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Top Story:

European Central Bank Steps in to Save the Eurozone

The International Monetary Fund cut its global economic growth forecast and projected that the situation could get much worse if the Eurozone crisis continues. The Greek government plans to introduce a new round of belt-tightening cuts, focusing on the public sector for 2013-14. They aim to qualify for a new bailout package of around 31 billion euro (\$40 billion) to keep the country afloat. Portugal's government announced its 2013 budget, which outlined the harshest measures yet under the country's \$101bn rescue plan. The Portuguese government also announced spending cuts worth \$3.4bn, which includes a potentially 12,000 reduction in public-sector workers. Spain's government implemented tax hikes and government spending cuts while retaining the highest unemployment rate among the 17 nations that use the euro. Spain's Prime Minister Mariano Rajoy's administration presented a 2013 draft budget that will cut overall spending by \$51.7 billion, which includes freezing the salaries of public workers.



Citizens protest the austerity packages implemented by the struggling Eurozone countries.

Implications

Critics of the proposed austerity measures warn that it will cripple struggling businesses that manage to cope with the financial downturn. Protesters in Athens, Madrid, and Lisbon rallied in the streets concerned about the correlation of reduced government spending and rising unemployment. This increases safety net spending while reducing tax revenue. The IMF released a report from its annual meeting in Tokyo, Japan, discussing global efforts to ease credit and increase the amount of money available for lending. The policies alleviate some of the issues facing the Eurozone but appear to exhibit diminishing returns, as are fiscal stimulus policies. ([Al Jazeera](#)) ([Al Jazeera](#)) ([The Economist](#)) ([Detroit Free Press](#))

“The situation could get much worse if the Eurozone crisis continues”



The importance of oil in the U.S. economy cannot be overstated.



The stock market begins to utilize the cloud.

Commodities:

Volatility in the Price of Oil

Oil supplies grew by 2.9 million barrels higher than last year's supply, a growth that exceeded forecasted projections. Gasoline supplies also increased by 1.7 barrels while forecasts expected declines. The demand for both oil and gas remain in a state of decline in the U.S. Over the past four weeks preceding October 12, demand for gasoline declined 2.3 percent from a year earlier. The price of oil rose after European stocks saw gains dipped yet again after news of the increasing oil supplies. As U.S. demand falls, Nigeria, the largest oil producer in Africa lowered the premiums it charges for its oil. If Nigeria begins selling more oil to Europe

and Asia to make up for the decrease in U.S. demand, the prices of crude oil could fall.

Implications

The higher prices of oil and gas have an effect on U.S. demand. With U.S. oil and gas demand low and high supply, the potential for prices to fall is high. Exporters of oil and gas such as Nigeria who rely on sales will begin looking to other countries with a demand for their product eventually decreasing U.S. oil and gas supply. ([ABC](#)) ([HuffPost](#)) ([WSJ](#))

"The demand for both oil and gas remain in a state of decline in the U.S"

Technology:

NASDAQ Launches Cloud-Based Services

The NASDAQ stock market launched its FinQloud cloud-based service that allows companies to store their regulatory documents on servers operated by Amazon. NASDAQ offers this service to listed companies to help reduce the burden of new costly regulations for filing papers. NASDAQ OMX FinQloud, powered by Amazon Web Services, is a secure cloud computing platform designed exclusively for and accessible by the financial services sector. FinQloud combines the cloud computing expertise of Amazon Web Service (AWS) with enhanced security from NASDAQ OMX to provide cost-effective and efficient management and storage of financial data mandated by regulation. The platform helps firms dras-

tically reduce the operational costs and complexities associated with data and infrastructure management, enabling more effective deployment of scarce resources. ([NASDAQ](#))

Implications

FinQloud, as a protected warehouse for regulated data, fosters efficient and reliable markets for investors. AWS on cloud technology fosters transparency and improve the quality of our markets. Companies can store and retrieve data quickly, easily, and inexpensively. With the scalability, cost-effectiveness, and flexibility of the cloud, customers can quickly conduct analysis and reporting regardless of the amount of data. ([Yahoo Finance](#))

"The platform helps firms drastically reduce the operational costs and complexities"



Shell faces legal woes over its actions in Nigeria's Niger Delta region.



Productive Thai auto workers keep their economy moving forward.

Law & Order:

Shell's Oil Spills in Nigeria End Up in Dutch Court

Shell faces legal issues in the Netherlands over leaks that destroyed the lands of Niger Delta farmers. Four Nigerian farmers, backed by the lobbying group Friends of the Earth, an environmental agency that regulates the impact of businesses on the environment, brought the Anglo-Dutch oil giant into court thousands of miles away from their homes. This case could set a precedent for global environmental responsibility. Oil pollution has ravaged swathes of the Niger Delta in the world's eighth largest oil producer, which exports more than two million barrels a day. Environmentalists want the Netherlands, and other Western nations, to pass laws forcing companies to en-

force the same environmental responsibility standards abroad as well as at home. ([Al Jazeera](#))

Implications

This civil suit led by Nigerian farmers and Friends of the Earth could open the door for hundreds of similar cases. The plaintiffs aim to make multinationals more accountable for their actions in developing countries. The lawsuit aims to make parent companies, responsible for any oil damage and pollution caused by their subsidiaries. ([Al Jazeera](#))

"This case could set a precedent for global environmental responsibility"

Manufacturing:

Thai Central Bank Comes to the Rescue

The Thai central bank shocked investors by cutting the one-day bond repurchase rate from 3% to 2.75%. Five out of the seven members of the Monetary Policy Committee voted in favor of the cut while the other two members preferred holding the interest rate at 3%. Assistant Governor Paiboon Kittisrikangwan defends the move by citing a world economy defined by anemic demand and Thailand's weak inflationary pressures. Thailand's policy makers hope the 25 basis point reduction boost the manufacturing sector which accounts for around 40% of Thailand's gross domestic product. The economy grew slowly registering only 1% growth in 2011, mostly due to the devastating floods of that same year. The floods also damp-

ened Thailand's exports, causing a 7% decline from August 2011 to August 2012. ([AFP](#)) ([WSJ](#))

Implications

Thailand's economy still suffers from the horrific effects of last year's flood. Although the Monetary Policy Committee keeps its prediction of 5.7% growth for 2012 constant, prediction for 2013 will be reduced. Manufacturing, specifically the auto market, remains the key barometer of the Thai economy. Thailand needs manufacturing growth in order to achieve broad based economic growth. ([Businessweek](#))

"Thailand's policy makers hope the 25 basis point reduction boost the manufacturing sector"



The beautiful sites of Georgia may lead to a growing economy.



An agricultural trade war will not benefit the U.S. or Mexican economy.

Tourism:

In Georgia Tourism Thrives

As an ex-Soviet nation struggling to make it on its own, Georgia does not boast an abundance of natural resources and must now rely on tourism to enhance its economy. This arrangement fits perfectly, given that hospitality is the epitome of Georgian culture. Tourists from Azerbaijan, Russia, Kazakhstan, and Belarus, among other nations, take pleasure in the natural beauty of the country and account for the \$938 million in tourism revenues. The city of Batumi, near the Turkish border, is developing into the most popular tourist destination in Georgia. High end resorts and restaurants and European-like plazas and fountains now replace the dilapidated roads and ramshackle hotels in “the city of love.”([Huffington Post](#))

Implications

Mikhail Saakashvili, Georgia’s pro-Western president, has seen to it that tourism becomes a key sector in the Georgian economy. His approval of US foreign investment is evident in the city of Batumi which is lined with world renowned hotels such as the Hilton and Sheraton. The question remains whether Saakashvili’s successors will continue the process that he started in developing the tourism industry. ([Huffington Post](#))

“This arrangement fits perfectly, given that hospitality is the epitome of Georgian culture”

Trade:

Mexico U.S. Agricultural Trade

A trade agreement crafted in 1996 involving Mexican tomato growers that sets tomatoes for export to the United States at the floor price hindered competition from American growers. To the dismay of Mexican growers, the Commerce Department currently discusses the possibility of retracting from this agreement . In response to this, Mexico agreed to increase the floor price on exported tomatoes, which will include all Mexican tomatoes to the US rather than just the 85% previously covered under the current agreement. The Department of Commerce needs to decide whether to end the agreement which risks starting a trade war with Mexico or sustaining the agreement which unsettles Florida growers in particular. ([NY Times](#))([Bloomberg](#))

Implications

According to the Chamber of Commerce, the US exported more to Mexico last year than to Brazil, Russia, India, and China combined. The results of a trade war with Mexico would trigger tariffs which eat into profits and revenue. The decision to revoke or renegotiate the agreement will come by mid-November to late May. ([NY Times](#))([Bloomberg](#))

“Commerce Department currently discusses the possibility of retracting from this agreement”

Real Estate & Construction:

Update on the Housing Market

According to Freddie Mac, the Federal Home Loan Mortgage Corporation, mortgage rates recently hit an all time low. The 30-year fixed-rate average fell from 4.11 percent last year to 3.37 percent this year. The new rate represents only a slight increase from last week's historic low at 3.36 percent. Also the 15-year fixed-rate average fell from a rate of

3.38 percent this time last year to a new record low of 2.70 percent.

Implications

Although mortgage rates show a universal drop, volume of mortgage applications continue to vary. While Wells Fargo reported a significant increase in mortgage origi-

nations, City Bank actually experienced a decrease. According to the Market Composite Index, the volume of loan applications dropped 4.2 percent since last week. However, home builder confidence for October rose to the highest level since June 2006. ([Washington Post](#))



Long-term mortgage rates continue to fall.

Business:

Indonesia: The Newest Member of the BRICS?

The top five world emerging economies—Brazil, Russia, India, China, and South Africa—may now be looking at the inclusion of a sixth member, Indonesia. While the Big Five continue to report declines in their markets, Indonesia displays impressive economic growth. By 2030, analyst forecast Indonesia's economy to rise to the 7th largest in the world. This fact leads many in-

vestors to designate Indonesia as a magnet for long term investment. The rising middle class in Indonesia contributes heavily to Indonesia's strong domestic consumption. Indonesian citizens produce and consume the majority of goods and services which allows Indonesia to not rely heavily on exports. ([CNN](#))

Indonesia's market remains young; and while the government proceeds to attempt to keep inflation under control, it will take more governmental reforms for it to live up to its full economic potential. ([CNN](#))



Indonesia's rising economy alters the global order of developing countries.

Implications

Finance:

The Recovery of Bank of America

Ever since the beginning of the 2008 recession, analyst use the performance of banks as an important barometer of the health of the economy. Many predict continuing declines for the banks, however Bank of America recently made improvements in its performance. From the month of July through September the bank began turning a profit once again. Onlookers see profits as something impossible in

today's financial sector, especially with regards to the recent changes in financial regulations. Opponents of the rule changes claim the new regulations create uncertainty and create a difficult environment to turn a profit.

Implication

Brian Moynihan, current CEO of

Bank of America, is working on fixing the problems the bank inherited after 2008. He plans to cut the cost of running Bank of America by lessening jobs, occupancy, equipment, marketing and other expenses. ([Daily Finance](#))

Bank of America



Bank of America's recovery spells good news for the financial sector.

Education:

The Rising Price of College

The price of attending college continues its persistent rise. public universities raised tuition, which includes tuition, room and board, and fees for a four year degree, by 6% from last year's prices. Averaging at \$17,131, this cost represents a 100% increase over the last three decades. Two factors contribute to the dramatic increase in tuition; productivity and financial aid. With regard to productivity, colleges cannot take advantage of productivity gains. Most other industries lower the price of products by outsourcing or buying in bulk. Universities, need to increasing class size and decrease the quality of educational tools in order to increase productivity. Financial aid, the second factor, also affects the price of attending college. The financial needs of many students determines the level of financial assistance needed in order to afford college. Government responds to this situation by giving a historic amount of scholarships and grants. By

spending government resources on financial aid, it reduces the amount of funds within their budget available to assist the actual schools.

Implications

The process of tuition and financial aid embodies a never ending vicious circle. Tuition prices rise which increases the demand for financial aid. The increased financial aid incentivizes more students to attend college at a discounted rate, which increases universities' demand for resources. However, the demand for financial assistance takes a toll on the budget which

helps the universities by allowing them to maintain up-to-date resources and educational tools. [Washington Post](#)

“Averaging at \$17,131, this cost represents a 100% increase over the last three decades.”

Students struggle to afford the education needed to succeed in this new economy.



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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

