

GLOBAL ECONOMIC CRISIS MAP (GECM)



Europe's tourist hot spots hit by economic crisis
PARIS: Empty terrace tables at Parisian cafes. Fewer sunbathers scattered along Italian and Spanish beaches. The global economic crisis has cast a dark cloud over Europe's top tourist destinations. France, the world's tourism champion with 79.3 million visitors last year, has been hit hard by the drop in foreign travellers. The number of international visitors in France has fallen by nearly one-third in the heat of summer – July and August – after sinking by 15.5 percent in the first five months of the year, government figures show.

Repayment crisis threatens millions of British homeowners
LONDON: Many of the four million homeowners who took out interest-only mortgages are facing a crisis because they have no way of repaying their home loans.

China faces new economic woes
BEIJING: China will maintain its stimulative policy stance because the economy, far from being on solid footing, is facing fresh difficulties, Premier Wen Jiabao said. A drop in new yuan bank loans in July to 356 billion yuan (\$52 billion), compared with an average of over 1.2 trillion yuan in each of the first six months of the year, has created worries among some analysts that the recent rebound in growth could be knocked off track.

JAL mulls cutting 5,000 jobs to save costs
TOKYO: Cash-strapped Japan Airlines is considering slashing about 5,000 employees or 10 percent of its group workforce by March 2010 to reduce costs by \$1.6 billion, the Japanese media reported.

Air-India needs bailout, minister tells daily
NEW DELHI: Air-India needs a bailout of nearly \$620m to keep flying, a minister said in remarks published, in which he added he was certain the loss-making airline would survive. The flagship airline, which posted a \$1.03bn loss for the fiscal year ended March 31, and other Indian carriers have been hit by overcapacity in the industry and a sharp drop in passengers due to the economic slowdown.

Qantas blames LA, London routes for profit nosedive
MELBOURNE: Australian flag-carrier Qantas yesterday blamed flagging demand on its key London and Los Angeles routes for an 88 percent drop in annual net profit. Chief executive Alan Joyce said the two routes, once the airline's main profit generators, were operating at a loss due to increased competition and the impact of the global financial crisis.

Nissan plans to lay off 2,025 workers in Spain
MADRID: Japanese automaker Nissan announced plans to temporarily lay off 2,025 workers at its plants in Barcelona and Montcada in northeastern Spain due to falling demand for its vehicles. The layoffs would follow the sacking of 698 people in July as part of a world restructuring of Nissan's operations amid the global economic slowdown. consumers to trim spending.

Moody's downgrades three Kuwaiti banks
DUBAI: Moody's rating agency downgraded three Kuwaiti banks, citing weakening credit conditions, as the Arab Gulf state's banking sector grapples with the fallout from the financial crisis. The agency downgraded Gulf Bank financial strength rating to D+ from C- and foreign currency deposit rating to A3 from A1, saying the bank still faces challenges after major derivatives losses last year which forced a government bailout.

Strike halts work at South Africa's biggest platinum mine
JOHANNESBURG: The world's No. 2 platinum producer, Impala Platinum, said a strike by workers had halted its largest operations in South Africa, and it was unclear how long the industrial action would last. The strike by 10,000 workers at Impala Platinum (Implats) ignored a call by the mineworkers' union to suspend threatened industrial action, and the union leadership said it would try to get the workers to return to work.

US consumer spending decelerating, say experts
WASHINGTON: Consumer spending in the US probably rose in July at half the pace of the previous month, showing the biggest part of the economy is struggling to rebound, economists said. Purchases increased 0.2 percent after a 0.4 percent gain in June, according to the median estimate of 61 economists surveyed by Bloomberg News before a Commerce Department report on August 28.

Argentine exports to fall 20pc this year, ECLAC
BUENOS AIRES: Argentine exports are expected to drop 20 percent and imports 25 percent this year, as told to BuenosAiresHerald.com by Osvaldo Rosales, Director of the International Commerce Division for the Economic Commission for Latin America and the Caribbean (ECLAC). In its most recent report, ECLAC sates the volume of trade in Latin America and the Caribbean will drop 13% in 2009, surpassing the 10% decline in world trade expected this year.

US regulators shut down Texas bank
WASHINGTON: Guaranty Bank became the second-largest US bank to fail this year after the Texas lender was shut down by regulators and most of its operations sold at a loss of billions of dollars for the US government to a major Spanish bank. The transaction approved by the Federal Deposit Insurance Corp marked the first time a foreign bank has bought a failed US bank. The bank failure, the 10th largest in US history, is expected to cost the deposit insurance fund an estimated \$3bn.

Venezuela economy shrinks for first time in 5 years
CARACAS: Venezuela's economy shrunk for the first time in over five years in the second quarter, after a government-driven consumer boom petered out and the global recession finally bit South America's biggest oil exporter. The OPEC nation's gross domestic product contracted 2.4 percent in the three month period, with most of the fall in the oil sector, which was down 4.2 percent.growth.