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***Top Story:***

***European Central Bank Steps in to Save the Eurozone***

Indian policy makers decided to loosen market regulations and allow for certain sectors of its economy to undergo privatization. The new economic policies plan to attract more foreign investors as the country undertakes the boldest liberalization move since Prime Minister Manmohan Singh came to office in 2004. Mr. Singh realized that in order to progress efficiently, India needed to instill both political and civic freedoms that would allow the country to build a productive, competitive, and open economy which gives its population a greater chance to prosper. Several reforms recently adopted by India's government experienced years of bureaucratic delays before they were finally implemented. After an extensive and arduous political contention, Indian policy makers conclusively decided to relax restrictions on foreign investment in airlines, broadcasting and power exchanges. India also announced the partial privatization of four state-owned enterprises, and cut fuel subsidies by 203 billion rupees (\$3.7 billion).

([Wall Street Journal](#)) ([The Economist](#))



**Will privatization save the Indian economy from stagnation?**

**Implications**

With the privatization of certain government programs, the state's role in power, coal, railways, and air travel is reduced, raising the country's overall standards in finance and infrastructure. Many Indian companies will benefit from the change in foreign investment policy. Vijay Mallya's Kingfisher Airlines finds itself laden with debt and in need of foreign investment. Foreign companies can now own 49% of an Indian airline, giving Mallya's struggling airline business a second chance.

([Forbes](#)) ([Channel Asia News](#))

*"The new economic policies plan to attract more foreign investors."*



**Will tourism give Africa the economic boom it needs?**

## ***Tourism:***

### ***New Wave of Hotels in Africa***

The allure of Africa's rising middle class is attracting world renowned hotel chains such as Hilton and Marriott. Tourism in Africa makes up 9% of GDP and the continent showcases the youngest labor force in the world. International developers head to Africa to capitalize from the rising business prospects by setting up as many as 40,000 rooms in the upcoming years. Developing a hotel business in Africa does not come without its drawbacks. The lack of professional expertise and political instability creates a difficult climate with respect to acquiring land and receiving government approval for construction. Hotels in Africa also

suffer from the constant threat of terrorism. ([washingtonpost](#))

#### **Implications**

Some hotel businessmen prefer to establish their hotels in Asia where the market and the government offer more predictability. Others view business opportunities in Africa with enthusiasm. Countries like Kenya with its Rift Valley endowed with 35,000 elephants boast attractions that no other country can offer. ([washingtonpost](#))

*"The allure of Africa's rising middle class is attracting world renowned hotel chains."*

## ***Technology:***

### ***Cyber Warfare May Target Businesses***

Cyber warfare involves the actions by a nation-state or international organization to attack and attempt to damage another nation's information networks. At times, various states use covert and clandestine means to achieve success in a cyber attack. Coupled with the concept of strategic warfare, the target becomes aspects of society that support the war effort. In several cases, factories and businesses represent critical targets among adversaries. In an age of non-polarity, with the ascension of non-state actors into the international system, the target list of victims as well as perpetrators of cyber warfare expands. Established numerous centers with meaningful power will compete for influence by harming their opponent's digital infrastructure. ([RT](#)) ([BBC](#)) ([BBC](#)) ([BBC](#))

([RAND](#))

#### **Implications**

Operations undertaken in cyberspace directly affect trade, communications, politics, and the international economy. The United States Department of Defense issued warning to companies of plausible potential Internet attacks on the U.S. stock market and banking Web sites. Many innocent independent retailers experienced momentary setbacks due to clandestine cyber activities. In December of 2010 cyber attacks rendered Paypal services unavailable for about 4 hours; Mastercard found itself under attack the following day. Unprocessed payments curtailed businesses into financial loss and inefficiency. ([The News Feed](#))

*"In several cases targets factories and businesses represent critical targets for adversaries"*



**Harm may come upon many industries due to cyber warfare.**



All bubbles, including the real estate bubble, must pop.

## ***Real Estate/Construction:***

### ***The Psychological Wake of the Real Estate Crisis***

America's real estate market played a paramount factor in the country's worst economic downturn in recent history. Even though the real estate market continues to experience slight improvements, the effects left by its traumatic decline potentially caused permanent changes to consumer behavior. Consumers replace the demand for luxury goods and services with financial precautions and stability. Consumers and industries adopted drastic attitude changes which lead to the development of a new mentality. The psychological impact of the financial crisis created a market that exhibits more attentiveness to feasibility studies, economic indicators, and preferences as well as priorities of the end user. ([Business Insider](#))

#### **Implications:**

Major cities around the world proceed to follow in the same footsteps of America's real estate bubble. Shanghai, Mumbai and Seoul all experienced home price increases as high as 525%. For the real estate market of each region to not experience a sudden economic downturn, relevant actors must challenge conventional wisdom and make development decisions that defy the industry's status quo. ([Forbes](#)) ([Bloomberg](#))

*"Consumers and industries adopted drastic attitude changes which lead to the development of a new mentality"*

## ***Education:***

### ***Can U.S. Universities Stay On Top***

Rigorous national testing programs to find the brightest students in China and India question the quality and assertiveness of American schools. Students who score on the top 1% receive admission into the college of their choice. Unfortunately, the other 99% of students need assistance. India and China educate the majority of students at a low cost while the students usually require remedial training before employees find the students fully employable. The Boston Consulting Group developed the BCG E4 Index which accounts for expenditure, enrollment, engineers, and elite institutions to rank education worldwide. The \$980 billion dollars that the US spends on education annually far exceeds the \$480 billion in China and the \$180 billion in India. Based on these credentials, the US and the UK ranked first and second with China in third place and India in fifth. ([Wall Street Journal](#))

#### **Implications**

For now, the US remains on top of higher education, but India and China present worthy challengers to U.S. dominance. As World Bank and private investors pour out funds to C9 elite schools in China and private schools in India, China and India begin to close the gap in education statistics between themselves and the U.S. ([Wall Street Journal](#))

*"The \$980 billion dollars that the US spends on education annually far exceeds the \$480 billion in China and the \$180 billion in India"*



U.S. students celebrate graduating from the a world class U.S. institution.



Employees wait to see the impact of the fiscal cliff on their jobs.

## Manufacturing:

### *The Fiscal Cliff Threatens Florida's Manufacturers*

Florida manufacturing employees face the risk of unemployment in the near future. The South Florida Manufacturers Association held a meeting Thursday to discuss the unclear future of defense manufacturing in the Sunshine State. The Budget Control Act of 2011 provided a foundation for spending cuts for defense manufacturers, better known as the "fiscal cliff" by members of the National Association of Manufacturers (NAM). According to NAM, the "fiscal cliff" threatens the existence of 56,000 Florida manufacturing jobs. The massive cut in government spending enacts major headwinds to the manufacturing community, resulting in Florida ranking in the top ten states that would be affected. ([BizJournals](#))

#### **Implications**

Florida currently ranks below the national average for manufacturing jobs. Cutting funds for defense manufacturers places not only the Floridian manufacturing employees, but all Americans at risk. Defense manufacturers have decelerated their growth and construction of products that serve the purpose of protecting Americans at home and abroad in response to potential spending cuts. Without amendments to the Budget Control Act protecting defense manufactures, Florida and the rest of the U.S. population runs the risk of rising unemployment and threatened security.

*"The 'fiscal cliff' threatens the existence of 56,000 Florida manufacturing jobs"*

## Commodities:

### *Goodbye Doha, Hello Bali*

When the economy experiences a downturn, investors tend to place more bets in alternative investments instead of riskier investments like stocks. For the past 11 months gold futures increased, but by late Friday fell after the Labor Department said the U.S. unemployment rate hit a four year low dropping to 7.8 percent in September. The increased strength of the U.S. dollar reduced the demand for gold. A stronger dollar tends to reduce prices for dollar-denominated commodities like oil and gold whereas a weaker dollar helps raise prices. Sharp losses crude oil futures during the week of October 5th also provided an

impact. This week the price of oil futures have seen increases but projected weak global demand dampens gains. The falling premium in gold futures has eased the pressure for additional Fed stimulus action.

#### **Implications**

The recent monetary stimulus program from the Federal Reserve contained an interesting wrinkle. The program, QEU, contains no end date. The recent monetary stimulus may halt because of the recent unemployment numbers, which greatly affects the price of commodities like gold and oil. ([Bloomberg](#))([Reuters](#)) ([MarketWatch](#))

*"The price of oil futures have seen increases but projected weak global demand dampens gains"*



The price of oil and gold may provide some indication of future Fed policy.

## Business:

### Mexican Congress Passes Pro-Business Labor Reform

PAN, along with a coalition of the Green party and the ruling PRI in Mexico, passed a bill to reform the outdated labor laws from the 1930's. This new reform gives employers the opportunity to offer part-time work as well as hourly wages. In addition, employers have the freedom to engage in outsourcing, thus cutting down the costs of manufacturing. The

leftist PRD opposes the new reform but it does not count on enough votes to block the bill. The Senate now has until the end of October to make the decision of whether or not to approve the bill. ([forbes](#))

The labor reform seeks to increase market flexibility, offering the potential to boost employment while also reducing hiring costs. It promotes productivity and competitiveness that together with the other advantages positively affects manufacturing industries. ([forbes](#))



**Mexico's Labor reform will bring great benefits to its economy.**

#### Implications

## Trade:

### Survey: U.S. Tech Exports Should Increase by 2015, Execs Say

The increase of disposable income for people in developing countries creates a demand for high-tech products that include laptops, cell phones, and tablets. The United Parcel Service and high-tech exporting companies expect shipments within North America to decrease to 90% from the previous estimate of 97%. Upcoming trade agreements with Panama and Colombia supports

Barak Obama's goal of doubling exports by the year 2015. 85% of high-tech executives believe Obama's goal is possible. Survey results predict sales and shipments to the Middle East, India and Africa to grow by 22% over the next few years. ([huffingtonpost](#))

Exporting to developing countries usually signify unstable global suppliers and security concerns. In spite of the issues, many companies are modifying their distribution networks to manage the increased volume of shipments. More than one-third plan to switch from transporting by air to transporting by sea. ([huffingtonpost](#))



**Cargo ships will find much more work as U.S. exports increase**

#### Implications

## Finance:

### The U.S. Deficit Shrinks

The economic crisis which resulted in the Great Recession damaged many sectors of the U.S. economy and left us with an exceedingly high deficit and debt. Many believe that the budget situation could improve tremendously within the next two years. According to the non-partisan Congressional Budget Office, the month of September confirmed very high numbers, \$1.09 trillion, with regards to

the full year fiscal 2012 deficit. However, the U.S. deficit decreased total of \$207 billion from the previous year.

much unnecessary spending. In response to this charge, Obama states that he kept us out of yet another depression. The current plan projects the deficit to settle around \$641 billion, but in order for this to happen, lawmakers must alter current fiscal policy. ([Washington Post](#))



**Are policy makers able to tame the spiraling U.S. fiscal deficit.**

#### Implications

Numerous people have reprehended President Obama for allowing our country to commit itself to so

## Law & Order:

### New Fuel Efficiency Standards Mind the Environment and Public Health

Fuel Efficiency Standards are developed as a project under a continuous process to reduce cost, carbon pollution, and America's dependence on foreign oil. The Obama Administration finalized groundbreaking standards that increase fuel economy to the equivalent of 54.5 mpg for cars and light-duty trucks by Model Year 2025. This move nearly doubles the fuel efficiency of future models compared to vehicles currently on the roads today. The historic standards issued by the U.S. Department of Transportation (DOT) and the U.S. Environmental Protection Agency (EPA) build on the success of the Administration's standards for cars and light trucks for Model Years 2011-2016. Both agencies created the first-ever fuel efficiency and global warming standards for medium, and heavy-duty trucks as well as categories of work trucks that include delivery vans, city buses, and long-haul tractor-trailers through model year 2017. ([EPA](#))

The DOT and EPA worked together to create historic standards.



#### Implications:

The new fuel efficiency standards will save American families more than \$1.7 trillion dollars in fuel costs, resulting in an average fuel savings of more than \$8,000 by 2025 over the lifetime of the vehicle. For families purchasing a model Year 2025 vehicle, the net savings compare to lowering the price of gasoline by approximately \$1 per gallon. Additionally, these programs dramatically reduce America's reliance on foreign oil, saving a total of 12 billion barrels of oil and reducing oil consumption by more than 2 million barrels a day by 2025, as much as half of the oil we import from OPEC each day. ([EPA](#))

*"This move nearly doubles the fuel efficiency of future models compared to vehicles currently"*



**WORLD TRADE CENTER  
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The concept of the World Trade Center was formed in 1968 following World War II, as the premiere international organization for the facilitation of international business. Today, World Trade Center Orlando is networked with over 289 World Trade Centers located in 85 countries. Since World Trade Center services are reciprocal, World Trade Center Orlando members can access the services of these global World Trade Centers; the world's major trading Centers for trade information and assistance, business leads, and a wide variety of international opportunities. Join over 1,000,000 worldwide World Trade Center members in marketing your products/services and receiving quality services offered by World Trade Centers to World Trade Center members

