

Operations cancelled as medical staff strike

Thousands of doctors and nurses have gone on strike in Portugal

The health ministry has warned that as many as 4,500 operations and 400,000 appointments may be cancelled. The government has promised to reduce its budget deficit as part of the 78bn Euros (£65bn) EU-IMF bailout deal agreed in May last year. Unions say the measures, which include higher prescription charges, will affect the poorest in society. They complain that some doctors are working excessive hours and object to the use of private companies to provide public services.

Many hospitals had rescheduled appointments ahead of the action, which was announced last month. Emergency services are unaffected. A spokesman for a patients' rights group in Lisbon, Carlos Braga, told that the number of people who could not pay for health-care was rising. "Thousands of people are now deprived of care because they cannot afford the prices that were put in place in January," he said.

In Lisbon, many patients arriving for appointments were unsure whether they would be seen or not.



Doctors, wearing their white coats, shout slogans during a protest outside the Portuguese Health Ministry

One patient, Lidia Gonçalves told, "I am due to have an operation today but I don't know if it is going to happen. I have been told to wait." Another, Manuel Silva, said, "I called yesterday

but they couldn't tell me if I would be seen. This morning they told me to go home and that they would contact me soon."

Portugal has already cut public sector wages and

raised taxes to reduce its budget deficit and deal with its economic crisis. Earlier this month a proposal to limit extra holiday and Christmas pay for public sector workers was ruled

unconstitutional. The EU and IMF have praised Portugal for the steps it has taken so far. Unemployment is at record highs and many people have faced a steep reduction in income.

French car giant Peugeot Citroen to cut 8,000 jobs

French carmaker Peugeot Citroen has set out plans to cut 8,000 jobs and close an assembly plant outside Paris as losses mount

5,600 it employs there. Another 3,600 jobs would be lost across all facilities in France. Peugeot's Chairman, Philippe Varin, said the situation was grave.

Around half of those currently employed at Aulnay would be offered new jobs at Peugeot's other Paris plant at Poissy. Unions described the announcement as a 'declaration of war' and an 'earthquake'. French Social Affairs Minister Marisol Touraine said the cuts were 'unacceptable'.

Peugeot's sites are working well below capacity, with the average operating at 76 percent of their potential. It said that the output of its smaller cars — which account for 42 percent of sales — was worse than average as many of its competitors operated in lower-cost markets. The carmaker said it expected to report a loss for the first half of this year and to return to break-even by the end of 2014. Earlier this year, Peugeot announced a 1bn-euro (£800m; \$1.2bn) savings programme on top of headcount cuts of 6,000 announced last November.



Peugeot said the Aulnay Plant near Paris, which employs 3,000 workers, would stop production in 2014. Recently, Peugeot said its first-half sales had fallen 13 percent amid a 'profound crisis' in its Eurozone markets. Another plant, at Rennes in western France, is set to shed 1,400 posts from the

Farnborough Airshow: Civil orders strong, defence down

The 2012 Farnborough International Airshow, being held near London, is taking wing at a difficult time for Europe's economy

But the aviation and defence market is still being driven by growth in the Asia Pacific region and some Middle Eastern countries. As well as the usual battle for orders for new airliners — dominated by Boeing and Airbus — but with other companies playing an increasingly aggressive role, Farnborough is one of the most important events for military aircraft sales and to showcase the latest aviation related weapons technology. Attractions included the appearance of Qatar Airways' first Boeing 787 Dreamliner. It has 60 on order. Qatar Airways chief executive Akbar Al Baker was on hand with Boeing Commercial Airplanes' new boss Ray Conner for the unveiling, which included an aerial display by the Dreamliner.

A confident Conner said that 'we'll be hiring a lot of new people in the course of



At the Farnborough International Airshow

the next few years' and Boeing landed the first blow in the orders' battle with US firm Air Lease announcing it would buy 75 Boeing 737s, a rival to the Airbus A320neo. It followed that up with a provisional deal to sell 100 737 airliners to leasing firm GECAS. Recently, Airbus announced a potential order for its A350 passenger jet with Hong Kong airline Cathay Pacific. That is a major boost for the European planemaker, which has been struggling to sell its A350-1000 'mini-jumbo' and make

a dent in Boeing's hold on the lucrative corner of the passenger jet market, just below 400 seats.

Technical problems meant the Airbus 400M military transport plane had to pull out of a promised flying display. They are always one of the most popular elements of the week-long event. Aeroplane enthusiasts always turn out in droves for the military exhibits, but this year the buyers have not been so numerous as government spending cuts mean falls in defence orders.

ILO warns Eurozone risks losing 4.5 million more jobs

The Eurozone could lose 4.5m more jobs in the next four years unless the region shifts away from austerity, the International Labour Organisation (ILO) has warned

That rise would take unemployment in the 17-nation bloc to 22 million. The ILO said a concerted policy shift away from austerity towards job creation was needed. "It's not only the Eurozone that's in trouble, the entire global economy is at risk of contagion," it said. "Unless targeted measures are taken to increase real economy investments, the economic crisis will deepen and the employment recovery will never take off," said ILO Director General Juan Somavia.

The report added that the consequences of a longer period of austerity would be particularly severe for young people. It said that unemployment had not been as bad so far in the downturn as it might have been because some companies were hanging onto staff in the hope of an imminent recovery. "If their expectations don't come true, worker retention may become unsustainable, leading to significant jobs losses," it warned.

Banks still want the Euro in their vaults

The Eurozone may be in the midst of a debt crisis, but the Euro itself is still in strong demand as a reserve currency

Around the world governments show little sign of ousting it from their foreign exchange holdings. The European Central Bank has taken some of the credit with President Mario Draghi saying the Bank's focus on preserving the stable value of the Euro continued to underpin its international use as 'a store of value'.

The single European currency made up 25 percent of countries' reserves at the end of last year, down only slightly from the end of 2010. The US Dollar's share of global reserves was virtually unchanged from a year earlier at 62.1 percent. Despite the Federal Reserve's stimulus measures — in essence printing more Dollars — and the high US trade and budget deficits, the Dollar remains the world's dominant currency.