

How Germany's economic success remains robust

There is more to the economic success of Germany than meets the eye. In spite of some ingrained problems, Germany coped with the financial crisis better than any European country, and not only because customers outside Europe were still massively buying its exports.

Christoph Debets said, "When you search for the reasons for Germany's economic strength, you might think of the big names of her industrial history like Bayer or Porsche, Thyssen-Krupp or Siemens; you might think of regions like the Ruhr, Hamburg, Rhein-Main (Frankfurt) or Stuttgart. But we found the answers somewhere else."

The city of Fulda — population say 100,000 — lies in the heart of Germany, north-east of Frankfurt and not near the country's outside borders. It is not a control centre by any stretch. But it harbours economic champions — the same as many German towns — small or medium-sized companies (SMEs) that are world leaders in what they do. HUBTEX had its roots in the textile industry, but when those customers left Germany it adapted and thrived.

Its managing director Ralf Jestadt described how, "We went with the flow. We said, 'our vehicles can be modified so that they can be used in other industries'. These are narrow-aisle side loaders

with a four-way carriage. We developed ones for the steel industry, that can transport tubes or aluminium-profiles, or side-loaders for the lumber industry, to transport large wooden panels."

Highly-skilled workers are key to part of Germany's economic success. And part of that success is how they become highly-skilled: theory is taught in vocational schools; practice comes through apprenticeship. Companies offer training.

Frank Geiling, an electrical engineering trainer, said, "It used to be that we, the companies, chose the people to whom apprenticeships were offered. But nowadays, it's rather as if they choose a company. That's why we offer a lot of training — to be competitive, to attract apprentices and train really good people for our company."

Both company and employees benefit. This symbiosis of colleges and companies is a major advantage for Germany's international competitiveness. Some companies even go further. HUBTEX



gives employees time off to attend university.

Both an industrial mechanic and an engineering student at Mittelhessen University of applied Sciences in Gießen, Michael Schanz said, "You get to know some aspects at university but you won't have a clue what they are useful for later in life, so you'll wonder why you're studying that. Here, you can actually test the knowledge and see its practical applica-

tion."

A country's economic success also depends on good transport. But experts say Germany's motorways and bridges are crumbling, and need seven billion Euros just to fix them up — and more for desperately-needed new infrastructure. Some say Germany's recent past saw spending cut on the wrong things.

A motorway south of Fulda — the A66 — is one of Germany's largest infra-

structure projects — price tag: 214 million Euros. They had to shift the railway line, the existing road and a creek. They'd like four sets of tracks here but there isn't even the money to plan that, let alone do it. Fulda has one of the lowest unemployment rates in Germany: 3.7 percent. Although that is good, cash can be in short supply. This pushes for creative solutions to get things done — both there and in places like Fulda.

More jobs cuts at Air France

Air France is to cut another 2,800 people from its workforce next year

The airline blamed weak passenger demand. "We are in a period of weak demand," said Chief Executive Frederic Gagey. "We have felt the full brunt of the cyclicality of air transport," he added.

It said it no longer expects to reach a target of breaking even this year and is heading for its sixth consecutive annual operating loss. The carrier — which is part of Franco-Dutch group Air France-KLM — will start talks with the unions in early October on further voluntary redundancies next year.

The cuts are on top of 5,120 layoffs planned by the end of this year. Air France has been hurt by the impact of Europe's economic woes on demand for air travel, soaring fuel costs, and aggressive competition from low-cost carriers in the region and Gulf carriers on long-haul routes.

Video game sets sales record

Fast and furious sales for the latest instalment of the video game 'Grand Theft Auto' have pushed it into the record books

On the first day of its release, the game brought in revenue of \$800 million (590 million Euros). Analysts said that was getting on for 14 million units sold at around \$60 (45 Euros) each. Take-Two Interactive Software — which makes the lucrative franchise full of gratuitous violence and sexual content — saw its shares rise two percent.



The stock has climbed more than 12 percent since July when the company raised its earning forecast for next year and ahead of the latest game's release. The latest instalment more than five years to be developed by Take-Two's Rockstar Games studio, at a cost of between \$200 million and \$250 million (148 million to 185 million Euros), according to some analysts' estimates.

Lyon art fair draws global crowd

Arts buyers and sellers from all over the world have been meeting at the Docks Art Fair in Lyon, which coincides with the launch of the city's biennial contemporary art festival. For this fourth edition, around 30 galleries presented works by artists from 12 different countries.

According to Georges Verney-Carron, whose gallery featured works by Peruvian artist Patricia Camet, the buzz surrounding the art festival has a very positive impact on the arts business. He



said, "I think the PR done to promote the biennial attracts a lot of people, it's very good for us, we have arts collectors and journalists from all over the world, that's quite exceptional, you don't get that every day, especially in the arts world." Gallery owner Rüdiger Voss is selling works by Irish artist Mary Kelly, including a series of photographs shot in a top security prison.

Works by Paris jet-set darling Fabien Verschaere were also on sale. He has had quite a few solo exhibitions around the world and usu-

ally sells quite well. Mr. Eric Dereumaux who is art gallery owner said, "There were quite a few journalists and local arts collectors, I've been working with them for several years now so I have a good network."

Also on show was a solo piece by British artist Luke Newton, whose work is inspired by everyday life including packs of cigarettes and shopping trolleys. Arts dealer Anthony Phuong said, "I represent an English artist called Luke Newton. He is very close to the public, even with young arts collectors."

Swiss abolish military service

Switzerland goes to the polls to vote for the third time in two decades on whether to abolish compulsory military service

Campaigners raised the 100,000 signatures necessary to force a referendum. Opinion polls suggest they are likely to lose. A survey found that 63 percent of voters were ready to reject the initiative, with 31 percent in favour. But the abolitionists are undeterred in their bid to end what they see as an anomaly in a country that has avoided war for two centuries.

"Not everyone has time to play war games," reads one of the campaign posters. Evi Allemann, the Social Democrats' National Security expert said, "Military service has had its time, it's no longer acceptable neither from a financial point of view nor in terms of security policy.

A mass army is based on a traditional case for national defence, and this has become unrealistic."

Leading the counter-charge is the defence minister, Ueli Maurer. He has won the backing of some multinational companies present on Swiss soil. They have become convinced that military training is far better than that offered by business schools.

Maurer said, "(The alternative), an army of volunteers would be a lot worse, more expensive, it would have fewer skills and would not guarantee security because we don't know whether there would be volunteers, whether they would come, when and how they would come... and we need an obligation to do military service." As the polls suggest, Switzerland remains attached to military service, spending six percent of its budget on defence.