

Global News

Volume 2, Issue 5: March 2010

North America

United States

President Obama made a final, urgent public plea for health care reform, slamming private insurers and accusing his plan's opponents of spreading false rumors. The House of Representatives is set to vote Sunday, March 21st, on a sweeping \$875 billion reform plan that cleared the Senate in December, as well as another \$65 billion of compromise changes to the measure. Administration officials claim, however, that the reform plan has been picking up momentum in recent days.

They said they had a "really good day" when the Congressional Budget Office estimated that the compromise plan would cost \$940 billion over 10 years while reducing the deficit by \$138 billion – \$20 billion more than the bill passed by the Senate. As with earlier House and Senate plans, it includes significant reductions in Medicare spending, in part through changes in payments made under the Medicare Advantage program. Republicans also are fuming over Democrats' decision to use a legislative maneuver

called reconciliation, which will allow the compromise measures – if passed by the House – to clear the Senate with a simple majority of 51 votes. Republicans contend that reconciliation, which is limited to provisions pertaining to the budget, was never meant to facilitate passage of a sweeping reform measure such as the health care bill. Democrats point out that reconciliation was used to pass several major bills in recent years, including George W. Bush's 2001 and 2003 tax cuts.

Europe

France

Jenny Craig, a subsidiary of Nestlé Nutrition and a well known weight management company in the United States, will be launching a new market in France with plans to enter the U.K. and other European markets later this year. The global market for weight management is estimated to be at \$55 billion. One reason Nestlé has decided to open its first market in France is because of the increasing level of obesity there. According to statistics from the World Health Organization, the average body mass index (BMI) is expected to increase from 24.2 to 24.7 between 2005

and 2015. An adult with a BMI over 25 is considered to be overweight. Nestlé bought Jenny Craig back in 2006 and



says that this expansion into European markets is part of their plan to turn Jenny Craig into an international company.

Europe

The hospitality industry, like most industries, has been hit hard because of the economic downturn and the outlook for hotel lodging in the United States doesn't show signs of growing anytime soon. In an effort to boost up revenue, travel-lodging companies such as Marriott International Inc. are building their presence in other markets. Marriott has set its eye on expanding their European market. In Europe Marriott currently has 174 hotels amounting to a total of 40,000 rooms and projects to have 80,000 rooms throughout Europe by 2015.

Africa and the Middle East

Kenya

Access to mobile phone in rural Kenya was recently made cheaper and more attractive for the low-income peasants. Safaricom Company has introduced solar-powered mobile phones that not only cost little money but also put an end to long journeys and waiting time for electrical charging. Owners of the phone instantly save costs as they will not have to charge the battery in order to use it. They are also reachable in the night as they do not have to

turn off their phones to spare energy.

Sierra Leone

The ProCredit bank (SL) Ltd will soon pass of ownership to Ecobank. Ecobank looks to expand operations in the microfinance sector and thus strengthening the group of 30 affiliated banks throughout Africa owned by Ecobank Transnational Incorporated (ETI), a holding company in Togo. Procredit bank is among the 11 commercial banks operating in Sierra Leone with other 28 branches and 11 international

money transfer agents. Over the years, the bank has gained recognition as the only commercial bank in Sierra Leone that focused on providing loans to micro, small, and medium enterprises and on providing deposit facilities. The bank has recently set up Visa card business and ATMs as well. Ecobank has over 11,000 employees from 30 different countries in over 700 branches. Ecobank is a full-service bank providing wholesale, retail, and transaction banking services and products to the public.

Latin America

Uruguay

Uruguay's left-wing President Jose "Pepe" Mujica is expected to follow a path similar to Brazil that encourages foreign investment and economic growth instead of one pursued by Hugo Chavez (Venezuela), Evo Morales (Bolivia), and Rafael Correa (Ecuador). Mujica seeks to modernize the nation's railways, ports, and electric grid. Uruguay recently doubled its gross fixed investment to 20% GDP and seeks to augment it even more.

Latin America (LA)

The number of billionaires in LA has jumped by 16% with their total wealth increasing by 84.7%. Mexico now boasts



the world's richest man, Carlos Slim, who has ownership in the telecommunications (Telmex, America Movil), manufactur-

ing, construction, hospitality, and media (NY Times). His estimated fortune is \$53.7 billion while Bill Gates and Warren Buffet's are \$53 billion and \$47 billion respectively (according to Forbes).

Brazil

Brazil should grow by 5.5% this year. Analysts predict this growth no matter who is elected to replace Luiz Inacio Lula da Silva who is finishing out his last term. His replacement candidate is slightly training the right-center candidate but the race is expected to be very close.

Asia

China

Taiwan's government plans to allow Chinese financial firms to invest in their Taiwanese counterparts and to open branches on the island, expanding the truce between the two longtime rivals to one of the most sensitive sectors of the economy. The Taiwanese cabinet's decision, announced in a brief statement on March 12, limits Chinese banks to small stakes in their Taiwanese counterparts. Nevertheless, the move marks a milestone because the two sides have been careful about opening their financial-services sectors to each other due to the complexity of the industry and Taiwan's concerns that Chi-

na could use ownership of Taiwan's banks to exert political control over the island. Under the rules, a single Chinese financial institution will be allowed to own up to 5% of a Taiwanese bank, while Chinese banks' combined holdings in a single Taiwanese bank will be capped at 10%. Chinese banks will need to first obtain approval from the China Banking Regulatory Commission before being allowed to set up branches in Taiwan.

South Korea

The South Korean economy, which last year scraped through the global slowdown without sinking into recession, returned to the recovery path last month after faltering

in January. February saw improvements on most fronts, according to the Ministry of Strategy and Finance's monthly report, with retail sales rebounding from a 1.3% decline in January and a current account surplus forecast of around US\$1 billion. The International Monetary Fund projects that South Korea will rank number three for economic growth among the world's 15 largest economies over the next two years, exceeded only by China and India. This advance would be due to strength in domestic consumption, and substantial amounts of corporate and foreign investment.

"Come to the Annual International Business Dinner!"

The Global Management Center is planning an International Business Dinner and I think it would be a great opportunity for us to join and learn more international careers. I have personally talked with Michael Bertasso and he is awesome! He has some great things to say that will get you even more excited to go international. To clarify, if you are not graduating with the global management center it will be \$5 to attend, which does include dinner. The GMC is covering most of the costs so it is a great deal to come and attend. I hope to see all of you there! You can register for the Annual International Business Dinner at gmc.byu.edu/dinner.

Upcoming Events

- March 24:** Going Global Career Fair
5:00-7:00pm in 238 HRCB
- April 5:** International Society Lecture
3:00pm International Society's Top Ten
- April 8:** International Business Dinner
6:30-7:30 W410 TNRB

The program details are as follows:

Date:	Thursday, 8 April 2010
Time:	6:30- 7:30 pm
Location:	W410 TNRB
Attire:	Business Dress

