

## North America

### Canada

Due, in part, to the unseasonably warm weather, January sales in most retail store sectors have dropped significantly since the month of October. Clothing store sales fell by 2.6 percent while shoe, clothing accessories, and jewelry stores trade group went down 6.8 percent. The automotive sector edged down by 0.2 percent, mainly due to a 2.2 percent decline in sales at new car dealers, while gas station sales were up 2.4 percent due to higher pump prices. In volume terms, which exclude price

effects, sales decreased 1 percent, the first month-to-month decline since April 2009.

### United States

Shares of large banks dropped January 21 as President Barack Obama proposed a plan to limit their size and the risks they can take. "Never again will the American taxpayer be held hostage by a bank that is too big to fail," he said. The new regulations will likely have a negative impact on the future profits of certain banks, due to the expectations on their fu-

ture financial positions, which will cause bank stock values to decline even further. The announcement is



the latest move by the White House to target Wall Street and banks, in order to anticipate and remedy any future economic downturns.

## Europe

### Britain

After months of discussion, Kraft Foods Inc. has finally reached a deal to buy Cadbury Plc, a British confectionery and beverage company. Kraft Foods Inc. had made two previous offers, which were rejected by Cadbury. The final offer valued Cadbury at £11.9 billion (\$19.4 billion). Besides a 10 percent increase in its bid, Kraft also raised its cash position for the offer from 60 percent in stock to 60 percent of the offer in cash and 40 percent in stock. In Warren Buffet's opinion, Kraft paid too high of a price for the acquisition of Cadbury. Buffet said, "I've got a lot of doubts about the deal...if I had a chance to

vote on this, I'd vote no." Assuming everything goes smoothly, the deal will be finalized within the next month.



### France

Jean-François Copé, a parliamentary leader in France, has proposed a new

law that states, "nobody, in places open to the public or on streets, may wear an outfit or an accessory whose effect is to hide the face." This new law would include a ban on wearing burqas and has sparked a lot of controversy in France, which has a Muslim population of somewhere between five and six million. Both President Nicolas Sarkozy and Prime Minister François Fillon have expressed support for this new law. A law, which was enacted in 2004, already prohibits the wearing of burqas in public schools. France's parliament is set to debate this draft law at the end of March.

## Asia

### China

Earlier this year, Google stated it had decided to stop censoring the results of its China-based search engine, Goolge.cn. Google has now issued a new statement saying it might have to pull out of the China market because of alleged attacks by hackers in China on its e-mail service G-mail. Google also stated that the Chinese government's attempts over the past year to impose further limits on free speech on the internet have led Google to review the feasibility of its China business. Google's frustrations are widely

shared. Before the Beijing Olympics in August 2008, China lifted longstanding blocks on multiple websites, attempting to present a more open image to foreign visitors. Since then, censorship controls have been ramped up to unprecedented levels. If Google does close down in China, it will be the first big-brand foreign company to do so by citing freedom of speech in many years.

### Japan

Recently released data shows foreign investors poured into the Japanese stock market for the eighth consecu-

tive week last week, indicative of the strong foreign demand for Japanese stocks which have helped push Japan's main benchmark to its highest level in 15 months. Some analysts say Japanese shares may have more room to rise despite its softening economy. Earlier this month, the Japanese government unveiled a basic policy for its growth strategy through 2020. It aims to achieve an average economic growth of 3 percent in nominal terms by boosting demand in the environmental, health and tourism fields, and by creating a total of 4.76 million jobs in related industries.

## Latin America

### Brazil

Brazil has continued a value-added tax exemption on wind energy in the nation. Turbines make up 70 percent



of the costs of a wind farm, making tax exemptions on them strong for the whole industry. The tax exemptions will last through January 2012; the original exemptions were set to expire January 2010.

### Mexico

The Banco de Mexico announced on January 27, 2010 that remittances (inflow) had dropped by 15.7 percent in 2009, totalling US \$21.2 billion. Remittances are a large source of money for many communities

within Mexico, and this is the highest percentage drop ever for Mexico. It is also larger than remittance drops in other nations both in the Americas and around the world.

### Latin America

In bank stock covered by Deutsche Bank, Latin American bank stocks jumped 96.5 percent in 2009 on the NYSE. The global bank average increased by 74.8 percent. Most of the largest banks are in Brazil, Argentina, Mexico, Colombia, and Chile.

## Africa and the Middle East

### Bahrain

Speaking at the inauguration of the new petroleum development company, Bahrain's oil minister said the kingdom will focus on increasing oil production to reach the 100,000 barrels per day (bpd) margin in a decade and will try to hold that production level till 2028, Kuna has reported. The plan is expected to generate around \$15 billion by 2029, Abdulhusein Mirza told reporters. Bahrain's current oil production stands at 38,000 bpd, while it also produces around 150,000 bpd from the sea oil-field of Abu-S'afa co-owned with Saudi Arabia. Because the military power of petroleum allows countries

certain sovereign stabilities, this announcement by the oil minister suggests a new rising military power in the Middle East. While 100,000 barrels per day quota places Bahrain among the top 50 oil producers in the world, it still has a long way to match the over 10 million barrels per day produced by Saudi Arabia.

### Lagos

The governor of the Central Bank of Nigeria (CBN), Mallam Sanusi Lamido Sanusi, explained the rationale behind the decision of the board of the banking watchdog to fix tenures for bank CEOs, maintaining that the policy is not targeted

at anyone. This announcement was met with some skepticism after the managing director of Zenith Bank Plc, Jim Ovia, announced a controversial move to try to pass legislation allowing him to stay in control of the bank. The decision made by the governor will force Ovia to relinquish his hold on the Zenith Bank after twenty years of uninterrupted control. The move to fix tenures forces those CEO's who have served for ten years as of 2010 to find replacements, and they are ineligible to become CEO in the bank or any of its subsidiaries for three years.

## “We’re Opening Doors for Future Business Leaders”

We are excited for this semester and the upcoming events! For the month of February we already have two activities planned. On February 9 we have the opportunity to increase each other's awareness of different cultures and experiences around the world by sharing out own international experiences. We will also visit Union Pacific in Salt Lake City on February 19 to see international business in action with imports and exports coming through Utah. On March 2, Jason Fairbourne will talk to us about Microfinance. Not only can we improve our international business awareness, but also we can



see how those in other countries can get started. Other potential activities for this semester include another guest speaker, some more leadership activities, and an international panel. These activities will help us better understand international business and the opportunities available. We look forward to learning more and getting to know each other better.

### Upcoming Events

**Feb 9:** 8:00-9:00pm in 710 TNRB  
International Experience

**Feb 19:** CargoLink / Union Pacific  
visit in Salt Lake City

**March 2:** Microfinance

