

Drought brings pain to farmers across whole southeast Europe

The severe drought that has hit south-eastern Europe has destroyed crops and devastated farmland

The hot, dry weather has piled pressure on world grain markets already reeling from drought damage in the US. In Romania fields of maize, wheat and sunflower have dried up beyond use and animal farming is near impossible. Farmers are hit hard by the water shortage and see little hope of an improvement.

"We are in big trouble. If the government doesn't give us any help or a grant like in other Western countries like France or Germany, we don't know if we'll be able to afford to continue the seeding cycle in the autumn," said one farmer. In the Balkans there is anger at what is seen as a failure to invest in a long-term farming strategy. The cost of the heatwave in countries like Bosnia and Serbia that rely heavily on agriculture runs into hundreds of millions of Euros.

In the Slovenian capital Ljubljana, a market vendor named Jozica said, "There are fewer buyers in heat like this. Some are still on holiday... There's less of everything because of the drought. We'll probably make a quarter of what we earned before." The Italian authorities say the heatwave has now been affecting the peninsula for three months.

Forest fires have been raging,



Farmer inspects wilted sunflowers in a drought-stricken field in Drenje Eastern Croatia

with the Campania region around Naples worst hit. Temperatures have hit 40 degrees in several towns. A 57-year-old woman died smothered in smoke. Recent hot weather cycles have been appropriately called 'Ca-

ligula' and 'Lucifer'. The next weather front named 'Beatrice' is due to bring violent storms and cooler temperatures in the nearest time.

The heatwave hitting much of Europe this weekend is causing

French authorities to take measures to prevent people dying, as they did in 2003. Almost 15,000 people lost their lives in the first three weeks of August back then. Now the French Ministry of Health is issuing advice

on how to stay cool — especially for those vulnerable, like the elderly.

Some sought relief in the Champ de Mars fountain near the Eiffel Tower in Paris recently. One man who had brought his family said, "The heat's come all at once and our bodies aren't necessarily ready. We had planned to come to Paris this weekend so we've done that. But spending the whole day outside we're looking for shade, water and something to keep us refreshed — hence the fountains."

Though not as high as the temperatures of 43 degrees Celsius expected in the south of France, parts of Germany have hit well over 30 degrees and people in Munich are also being careful whilst enjoying the heat. "Lots to drink of course, lots of sunscreen, sun protection, we won't stay here too long because it'll be too much for the children," said one woman swimming in a lido. After a damp start to the summer with the wettest June on record, the UK is also finally basking in the sun.

Londoners enjoyed temperatures of over 31 degrees on Saturday. Thermometers recorded 32 degrees in Suffolk in eastern England — making it hotter than parts of southern Spain.

Apple: Job's legacy safe?

'World's most valuable company' read the headlines as Apple shares continue to soar in anticipation of the release of a new iPhone and possibly a smaller iPad tablet



New largest Apple shop

in Frankfurt, says — look at Apple which is now without its saviour — Steve Jobs.

Fifteen years ago they were almost bankrupt, then Steve Jobs came up again and made Apple what it is today. And there were some worries about his successor, Tim Cook. We still have to wait (to see if those worries are justified) because right now Apple is still benefiting from the ideas and the 'ghost' of Steve Jobs." Oliver Roth called that a fairy tale, but 'the bigger they come, they harder they fall' certainly applies to the technology sector; and the question remains — can Apple reinvent itself, as it did with the iPod, iPhone and iPad, under Steve Jobs?

Having risen around 65 percent this year, the total value of the phone and computer giant's stock hit \$623bn. That is more than Microsoft's 1999 high of \$621bn — though adjusted for inflation Microsoft would be worth far more — over \$850bn in today's Dollars. The fact that Microsoft, once the digital world's top dog, is now worth a 'mere' \$258m shows how volatile technology stocks can be. Indeed, as Oliver Roth, an analyst with Close Brothers Seydler Bank

Mayor reassures Burgundy locals over the sale of vineyard to Chinese

The French far-right Front National has attacked the sale of an historic Burgundy vineyard to a Chinese gambling tycoon

It says the government should have intervened to help preserve what it called this 'national treasure' for the country. Local wine producers wanted to club together to buy the 12th century Chateau de Gevrey-

Chambertin and its vineyards. They offered 4m Euros. The Chinese buyer paid double.

"This heritage is being sold off at abnormally high prices. In the short term and medium term we have a succession problem regarding acquisitions generally. Prices are so high that it will no longer be possible for vineyards to stay in the hands of win-

emakers," said Jean-Michel Guillon of the Gevrey-Chambertin winemakers' union.

One wine expert said he did not think hostility to the sale was due to anti-Chinese sentiment. Unlike the Bordeaux region which has long had foreign investors, Burgundy has a tradition of relatively small estates passed down through the generations.

Europe's powerhouse losing momentum

Figures released last week underscored the degree to which Germany's resilience to the economic crisis in Europe is waning — and how it can no longer be relied on to pull the Eurozone out of its deep slump

German economic growth slowed to just 0.3 percent between April and June as exports weakened. Rob Dobson, senior economist at survey compilers Markit said, "Germany is not going to be one of those countries which is exceptionally bad, but it is a very open international trader and a big exporter. What we're seeing in these numbers from manufacturing and very weak export orders numbers, so if global economic conditions continue to deteriorate, continue to slow, that could hit Germany going ahead."

The latest survey of companies carried out by Markit showed orders

from abroad for German goods — a mainstay of its economic strength — fell at the fastest rate in more than three years. German exports did rise 2.5 percent in the second quarter, but the Euro crisis is hitting its biggest market. Roughly 40 percent of German exports go to its partners in the currency bloc and 60 percent to those in the broader European Union.

German companies suffered a fourth month of declining activity, suggesting the country's economy could shrink in the third quarter. The country's export markets beyond Europe are showing signs of a slowdown, putting pressure on policymakers to find a way to stabilise Europe's economy and keep nervous German consumers willing to spend.



Many economists are pinning their hopes on consumption rather than trade to power growth in the rest of the year, given low unemployment and interest rates, as well as wage rises. Private consumption and government spending rose 0.4 percent and 0.2 percent respectively in the second quarter.

Even here, there are elements of doubt, with the poor economic backdrop leading to layoffs, which makes it less likely people will spend.