iss.8830; p.84	News	"Third-party funders" are outside investors that offer to pay for a lawsuit, in exchange for a share of the payout: from 30% to 60%. Some lawyers work on contingency ("no win, no fee") arrangements, but others cannot shoulder the risk. So third-party funders may get involved. Returns are impressive enough to have drawn in both hedge funds and traditional financial companies. The biggest risk, says Richard Fields, Juridica's founder and chief executive, is not the quality of cases. He says the company invested in 30 of some 1,200 it considered, and has profited from all that have been concluded. The risk is timing: courts' gears grind slowly before suddenly producing results, so cashflow is "lumpy". Some worry that funding others' lawsuits is unethical.
The Economist	A little faster, George?	Mar 9, 2013		v.406; iss.8826; p.15	Commentary	Over the past 170 years this newspaper has tracked the British economy through some devastating shocks. The global slump of 1857 wiped out banks and chilled demand for exports. The 1930s Depression hit the country hard. Two world wars destroyed homes and infrastructure. Yet five years after each of these events the economy was growing. Not so this time. Britain is barely bumping along. The Bank of England reckons

						output, which peaked at Pounds 1.5 trillion (\$3 trillion) in 2007, will not reach that level in real terms until 2015. With an ill wind the country could easily lose a decade. Meagre wages and stubborn inflation are eroding spending power . The pound is falling, yet the balance of trade is dismal. Pessimism is calcifying: 12% of Britons expect their household finances to improve next year, and 52% think they will worsen. This failure to grow not only hurts businesses and households: it makes it far harder to balance the books.
The Economist (Online)	Motoring towards disaster	Mar 1, 2013			NEWS	If an emergency manager cannot restructure the city--bringing creditors to the table and renegotiating payments--a messy and unpredictable bankruptcy is inevitable.
The Economist	Edifice complex; Dubai's renaissance	Jan 5, 2013		v.406; iss.8817; p.57	News	Dubai is back in business only three years after a near-death experience. In late 2009 Dubai World, a big government-controlled investment firm, announced it could no longer repay its debts, threatening to bring down the entire economy. The emirate was bailed out by Abu Dhabi, an oil-rich fellow-member of the United Arab Emirates (UAE), and the UAE's central bank. Dubai has come a long way since then. The IMF estimates that GDP was up by 4.1% in the first half of 2012 compared with the same period of 2011. Dubai is more than a story of skyscrapers built on sand with borrowed cash. Because the emirate's oil reserves were limited, its rulers decided decades ago to diversify. Emirates Airline is the best-known result of this strategy. This role as a regional hub--and a policy of being open to almost any kind of business--explains why Dubai has been, at least economically, the main beneficiary of the Arab spring. Instability in the rest of the region has diverted capital, commerce and people

						to the emirate. Yet the renaissance masks continuing problems. During the property frenzy, developers piled up debt. Behind the question of whether Dubai could relapse lurks a bigger one: whether it needs to change its growth model.