

International Business News

12 million jobseekers in China won't find work

AP, Beijing

As many as 12 million people in China who are looking for jobs will not be able to find employment this year, an official newspaper reported Saturday.

China's top employment official said even if the country achieved this year's 8 percent economic growth target, only about half the 24 million jobseekers in the country would likely find work, the China Daily said.

"The shortfall between supply and demand (for jobs) will become larger than last year due to the failure to create enough job opportunities," the paper quoted Yin Weimin, minister of human resources and social security, as saying.

Employment is especially sensitive for the government, which bases its claim to rule on delivering economic gains and is worried about unrest among unemployed workers.

Berlin regrets GM indecision on Opel

AFP, Berlin

Germany's economy minister said Saturday he regretted that General Motors' board had failed to take a decision on a deal covering European operations, including ailing German unit Opel, a report said.

"I regret that the board has not after all taken a decision," Karl-Theodor zu Guttenberg was quoted as saying by the online edition of the Hamburger Abendblatt newspaper.

The German government had "provided GM with all the necessary information," the minister added.

The board met on Friday in Detroit but later said in a statement that the meeting ended without any decision being taken.

GM emerged from bankruptcy in July after wiping out 47 billion dollars in debt in a restructuring that left it majority-owned by the US government.

The 100-year-old company, once the world's largest automaker, is feeling the heat from Germany which wants it to sell Opel to Magna International, a Canadian auto parts manufacturer backed by state-owned Russian bank Sberbank.

US workplace suicides jump 28pc

AFP, Washington

The financial meltdown is taking its toll on the workplace, where the US Labor Department found a record 28 percent rise in suicide rates last year amid widespread layoffs and overall belt-tightening.

Amid the economic fallout, 251 people committed suicide at the workplace in 2008, the highest figure since the agency's Bureau of Labor Statistics began reporting.

The startling number came as the agency reported Thursday a 10 percent drop in the total number of people who died on the job, from 5,657 in 2008 to 5,071 last year, the lowest number since it first began recording the figures in 1992.

Labor Department officials did not explain the rise in suicides but pointed to the economic downturn as contributing to the lower overall death rate, with the housing crash leading the construction industry, which usually accounts for most workplace deaths, to record major employment and work hour reductions.

Mexican president cuts his pay amid recession

AFP, Mexico City

Mexican President Felipe Calderon on Friday signed a decree to cut his own pay and that of top government officials by 10 percent.

The move came as Mexico's economy, the second largest in Latin America after Brazil, officially entered a recession in the first quarter, while its gross domestic product (GDP) dropped to a historical low of 10.3 percent in the second quarter, according to Central Bank data.

Calderon makes 11,300 dollars per month, while his cabinet chief is paid 11,100 dollars, according to government data.

The cuts will also be applied to ministers and state secretaries, senior officials and military unit commanders. No minister, officer or other government official will be permitted to make a salary greater than that of the president.



Indian actor and Longines watch ambassador Aishwarya Rai Bachchan poses with a watch at a press conference in Hyderabad yesterday. Swiss watchmaker Longines has launched the ceramic series for the Indian market priced from Indian rupees 35,500 (\$733) upwards.

SWINE FLU, RECESSION

Ramadan braces for glum mood

AFP, Riyadh

Muslims in parts of the world entered the month of Ramadan on Saturday with swine flu and the economic downturn adding to the security fears that plague several Islamic countries in dampening the mood.

The threat from the A(H1N1) virus prompted a string of governments to bar their citizens from making the pilgrimage to the holy places in Saudi Arabia traditionally made by many Muslims during Ramadan, while financial worries forced many families to cut back on their holiday spending.

In the Saudi cities of Mecca and Medina, which normally do a brisk trade from pilgrims during Ramadan, businesses were braced for their worst holy month in years.

The price for package tours for Saudis from Riyadh to Mecca has been slashed by 25 percent, the English language Saudi Gazette reported.

In neighbouring Medina, officials said they expected business to be down by 70 percent.

Saudi newspapers showed pictures of pilgrims wearing face masks to ward off the A(H1N1) virus, which has killed 16 people and infected more than 2,000 in the kingdom.

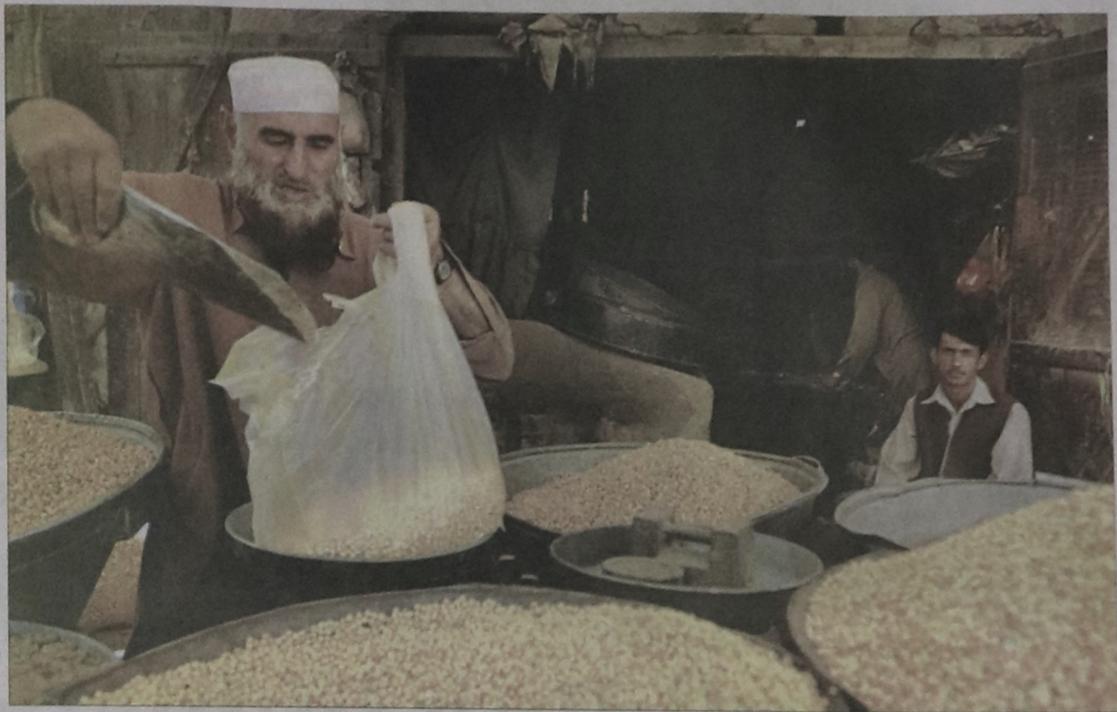
Shiite Iran was among the countries banning its citizens from making the pilgrimage. It cancelled all flights to the kingdom for the duration of Ramadan.

A string of religious authorities across the Arab world also urged the faithful to stay at home this year.

In the Saudi capital shoppers jammed supermarkets until late into the night on Friday to stock up their larders for the extensive meals served to family and friends after the daytime fast ends.

Satellite TV networks launched special programming of serial dramas, sitcoms, talk shows and films in a bid to grab market share in the peak viewing period of the year.

Arab News columnist Tariq al-Maena bemoaned the commercialism that has overshadowed Ramadan's spiritual roots.



An Afghan vendor awaits customers at a market on the first day of the holy month of Ramadan in Kabul yesterday.

"It is a month of introspection, a month of mercy, patience and self-discipline," he wrote.

"Instead, what has been evident are the heavily advertised television serials... bound to take the viewers away from their activities of faith and keep them up all night."

In other parts of the Arab world without the kingdom's massive oil wealth, financial fears meant families approached the holy month far more cautiously.

In Algeria, where past Ramadans have been marred by flurries of attacks by Islamist militants, families said they were now more worried about their pockets. Some 1.2 million disadvantaged

families will get state help this year to cope with the costs of the holiday.

"Security is far from being our main concern," said Abdelalik, sitting with his wife at a seafood cafe in the resort town of Boumerdes, east of the capital Algiers, which is still regarded by the army as a high-risk zone.

"I'm mostly concerned about making it to the end of the month," he said.

In other parts of the world though, security remained a pressing concern. In Muslim-majority southern Thailand -- scene of a five-year-old insurgency that has killed 3,700 people, rebels killed three security volunteers and three civilians on the opening day of the fast.

Iraq too remained on tenterhooks after two deadly bombings in the heart of Baghdad on Wednesday ratcheted up tensions between the Shiite majority which leads the government and the disenchanted Sunni Arab former elite.

But in a break with the communal rivalries of previous years since the US-led invasion of 2003, Sunnis and Shiites marked the start of the Ramadan fast on the same day this year.

In a new bid to improve US relations with the Islamic world marred by the war in Iraq, President Barack Obama sent a Ramadan message to Muslims promising "concrete actions" and a "new beginning."

"I know this to be a festive

time," he added, alluding to his father's Muslim background.

During Ramadan, Muslims are required to abstain from food, drink and sex from dawn until dusk as life slips into a lower gear during the day.

The lower latitudes of the Islamic heartland mean that daytime hours are relatively short but for Muslim communities in more northerly latitudes like Europe the fast can last as long as 16 hours a day.

In Egypt, the government even ordered summer time to end a month early in a bid to bring forward the hour of the iftar. But for Europe's largest Muslim community in France, the fast in the Paris region this year will run from 5:15 am to 9:00 pm.

FINANCIAL DOWNTURN

Bernanke upbeat on global recovery prospects

AFP, Washington

In his clearest signal yet that the global recession will soon be over, US Federal Reserve chief Ben Bernanke said Friday that prospects for growth "appear good" despite financial market strains.

But he cautioned that any economic expansion from the worst global slump in six decades will be slow.

"After contracting sharply over the past year, economic activity appears to be leveling out, both in the United States and abroad, and the prospects for a return to growth in the near term appear good," he told central bankers at a meeting in Jackson Hole, Wyoming.

Bernanke praised the "aggressive and complementary" steps taken by central banks and governments to confront the crisis.

"Without these speedy and forceful actions, last October's panic would likely have continued to intensify, more major financial firms would have failed, and the entire global financial system would have been at serious risk," he said in his speech entitled "Lessons from a Year in Crisis."

Bernanke said although fears of financial collapse had receded substantially, critical challenges remained as the world grappled with a financial crisis that slammed the brakes on growth following a US home mortgage meltdown.

"Strains persist in many financial markets across the globe, financial institutions face significant additional losses, and many businesses and households continue to experience considerable difficulty gaining access to credit," he said.

"Because of these and other factors, the economic recovery is likely to be relatively slow at first, with unemployment declining only gradually from high levels."

The International Monetary Fund last month projected the global economy would shrink 1.4 percent in 2009 and grow 2.5 percent in 2010.

Some analysts said Bernanke provided his clearest signal yet about imminent growth.

"What was kind of a new thing was the prospects of a return of growth in the near term are good," said Scott Marcouiller, senior equity market strategist at Wells Fargo Advisors.



A street wall painting depicts (L-R) former US Treasury Secretary Henry Paulson, Federal Reserve Chairman Ben Bernanke and Securities and Exchange Commission Chairman Christopher Cox as the "Axis of Evil" in New York on August 18. Bernanke said prospects for global recovery were good despite financial market strains.

"That was the first time that we've heard it come out of his mouth and not written on paper," he said.

The United States is expected to post positive growth in the third quarter after four consecutive quarters of contraction.

Germany and France, Europe's biggest economies, have bounced back with growth in the second quarter after shrinking for the previous four quarters. Japan's economy has also grown for the first time in more than a year.

Looking back at the two-year financial crisis, Bernanke said that as severe as the economic impact had been, the outcome could have been decidedly worse.

"Although we have avoided the worst, difficult challenges still lie ahead," said Bernanke, who took radical steps to contain the contraction of the world's largest economy, including slashing interest rates to virtually zero and pumping billions of new money into the financial system.

"We must work together to build on the gains already made to secure a sustained economic recovery, as well as to build a new financial regulatory framework that will reflect the lessons of this crisis and prevent a recurrence of the events of the past two years," he said.

He called on central bankers to "urgently address structural weaknesses in the financial system, in particular in the regulatory framework, to ensure that the enormous costs of the past two years will not be borne again."

Although generalised pressures on financial institutions have subsided somewhat, he said, government actions to prevent the "disorderly failures of individual, systemically significant institutions" continued to be necessary.

Bernanke said that in the United States particularly, the use of Fed liquidity facilities had declined sharply since the beginning of the year -- "a clear market signal that liquidity pressures are easing and market conditions are normalising."

He said a key lesson of the crisis was that liquidity risk management proved as essential as capital adequacy and credit and market risk management, particularly during times of intense financial stress.

Only central banks, he stressed, were well-positioned to offset a sharp decline in liquidity -- the ability of an asset to be converted into cash quickly and without any price discount -- and credit provision by the private sector. "They must be prepared to do so."

Twitter out to make money from businesses

AFP, San Francisco

Micro-blogging sensation Twitter says it is making progress on ways to pump cash from the free service.

Twitter co-founder Biz Stone had the blogosphere buzzing anew on Friday with talk of generating revenue from business accounts by year's end.

Stone said early this year that one method could be charging fees for commercial accounts used by businesses to spread messages on Twitter.

In fresh comments apparently aimed at the venture capital community, which has invested tens of millions of dollars in Twitter, Stone told of the potential for premium services such as pulling data from the sea of "tweets."

Twitter, which allows users to pepper one another with messages of 140 characters or less, has seen a dizzying surge in popularity since it was launched in August 2006 but has been unable so far to generate revenue.

Stone's comments quoted in Venture Beat came on the day Twitter announced it is adding location to its globally popular microblogging service in a move that will let people see where "tweets" are coming from.

"We're gearing up to launch a new feature which makes Twitter truly location-aware," Stone said in a message at the San Francisco-based Internet firm's website.

Accurate "tweet-level" location data would let casual users as well as advertisers or businesses track messages based on neighbourhood or city.

Outside software developers who create applications for Twitter will be able to experiment with the location API prior to the feature being added to the microblogging service.

Twitter users interested in letting their whereabouts be known will need to activate the new feature, which will be "off" as a default setting. Exact location data will not be stored for extended periods, according to Twitter.

In June, authenticity badges began popping up at Twitter as a way to verify that people tweeting are who they claim to be. Such badges are seen as something businesses might be willing to pay for.