

Title:

International Trade News This Week

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Summary:

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Article Body:

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News reports this week contained good and bad news for certain people in the technology, business, economy, trade, and entertainment industries or sectors around the world.

First, the technology industry is reported to be booming.

A proof of the flourishing technology industry is the 3GSM World Congress held in Barcelona and participated by three biggest cellular phone technology firms in the world - Nokia, Sony Ericsson, and Motorola. These companies presented their latest products in the fair, most of them using the latest 3G technology. Motorola released ROKR. Nokia revealed plans to release Nokia 6136. Sony-Ericsson disclosed the release of the K610 phone and music player. Moreover, Sony Ericsson and Nokia will have a joint venture in developing cellular phone technology-mobile television.

However, some consumers do not avail of this latest technology because they want to avail of discounts and bargains because of offered to last year's technology. But this won't be the case this year as inventories are kept lean because of the new ability of retailers and manufacturers to share sales and inventory information with each other. Yet, they can still get the best price if the consumer to determined to put some effort and acquire knowledge about the technology.

Another event that took place is the twentieth edition of the Olympic Winter

Games last weekend in Turin, Italy, which brought in a host of businesses. Companies collaborated with the local government of Turin under the supervision of the International Olympic committee. They hope to have an international publicity by advertising its product in the uniform of athletes participating the sports event, flooding television airtime with their commercials, and plastering the venue with advertisements.

This week, companies have made announcements of either joint ventures, downsizing or takeovers.

Volkswagen announced over the weekend that there will be 20,000 jobs will be cut from 2006 to 2008. They said they want to improve their market standing as they face fierce competition and declining markets. Even though the job cuts dismayed Volkswagen employees, investors were pleased with that decision as the companies shares rose to almost a 3-year high. The company also projects to enjoy a 61 percent increase in profit.

Toy Company Lego Group and Star Wars franchise owner Lucasfilms Ltd. has agreed to continue their partnership until 2011. In 1999, Lego received the rights to create Star Wars toy products. During the release the "Star Wars Episode 1: The Phantom Menace", Lego earned more than \$400 million.

Under new ownership, MySpace ties up with SK Telecom and Earthlink, Inc. and Hello LLC will launch this service after a few months. The company will offer its subscribers new service of mobile phone access to MySpace. Together with the launch of MySpace's mobile phone access service, they will also release 'Hero' and 'Kickflip' phones that will be manufactured by Pantech and VK.

Nokia and Sanyo Electric Co. will have a joint venture in order to develop new mobile phone with CDMA chips and 3G technology. Nokia aims to capture the American and Japanese market, while Sanyo hopes to be relieved of its financial debt.

Arcelor plans to increase its dividend by 85% in order to prevent their rival, Mittal Steel's hostile takeover. Earlier, Arcelor rejected Mittal's bid, and has employed investment banks to formulate a defense plan. However, if the takeover happened, Mittal will scrutinized by the European Commission.

However, a company has been entangled in certain issues, but has resolved their predicaments already. Google created a Chinese version of their search engine and will comply with the Communist Party's regulations. With 30,000 Internet censors commissioned by the government, China aims to deter its citizens from gaining access to websites that feature or discuss issues that are sensitive to

Chinese policy. Although it baffled industry insiders, Google's compliance was in line with their aim to capture the lucrative Chinese market, home to more than a hundred million Internet users.

Weather also affected businesses this week.

On Sunday morning, residents of Northeastern United States including New York experienced a snowstorm which caused thousands of dollars worth of property insurance and led businesses to halt on Monday. Last September, Hurricane Katrina left insurance companies headaches as its havoc caused more than \$5 billion worth of structural damages.

Meanwhile, residents and authorities in New Orleans, Louisiana is preparing for the Mardi Gras, the first one to be held after Hurricane Katrina left many people dead and depressed in August of last year. Although the city's infrastructures are still under repair, the event is expected to revive the city by making their tourism industry active again.

US trade deficit also widened in 2005 because US developed a strong consumption for foreign-made products and the price of oil hit a record high of almost \$71 per barrel more than five months ago. US is also threatened by China's booming economy as Chinese products have a trading edge due to lower pricing. The White House is also alarmed with their increasing deficit.

On the other hand, Europe is doing better as their market shares closed upward on Monday. Banks shares in Italy rose, as there have been speculations of consolidation between top Italian banks and foreign banks, such as French bank Banque National de Paris Paribas and Spanish Banco Bilbao Vizcaya Argentaria.

International organizations are also facing some tough issues.

The World Trading Organization has accused the European Union of violating rules by halting the importation of genetically modified foods since 1998. United States, Argentina and Canada, three of the biggest agricultural product exporters in the world, filed a complaint against the EU ban. However, social cause groups, like Friends of the Earth, are criticizing WTO's recent move. They claim that Austria, Germany, France, Greece, Luxembourg and Italy, which implement the ban, have sovereignty to make decisions for themselves.

The Group of 8 Nations, the most exclusive club of developed countries in the economic and political stage, had a meeting over the weekend for the first time in St. Peterburg, Russia to discuss the impact of rising oil prices to world economic development and energy supplies. Russia also assured G8 that they maintain the level of their oil and gas exports this year, despite its cutting

off gas supply to Ukraine and the entire Eastern Europe. G8 discussions also included talks on new leadership of Palestine, which the US believes to be a terrorist faction, and the threat of bird flu in Asia and Europe.

The price of oil rises again on Monday after Iran, the fourth largest exporter of oil in the world, continued its uranium enrichment activity and ended their cooperation with the United Nation's International Atomic Energy Agency. Reports state that Iran is using uranium in creating nuclear weapons and it has intermittent cooperation with international inspectors. The oil price situation is even worsened by Nigeria's protests against foreign oil companies and kidnapping of Royal Dutch Shell employees.

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China has purchased oil from African nations, such as Algeria, Angola, Chad, Equatorial Guinea, Gabon, Nigeria and Sudan for their growing need for energy to sustain their flourishing industries. However, some countries, like the United States, are threatened because they also have oil interest in this continent.

China and Australia recently met in Canberra in January to talk about the possible export of uranium found in Australia to China, and to ensure that the uranium supplies would not be used for constructing nuclear weapons. However, environmentalists and majority of Australian citizens warn of its destructive consequences, such as greenhouse gases emission and possible future resistance of Chinese nuclear industry to international scrutiny.

On the lighter side of things, the entertainment industry is continuing to do well.

The movie industry in New Zealand boomed because of the box-office success of films shot or partially shot in the country, which includes the "Lord of the Rings" trilogy, "Chronicles of Narnia: The Lion, the Witch and the Wardrobe", and Peter Jackson's "King Kong". Because of this, funds for producing local films are growing. Hollywood now opted to shoot films in this country because of its breathtaking scenery and its offer of special premiums that will minimize the film studio's production cost.

In 2004, Forbes magazine released their list of 100 Richest Celebrities. They proclaimed Sir Paul McCartney, Sir Elton John and Madonna as wealthiest persons in tinseltown. It also signifies that the music and film industries are flourishing. The Rolling Stones, U2, Greenday, The Eagles, Dave Matthews band, Kenny Chesney, Celine Dion and 50 Cent are also included in the list.