

## International Business News

## Boston Globe union granted deadline extension

AP, Boston

Negotiations between unions at The Boston Globe and its owner, The New York Times Co., will continue after the company agreed to extend its midnight deadline for the newspapers' employees to make \$20 million in concessions.

"Because there has been progress on reaching needed cost savings, The Boston Globe will extend the deadline for reaching complete agreements with its unions until midnight Sunday May 3," Globe spokesman Robert Powers said in a statement.

Leaders of the Boston Newspaper Guild, the Globe's largest union, asked for an extension of Friday's deadline after discovering what they called a \$4.5 million accounting error. The Guild, which has been asked to come up with \$10 million of the \$20 million in concessions, said ownership mistakenly was counting the salaries and benefits of 80 people who have left their jobs at the Globe since the beginning of the year.

"We have given the New York Times Co. and Globe management proposals for deep cuts in our members' pay and benefits that we believe will save The Boston Globe," Daniel Totten, Guild president, said in a statement. "We are awaiting the company's response."

The concessions sought by the Times Co. could include pay cuts, a reduction in pension contributions and the elimination of lifetime job guarantees for some senior employees. Those guarantees state that the staffers cannot be let go without cause.

## US auto sales fall 34pc

AP, Chicago

Bad news at Chrysler and General Motors took a bite out of US auto sales that fell 34 percent in April as consumers shied away from dealerships amid growing economic uncertainty.

The news of Chrysler's bankruptcy on Thursday came too late in the month to have a major impact on sales.

But school closings as a result of swine flu and the media's focus on the ongoing problems in the automotive industry had "a little bit of a CNN effect" on overall industry sales, said Ford analyst George Pipas.

"There are indications in the economy several leading indicators, that suggest that we are near or at bottom in auto sales, and also the economy's contraction is beginning to subside," Pipas said.

Ford sales fell 32 percent to 134,401 in April and were down 40 percent for the year to date at 458,772.

But Ford -- which unlike GM and Chrysler has not needed government aid to survive a collapse in auto sales -- celebrated the fact that it has managed to increase its share of the US market for six out of the past seven months.

Ford managed to overtake Toyota to win second place in April with 15.8 percent of the US market, up from 15.1 percent in April of 2008, according to Autodata.



An Indian customer selects toddy fruits being offered for sale by vendors on a roadside in Hyderabad yesterday. Toddy fruits are cooling fruits related to the coconut palm tree available during summer season. This fruit is useful as a diuretic and laxative.

## Japan sees jobless surge, renewed deflation

AP, Tokyo

Japan's jobless rate hit a more than four-year high as deflation returned to haunt the world's number two economy, which is reeling from its worst slump since World War II, data showed Friday.

Asia's largest economy is likely to see even higher unemployment, threatening to further depress consumer spending, as companies such as Sony and Toyota slash jobs in an effort to recover from huge losses, analysts warned.

Japan's jobless rate jumped to 4.8 percent in March, the highest level since August 2004, as the total number of unemployed surged by about 670,000, or 25 percent, from a year earlier to 3.35 million in March.

It shot up from its February level of 4.4 percent, heading towards a post-World War II high of 5.5 percent, last seen in April 2003.

There are glimmers of hope that Japan's export slump may be easing, but the government warned that a rapid recovery was unlikely.

"The main cause of the slowdown in the Japanese economy is the decline in exports. I don't think it will recover easily," said Finance Minister Kaoru Yosano.

## Chip sales down 30pc in March: SIA

AP, Washington

Global semiconductor sales fell nearly 30 percent in March compared with a year ago but improved slightly over the previous month, the Semiconductor Industry Association (SIA) said Friday.

Worldwide sales of semiconductors hit 14.7 billion dollars in March, down 29.9 percent from a year ago as the global recession continued to take a big bite out of the computer chip industry, the SIA said.

It said sales for the first quarter fell to 44 billion dollars from 62.8 billion dollars during the same period last year, and 52.2 billion dollars in the fourth quarter of 2008.

The trade association said that while sales were down year-on-year, March sales of 14.7 billion dollars were a 3.3 percent improvement on February sales of 14.2 billion dollars.

"The modest sequential rebound in worldwide sales in March suggests that demand has stabilized somewhat, albeit at substantially lower levels than last year," SIA president George Scalise said.

## SWINE FEVER

## Mexican economy under strain

AP, Mexico City

The music of James Brown plays to an empty Starbucks. A woman has virtually an entire airliner to herself as she flies into Mexico City. Beach chairs go begging on Cancun's sugary sand.

Already hammered by the global economic downturn and spiralling drug violence, Mexico now adds a public health crisis to its list of economic plagues. Commerce has come to a crawl in the flu-spooked capital. Tourism is tanking as fears fuel trade and travel bans.

One local newspaper called it "an epidemic of losses."

Mexico City's Chamber of Commerce said the closures and cancellations are costing 777 million pesos (\$57 million) a day in the capital city alone more than a third of the local economy.

Some of that drop is the result of frightened residents staying off the streets. The rest has come from an increasingly severe series of government-mandated closures, from schools to movie theatres, restaurants to pool halls, soccer games to the famous pyramids.

Mayor Marcelo Ebrard acknowledged Wednesday that the bans are unpopular, but said without them the virus could spread even faster.

"And if that happens," he said, "the damage to the economy, to unemployment, to revenues, to the city will be much worse."

Mexico's central bank predicted Wednesday that the country's \$880 billion economy could contract up to 4.8 percent this year and those projections were done even before the impact of the epidemic is calculated.

Now some of the economy's biggest draws are being curtailed by swine flu.

Mexico has cut short the San Marcos Fair, known as the Super Bowl of cockfighting and bullfighting, a 181-year-old festival that draws 7 million people to northern Aguascalientes state for three weeks each year. Folk dancers packed ribboned gowns and



A pedestrian, wearing a surgical mask to help prevent contamination with swine flu, walks past shuttered business on in Mexico City, Mexico on Friday. Some shops in the city remained closed due to the beginning of a national holiday and the government advising people to stay home in hopes of containing the swine flu outbreak.

fighters put strutting birds back in their cages on Sunday as they closed after only a week.

The colonial city of Puebla, already reeling from automotive industry woes at its Volkswagen plant, cancelled its traditional Cinco de Mayo parade, which marks Mexico's victory there over French soldiers on May 5, 1862.

"There is not much to celebrate," said state tourism spokesman Joaquin Zepeda. "There are only more things to lament."

In the industrial northern city of Monterrey, Danish toy maker Lego closed its plant, which employs 400

workers, until next week.

The country's biggest income-generator, state-run oil company Petroleros Mexicanos, said pregnant and nursing workers are staying home but operations have not been affected.

Worst hit are Mexico's commercial and service sectors. Aurora Medina said sales are down 90 percent at her food stall in the sprawling market of La Merced, where she has worked for 52 years.

"It's really hard," said Medina, ladling out homemade chicken soup. "My husband has a heart condition and diabetes and can't

work. We have no savings."

Tourism, a top source of revenue for Mexico, is taking a giant hit, and analysts say it will take an intense publicity campaign to win travellers back.

Cuba banned flights to Mexico. Argentina banned flights out of Mexico. France said Wednesday it would ask the European Union to suspend all flights to Mexico.

US, Canadian, Japanese and European tour operators, from Thomas Cook to Carnival Cruise Lines, are cancelling trips.

Only a smattering of tourists could be found stretched out on

the beaches of Cancun, Mexico's top vacation destination, as virtually empty planes flew in Wednesday.

"We estimate that bookings have dropped 30 percent, and the problem will only get worse," said Rodrigo de la Pena, president of the Cancun hotel association.

Martha Ortiz, who makes a living braiding tourists' hair in the heart of the hotel zone, said there are fewer and fewer people every day.

"In the last few days, I haven't made enough even to put food on the table," she said.

## Flu or not, workers can't stay home

AP, New York

You wake up one morning and you're feeling achy and feverish. The directions from health officials battling swine flu are clear: Stay home from work. Don't risk infecting others. And certainly don't send a sick kid to school.

But what if you're one of the estimated 57 million working Americans with no paid sick days?

Staying home could mean losing a paycheque, or worse, losing your job entirely.

The prospect of workers showing up with swine flu or sick kids infecting their schoolmates is bringing added urgency to efforts to pass a federal law guaranteeing paid sick leave.

"The problem has really come into sharp relief the past few days," said Debra Ness, president of the National Partnership for Women and Families, which has long pushed for paid sick leave. "Many people don't even realize that almost half the private sector -- 48 percent -- have no sick days, not even a single one."

"We have officials telling people to stay home when they're sick," she added. "Well, guess what? That can be the beginning of economic disaster for many, especially in this economy."

Making matters even worse: Those least likely to have sick leave are low-income workers, particularly in fields like food services, child care and the hotel industry. In other words, the people you most want to be staying home if they're sick. "The public health implications of this are huge," Ness said.

The Associated Press interviewed a number of workers in the food industry. Not surprisingly, most didn't want their names used for fear they would be fired. They told stories of coming to work with a fever or flu in order to keep their jobs, and of seeing sick co-workers sneezing and coughing near food.

"As a student I'm working to help pay my education, so I have to keep this job," said one who agreed to be identified, Grace Fuhr, a bartender and waitress at the Bucca di Peppo restaurant in Milwaukee.

"I've had to work sick when I was pressured to work after a car accident, and when I've had a cold," said Fuhr, 21. "Swine flu could create an epidemic in restaurants. I have co-workers who are single parents and have impossible decisions when their kids are sick."



Director of PrimerDesign Ltd Jim Wicks operates laboratory equipment as the company works against the clock to produce the world's first DNA test for the Mexican strain of swine flu, officially known as influenza A, at the company laboratory in Southampton yesterday. Two cases of swine flu apparently transmitted to people who had not travelled recently to Mexico were reported by authorities in Britain, as the number infected there rose to 13.

A study on sick leave found that 68 percent of those without paid sick days had gone to work with a contagious illness like the flu or a viral infection. And one of

six workers reported that they or a family member had been fired, suspended, punished or threatened with firing after taking time off to care for themselves or a family

member, according to the 2008 study by the University of Chicago's National Opinion Research Centre.

Making the problem even thornier: Kids. Children get sick all the time and infect each other. Yet even among those workers lucky enough to have paid sick leave, few have flexible sick days that can be used to care for a family member.

"I can't tell you how many parents face this dilemma: Do I send my kid to school with a fever or face economic ruin?" Ness said. She calculated that 100 million workers lack flexible sick days.

Advocates for family-friendly policies point out that the U.S. is the only country out of the top 20 world economic powers with no federally mandated sick days. Put another way, some 140 other countries have them.

No U.S. states have them either, though three cities have passed such measures: San Francisco, Washington and Milwaukee, where implementation has been held up by a lawsuit.

Advocates for paid sick leave are hoping the swine flu scare will give them momentum.

President Barack Obama mentioned the problem Friday, saying the administration is working with the US Chamber of Commerce "to ensure that businesses are supportive of their hourly workers who need to stay home but may be worried about losing their jobs because they don't have sick leave."

And earlier this week, Sen. Edward M. Kennedy, D-Mass., and Rep. Rosa DeLauro, D-Conn., wrote colleagues seeking sponsors to reintroduce the Healthy Families Act, which would let workers earn up to seven paid sick days a year that could also be used to care for a family member. They didn't specify a date, but a Kennedy aide said they hope to make the move by the end of May.

"That would be good for public health and for business, too," said Kristin Rowe-Finkbeiner, co-founder of MomsRising, which lobbies on issues concerning working women and families. "Because businesses lose money when the whole place has to shut down."

She and others pointed to a 2004 study by Cornell University showing that "presenteeism" -- people showing up for work sick -- costs the economy \$180 billion annually in lost productivity, or more than \$250 per employee per year.

That's more, they said, than the cost of providing sick days.