

International Business News

Emirates airline profit plunges on fuel costs

AFP, Dubai

Full-year profit at Emirates, one of the world's fastest growing airlines, plunged 80.4 percent as oil prices skyrocketed to an all-time high of 147 dollars a barrel, the company said on Friday.

Net profit for the fiscal year to March 31 sank to 982 million dirhams (268 million dollars) from 5 billion dirhams (1.4 billion dollars) a year earlier, Emirates said in a statement.

Revenues, however, jumped 9.9 percent to 44.2 billion dirhams (12 billion dollars) from 40.2 billion dirhams (11 billion dollars) the previous year after it added more destinations and attracted more passengers.

The Dubai-based airline carried 22.7 million passengers, up 7.1 percent year-on-year, as it launched exclusive routes between the Gulf and destinations such as Los Angeles and San Francisco.

Its parent, Emirates Group, posted a 72-percent profit decline, while its revenue rose 10.4 percent year-on-year, the company said.

Rival international airline British Airways on Friday unveiled a loss after tax of 375 million pounds (590 million dollars) for the 12 months to March after net profit of 712 million pounds in the year to March 2008.

Magna prepared to invest 700m euros in Opel

AFP, Montreal

Canadian auto parts maker Magna International and Russia's Sberbank are prepared to invest 700 million euros in a venture to buy General Motors' Opel unit, and leave the US giant with a 35 percent stake, Magna said Friday.

Magna confirmed the nonbinding offer, worth some 980 million US dollars, made along with Russia's biggest lender, state-run Sberbank.

"The offer contemplates a total investment by Magna and Sberbank of 700 million euros, a portion of which would be guaranteed by the German government," said a statement from the Ontario-based group.

"General Motors and the German government are reviewing and considering offers submitted this week and will determine the next steps in the sale process. There is no assurance that any transaction will result from Magna's current involvement."

Under the offer, GM would retain a 35 percent stake, with Sberbank holding 35 percent, Magna 20 percent and Opel employees 10 percent, the statement said.



Stickers calling for strike are stuck on a shop window during a general strike to protest against the economic crisis called in the Basque Country on Thursday in the northern Spanish city of Bilbao. Spain's northern Basque Country observed a general strike, which took on nationalist overtones two weeks after the country's ruling Socialists took power in the semi-autonomous region.

GM says it received \$4b more from US Treasury

AFP, Washington

General Motors said Friday it had received a higher-than-expected extra four billion dollars from the US Treasury, bringing the total in emergency government loans to more than 19 billion dollars.

"GM confirmed today that it will draw on an additional four billion dollars in US treasury loans," the company said in a statement.

The ailing number one US automaker said it is using the funds to maintain adequate liquidity as it prepares to present a viability plan to the government by the end of this month.

"Today's loan is higher than the amount forecasted in April," the statement said.

The larger-than-expected sum comes amid reports that President Barack Obama's administration is preparing to steer the firm into bankruptcy by pushing the federal debt level to some 45 billion dollars.

Vietnam inflation slows to 5.58pc in May

AFP, Hanoi

Vietnam's inflation rate slowed to 5.58 percent in May, down sharply from last year's record high, the General Statistics Office said.

In a report late Friday, the GSO said food prices rose 6.50 percent year-on-year, beverages and tobacco were up 9.71 percent, while housing and construction material costs rose 0.70 percent.

Consumer prices overall were 0.44 percent higher than in April, and increased 2.12 percent from December, GSO data showed.

Vietnam's consumer prices rose by 9.23 percent year-on-year in April.

After more than a decade of rapid economic growth, Vietnam struggled to contain double-digit inflation which hit a record 28.3 percent last August and was 23 percent for the full-year 2008, sharply up from eight percent in 2007.

RECESSION

Job losses pile up in US states

AP, Washington

All but six states lost jobs in April and double-digit unemployment persisted in every corner of the country as companies squeezed by the recession slashed payrolls.

For the fifth straight month, California led the nation in net job losses, with 63,700 jobs disappearing in April. Among the handful of winners were Arkansas, Montana and Florida -- a state battered by the housing collapse and badly in need of good news.

Michigan, the heart of the teetering American auto industry, posted the highest unemployment rate in the nation, 12.9 percent, the Labour Department said Friday. Oregon came in at 12 percent, South Carolina at 11.5 percent and Rhode Island at 11.1 percent.

Federal Reserve Chairman Ben Bernanke has said he expects the economy to begin growing again later this year, but the recovery is expected to be slow, with companies in no rush to hire. The Fed projects unemployment will stay high well into 2011.

After California, Texas cut the second-most jobs of any state, with 39,500. Michigan lost 38,400 and Ohio 25,200.

Layoffs in manufacturing, construction and retail are a common theme in states with high unemployment. States like South Carolina, Michigan and Rhode Island have had trouble luring new types of companies to cushion the loss of manufacturing jobs and training laid-off factory workers for other kinds of employment.

Despite the tens of thousands of lost jobs, California's jobless rate actually fell, to 11 percent from 11.2 percent in March. It was still the fifth-highest rate in the country.

Todd Lane, 48, of Sacramento, California, was laid off early last year after 19 years working in the parts department of an auto dealership. He has applied for more than 250 jobs and is still looking.

"I never thought that I would see General Motors go from hero to zero in my lifetime," he said. "I never thought that we would see Chrysler facing bankruptcy. I'm trying anything I can get my hands on because I know that I've got knowledge and skills in the automotive industry that are transferable."

Saddled with a \$21.3 billion



Poor families wait for a meal to be served outside the Fred Jordan Charity in the "Skid Row" district in downtown Los Angeles on Friday. US economic output contracted a massive 6.1 percent in the first quarter of 2009 after a 6.3 percent slide in the previous quarter. The new Federal Reserve outlook projected unemployment to rise from the current 25-year high of 8.9 percent. It projected a range of between 9.2 to 9.6 percent this year, higher than the February forecast.

budget deficit, California Gov Arnold Schwarzenegger has said thousands of state employees must be laid off and billions must be slashed from the budget.

Treasury Secretary Timothy Geithner told lawmakers this week he does not have authority to use the \$700 billion bailout fund to help state and local governments. Geithner said he was working with Congress to make it easier for governments to borrow.

He did not rule out somehow using federal tax credits to help California or other states with federal taxpayer money.

"That's not putting on the table or taking off the table any specific thing like that," he said. "But I just

want you to know that there are things that we've had to do I would never have contemplated doing."

The nation has lost 5.7 million jobs since the recession, the longest since World War II, began in December 2007. The nationwide unemployment rate stands at 8.9 percent, the highest in a quarter-century.

There are some bright spots: Arkansas and Montana tied for the biggest payroll gains in April, adding 1,500 jobs apiece. Florida eked out an increase of 1,300 jobs.

Rebecca Rust, an economist for the Agency for Workforce Innovation in Tallahassee, Fla., said the increase is mostly because nursing homes and residential

care facilities have added jobs.

She noted that the monthly gain is relatively small and that Florida has lost 380,300 jobs since April 2008, second only to California.

North Dakota again registered the nation's lowest unemployment rate: 4 percent. It was followed by Nebraska's 4.4 percent jobless rate, Wyoming's 4.5 percent and South Dakota's 4.8 percent. Ken Mayland, an economist at ClearView Economics, said he thinks those states are benefiting from growth in agriculture-related businesses.

Nearly 6.7 million people nationwide are drawing state unemployment insurance, the highest on records dating to 1967. The crush has exhausted unemployment funds in California, New York and elsewhere, forcing them to turn to the federal government.

Yahoo Inc., based in Sunnyvale, Calif., plans to lay off nearly 700 workers in its third round of job cuts in a little over a year. Other California-based employers, including Google Inc. and Northrop Grumman Corp., announced hundreds of layoffs each in March.

And one in every 138 California households received a foreclosure filing last month, according to RealtyTrac Inc. That was the third-highest rate in the country, behind Florida and Nevada.

TOURISM

Tourists throng 'ghost' metro stations in Paris

AFP, Paris

Haxo, one of several "ghost" metro stations in Paris, was built in 1900 but rarely used. Like the others, the disused facility now attracts tourists and filmmakers captivated by their rich history.

About 10 stations in the French capital were closed after World War II due to their proximity to other stations such as the Champ de Mars near the city's landmark Eiffel Tower, or for reasons of economy.

During the war years they sheltered thousands of homeless people. The Place des Fêtes and Maison Blanche stations in the working class north and south each sheltered around 2,000 people every night.

They slept on the platforms, the tracks and the stairs, said Julian Pepinster, who oversees a programme aimed at preserving the rich heritage of the city's rail and underground network.

"A ventilation system was installed to filter polluted air and seven to 10 toilets were installed," he added.

But the end of the war rang the death knell for many stations.

"When the war ended, electricity was rationed and the metro ran a skeletal service. It was closed on Sunday," he said.

The ghost stations eventually drew noted directors who shot several internationally acclaimed films there, including the 2001 oeuvre "The Fabulous Destiny of Amelie Poulain" -- a feel-good film about a shy Parisian waitress who decides to transform the lives of others around her for the better.

Others include the 1981 cult film "Diva" -- a thriller tracking the love story of a postman besotted by a celebrated opera singer -- and the 2008 movie "Les Femmes de l'Ombre" (The Women of the Shadows) about Frenchwomen who



An employee of the RATP (Parisian public transport) inspects a corridor in Haxo, one of the several "ghost" metro stations in Paris, built in 1900 but rarely used. Like the others, the disused facility now attracts tourists and filmmakers captivated by their rich history. About 10 stations in the French capital were closed after World War II due to their proximity to other stations such as the Champs de Mars near the city's landmark Eiffel Tower, or for reasons of economy.

served in the Resistance and worked as spies during World War II.

Many famous films "profited from the disused tracks of these stations," said Joel Bordes from the city's RATP transport network authority.

"However, Francois Truffaut's 'The Last Metro' is not one of them," he said of the French director's 1980 award-winning movie set during the World War II German occupation of Paris.

The first metro line was com-

pleted in 1900 and many of the stations are renowned for their emblematic Art Nouveau entrances created by architect Hector Guimard.

Many visitors from home and abroad now re-visit the ghost facilities on foot in visits organised by the ADEMUS association, dedicated to restoring old trains and preserving the metro's history.

ADEMUS, or the Association D'Exploitation du Material Sprague, earlier organised visits

on the Paris Metro's Sprague-Thomson model cars dating to the early 1900s but these were scrapped recently due to technical problems.

"The visits were until recently organised on trains constructed between 1908 and 1938 but they recently developed some technical problems," said Pepinster.

"But now there are walks organised usually on a Saturday or a Sunday. The last visit this season will take place on June 20."

Another station, Saint-Martin, has served as a refuge for homeless people with help from the Salvation Army. The people were sheltered here during the day and could consult doctors, have a haircut or take a shower.

Many tourists are drawn to the old-world feel of the disused stations: the ceramic tiled walls still lined with faded peeling posters of old French advertisements of brand names now lost with time: Olida ham and Maizena wheat.