

Japan quake: economic impact felt across Asia

It is over a week since the deadly tsunami and earthquake hit northeast Japan and the economic effects are already starting to be felt across Asia

While efforts to deal with the disaster continue, analysts are starting to look at the impact on various sectors and industries. Some countries that export energy and raw materials could see a surge in demand from Japan. But others that rely on Japan for manufacturing components will be bracing themselves for shortages in supply.

In the short-term, South Korean companies are already benefiting from the shutdown in manufacturing in Japan. "In terms of semiconductors, auto and steel companies, South Korean and Japanese companies are competitors," said Huh Jae-hwan from Daewoo Securities in Seoul. But the benefits will only continue as long as the situation in Japan does not start to affect the components that Japan supplies to Korean companies. "IT companies like Samsung Electronics and Hynix keep inventory so they can supply their products as long as the situation doesn't get worse. If it does they could have difficulty getting supply components from Japan," Mr. Huh said.

It's a very similar situation in Taiwan. Manufacturers making display panels, semiconductor equipment, cars and their parts could suffer because their raw materials are mostly imported from Japan. If Japanese factories cannot return to normal operation soon, consumers could face shortages and price rises. Sun



People queue to buy gasoline at a village destroyed by an earthquake and tsunami

Ming-Te, of the Macroeconomic Forecasting Centre in Taipei, said, "If the problem doesn't resolve in a few weeks the majorly impacted companies will be mobile phone producers like HTC, semiconductor companies like TSMC, and the factories built by Japanese automobile companies like Nissan, Toyota and Honda." He also points out that the tourism industry has already been affected, with many Japanese visitors cancelling trips to Taiwan.

High-tech electronics and

components are also important for industry in China and are likely to be affected by the disruption in supply. Much of what Japan sends to China is assembled into final products which are then exported around the globe.

The immediate concern in Japan right now is the extreme power shortages, and the need for alternative sources is immediate. "Australia is well placed to meet Japan's increased demand for energy products given the significant disruptions to the Fuku-

shima power plant," said Matthew Circosta, of Moody's Analytics in Sydney. Australia is a major exporter of thermal coal and liquefied natural gas.

Indonesia could be another source of energy and raw materials for Japan. "Indonesian exports to Japan are mainly commodities, iron ore, oil and gas. There will be an increase in demand during reconstruction," said Anton Gunawan, of Bank Danamon. The question is, however, can it boost production quickly.

Online readership and ad revenue overtake newspapers

For the first time, online readership and advertising revenue has surpassed that of print newspapers

Online advertising revenue in the USA is projected to overtake print newspaper ad revenue in 2010, according to the latest report of the State of the News Media. The study also found that more people — 46 percent of Americans surveyed — said they get news online at least three times a week, versus 40 percent who said they get their news from newspapers and their companion websites. "The migration to the Web is accelerating," said Tom Rosenstiel, Director of the Project for Excellence in Journalism. "The quick adoption of the tablet and the spread of the smartphone is only adding to that."

Newspaper ad revenue in 2010 fell 46 percent in four years to an estimated \$22.8bn, with an additional \$3bn more for online advertising.

Recent UK unemployment figures hit 17-year high



Job seekers fill out applications for employment

Office for National Statistics (ONS) says jobless rate is 8 percent, the highest since 1996

However, the ONS figures also showed that the number of people claiming jobseeker's allowance fell by 10,200 in February to 1.45m. Another record high was reached in the unemployment rate for 16-24 year olds, up by 0.8 percent to 20.6 percent. This figure, however, does include students who are looking

for work. The unemployment rate for 18-24 year olds was also at an all-time high at 18.3 percent.

The report also shows that average earnings in January were 2.3 percent higher than a year ago, mainly driven by bonus payments in the finance and business services sector. Wage growth, although higher than expected, is well below the level of growth the Bank of England finds concerning and

is unlikely to put pressure on the Bank to raise interest rates. Average pay including bonuses was £453 a week.

The jobs data showed that number of people in work increased by 32,000 to 29.16m, the highest figure since last autumn. A record number of 50-64 year olds were in work — their numbers rose to 7.3m. Public sector employment fell by 45,000 in the final quarter of 2010 to 6.2m.

Local government employment fell by 24,000, central government by 9,000 and Civil Service by 8,000, while employment in private firms increased to almost 23m. There were almost half a million job vacancies in the three months to February, up by 24,000 over the previous quarter.

Prime Minister David Cameron said the youth unemployment numbers were 'disappointing, once again'. He said it was a 'very mixed picture', pointing to higher number of people in employment and fewer people claiming unemployment benefit.

US museum ordered to return Egyptian death mask

US Government steps into a row over an ancient Egyptian death mask, ordering the St. Louis Art Museum to hand over the artefact

Egypt claims the 3200 year old mask of 19th dynasty noblewoman, Ka-Nefer-Nefer, was stolen. The museum paid \$500,000 for the mask in 1998. It has already sued the US Government to try and block seizure of the object, stating they do not have enough evidence that it was stolen.

However, the federal complaint says the Government is 'certain' the mask was stolen and has traced its path from its discovery by an Egyptian excavator in 1952. The Egyptian Supreme Council of Antiquities began its attempt to recover the piece in 2006, after discovering it had been purchased by the St. Louis Museum. US Attorney Richard Callahan said the dispute was 'unfortunate' and would be 'resolved by the courts'. The museum was not available for comment.

France talks tough over Renault 'spy' debacle



Top French ministers say they will see to it that those responsible for the Renault industrial espionage debacle are dealt with

After meeting with Renault Chief Executive Carlos Ghosn, Finance Minister Christine Lagarde and Industry Minister Eric Besson said they will pay close attention to organisational reform and individual responsibility at Renault. The French state, which owns 15 percent of Renault, said it wanted a thorough and swift investigation. It is not clear if Mr. Ghosn's job is on the line. He has apologised to the three Renault executives who were wrongly fired in January following a botched investigation into claims they had sold electric car secrets, possibly to a foreign government.

The affair has embarrassed Paris and briefly caused tensions with Beijing after a French government source said investigators were following up a possible link with China. Renault bosses pledged to forgo their bonuses after the Paris prosecutor said the espionage case was unfounded. A Renault security manager has been placed under investigation for suspected fraud concerning the spying allegations.

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