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A look at global economic developments

A glimpse on the economic developments and activity in major stock markets around the world:

ATHENS, Greece — With creditors demanding solutions to the Greek debt crisis and the financial world increasingly on edge, Athens froze pensions, cut civil service salaries and slapped new taxes on everything from cigarettes and alcohol to fuel and precious gems. Markets and the European Union reacted well to the 4.8 billion euro (\$6.5 billion) austerity plan. But combustible Greek unions were outraged — and the country's embattled premier, who had likened the situation to a "state of war," is heading to Germany and France seeking more definite expressions of support. Prime Minister George Papandreou warned that unless the new measures won EU and market backing and brought down the cost of borrowing for his country, Greece would turn to the International Monetary Fund.

BRUSSELS — The European Commission said it will call in market regulators and banks to discuss possible problems with the market for credit default swaps on sovereign debt. The swaps are a form of insurance against a borrower defaulting on debt — and the market for them has swelled in recent weeks as traders weigh up the risk that Greece might not be able to repay its massive debt. EU press officer Carmel Dunne said in an e-mailed statement that EU officials were looking at the issue closely and would shortly call a meeting of regulators, supervisors and the industry to discuss it.

Inside this issue:

A look at the global economic developments

1

Singapore government projects economy to expand as much as 6.5% this year

4

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TALCAHUANO, Chile — Chile's horrendously destructive 8.8-magnitude quake doesn't have a price tag on it yet, though President Michelle Bachelet mentioned a \$30 billion estimate. The earthquake has ravaged infrastructure for Chile's important fish and wine sectors. Chile's copper industry, which supplies a third of the world's copper, wasn't badly affected, however, because most operations lie north of Santiago. Mining company Anglo American PLC said it planned to resume full production of its Chagres copper smelter, but damage from the recent earthquake would keep a plant near the city of Concepcion offline indefinitely.

DUBLIN — Ireland's unemployment rate slightly eased last month to 12.6 percent, the government's Central Statistics Office reported Wednesday, and Prime Minister Brian Cowen said the recession appears to have bottomed out. The report said the number of people claiming unemployment rose only slightly to a record-high 436,956, but the unemployment rate slid from January's rate of 12.7 percent because seasonal factors increased the size of Ireland's work force.

MOSCOW — Russia's Central Bank is suggesting that pawnshops are taking advantage of the credit crunch in boosting their lending by 18 percent. The bank says in its annual report released that pawnshops proved to be the only source of credit for many individuals and small companies last year as rates on some bank loans reached 25 percent per month. Pawnshops typically charge the equivalent of about 15 percent a month. The Central Bank says the rise in lending by pawnshops had lessened the threat of a full-fledged credit freeze. Russia's banking sector has been hit hard by the global downturn.

FRANKFURT — German retail sales levels for January held steady versus December, though fell 3.4 percent compared with January 2009 levels, the Federal Statistical Office said. Meanwhile, the office said Germans' average gross pay level fell in 2009 — the first time in 61 years. The Wiesbaden-based office said food, beverages and tobacco sales are 2.3 percent lower compared with January 2009, while nonfood retail sales fell nearly 4 percent compared with January a year ago.

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BERLIN — Germany welcomed Greece's new austerity plan as an important step toward restoring market confidence but made clear Wednesday that it is not currently planning to pledge aid to Athens. Chancellor Angela Merkel said Greece had taken an "important step" toward realizing its goal of cutting its budget deficit. Germany — the biggest economy in the 16-nation euro zone — has stressed repeatedly that Greece bears the main responsibility for overcoming its debt crisis.

LONDON — The European Union says retail sales in the 16 countries that use the euro fell by a monthly 0.3 percent in January, in another sign that consumers remain reluctant to spend. The decline reported by Eurostat, the EU's statistics office, was in line with market expectations and follows a modest 0.5 percent advance in December. Over the last few months, retail sales have shown little direction, rising one month but falling the next.

SYDNEY — Australia's economy grew at its fastest pace in nearly two years in the fourth quarter, helped by a government stimulus package and Chinese demand for its mineral exports. Meanwhile, Australia's prime minister proposed a sweeping overhaul of the nation's health care system that would bring hospitals and primary care under government control and increase annual federal funding by 11 billion Australian dollars (\$10 billion).

LONDON _ Standard Chartered PLC reported a seventh consecutive record annual profit, of \$3.38 billion, as stronger wholesale banking earnings offset an increase in provisions for bad loans and other credit risks. The bank said net profit rose 4 percent in 2009 from \$3.24 billion a year earlier.

(Source: The Associated Press)

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The Singapore's government projected that the city-state's economy could rebound as much as 6.5 percent in 2010 after shrinking 2 percent last year due to the global economic crisis.

The Ministry of Trade and industry had estimated that a full year gross domestic product could expand within a range of between 4.5 and 6.5 percent this 2010, buoyed by the U.S. economic recovery and a strong rebound in Asia led by China.

The Ministry of Trade and industry further comment that the opening of two new casino resorts this year, the opening of new chemical plants and strong electronics sales are expected to boost the Singaporean economy.

It is said that the revised data shows that GDP contracted 2 percent in 2009 is slightly better than the 2.1 percent contraction announced at the beginning of January 2010.

However, it cautioned although global economic outlook for the first half of this year is expected to be strong, the second half is uncertain.

A ministry official commented at a new conference that, they are expecting a strong performance growth of the Singapore economy in the first half with some pullback in growth in the second half of 2010. The officer also further comment that, "In the second half, clouds remain on the horizon and they will cast a shadow on the outlook for the year."

Some of the ministry' main concerns are the risk of private consumption not rising in the United States, which could have a negative impact on the rest of the world, and the unwinding of financial stimulus initiatives amid signs of a recovery, he said.

Average inflation could rise to as much as 3 percent this year compared with 0.6 percent last year, with price pressure from higher oil and food commodity prices and car prices.

(Source: Asian Economic News, February 2010)