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GLOBAL ECONOMIC CRISIS MAP (GECM)

Every Sunday

US regulators shut down three banks

WASHINGTON: Regulators have shut down banks in California, Maryland and Minnesota, pushing to 84 the number of bank failures this year amid the soured economy and rising loan defaults. The Federal Deposit Insurance Corp said on Friday it had taken over the three banks: Affinity Bank, based in Ventura, Calif., with about $1bn in assets and $922m in deposits; Baltimore-based Bradford Bank, with $452m in assets and $383m in deposits; and Mainstreet Bank, based in Forest Lake, Minn., with assets of $459m and deposits of $434m.

Carrefour sees no sign of pickup yet

PARIS: French supermarket group Carrefour confirmed its 2009 operating profit would fall up to 18 percent and said that with no signs of a pickup the market would remain challenging in the second half. The world's second-biggest retailer after US company Wal-Mart said first-half operating profit fell 28 percent to €1.01bn ($1.45bn), in line with guidance issued in a profit warning on June 30. Full-year profit was expected to fall to €2.7-2.8bn from 3.3bn last year "if current sales trends continue", Carrefour said in a statement, again echoing its June 30 statement.

British government to pledge relaxing jobless norm for youth

LONDON: British Prime Minister Gordon Brown will bring forward a pledge to rescue young people from the dole queue amid signs that youth unemployment has not risen as fast as feared. The prime minister will try to regain the momentum over the economy by detailing plans to guarantee a job for anyone aged 18-24 who is out of work for more than 10 months, rather than for a year as previously planned.

China struggles to find job growth formula

BEIJING: Beijing frets that the global economic slump is exacerbating unemployment. So it is. But the main culprit for the lack of jobs is China's own development model. A striking characteristic of China's economy is that it devours capital at an ever-growing rate, thereby capping job growth, reducing labour's share of the economic pie and depressing household consumption – one of the major macro imbalances that underlay the global financial crisis.

Wall Street faces worst month

NEW YORK: With confidence rising of a recovery from recession, Wall Street faces historically its worst month of the year with memories still fresh from last September's financial market debacle. The market streaks to a new month up some 50 percent from lows hit in March, but with investors beginning to turn cautious. Some analysts say that even if the economy is on the mend from its brutal recession, the market will need to consolidate to avoid getting overextended.

Tight credit conditions may choke German recovery

FRANKFURT: Germany got an economic boost ahead of a key election as consumption picked up, but unemployment is also rising and tight credit conditions could still choke off a recovery, analysts warn.

Japan jobless rate hits record amid deflation concerns

TOKYO: Japan announced its jobless rate hit a record high last month, raising doubs about prospects for an economic recovery and dealing a blow to Prime Minister Taro Aso ahead of a weekend election. Worries about deflation deepened after consumer prices fell at the steepest ever pace and consumer spending declined, highlighting the economy's fragile state despite its return to positive growth in the second quarter.

Mexico peso sinks on auction worries, US bank fears

MEXICO CITY: Mexico's peso sank to a seven-week low, hurt by renewed worries about the health of banks in the United States as well as concerns that Mexico's central bank could soon end its daily dollar auctions. The peso lost 2.22 percent to 13.66 per U.S. dollar, its weakest since mid-July and the biggest one-day percentage loss since late April, when the currency was hammered by fears that the H1N1 flu outbreak would cripple Mexico's already battered economy.

UAE cuts rate on bank support facilities

DUBAI: The United Arab Emirates central bank said it would cut the interest rate on a liquidity support facility for banks to 1.5 percent from 2.5 percent to try to boost economic growth and spur lending.

Indian exports fall 28.4% on lower demand

NEW DELHI: India's exports declined for a tenth straight month in July as the global recession eroded demand in the nation's biggest overseas markets in the US and Europe.

South Africa current account gap slumps to 5-year low

PRETORIA: South Africa's current account deficit narrowed to a five-year low in the second quarter as imports fell, underpinning the rand's appreciation against the dollar this year. The shortfall in the broadest measure of trade in goods and services eased to 3.2 percent of gross domestic product from 7 percent in the previous three months, the Reserve Bank said in its Quarterly Bulletin released in Pretoria.

VENEZUELA: Alarm over First Contraction of GDP in Five Years

CARACAS: The Venezuelan economy, which has grown steadily for more than five years, contracted by 2.4 percent in the second quarter of this year, heightening fears of stagflation, an unwelcome combination of recession and high inflation. The rise in the cost of living in this country was, for five years, the highest in Latin America.

Australia 'deeply concerned' about global economy: PM

SYDNEY: Australia said it remained "deeply concerned" about the global economy and could not rule out a double-dip recession, with European toxic assets and US debt still an issue. Prime Minister Kevin Rudd said the global economy was "not out of the woods yet", with the prospect of a long and challenging recovery. Questions lingered over personal credit card debt and the commercial property sector in the United States, where Rudd said there were "still factors at play" and it was important to be vigilant.