

## Unit 8

# Business News

### What Is Business News?

Business news covers the following events or issues:

The launching of a new product, the opening of a new company and the celebration of the anniversary of a firm, banking, currencies, loans, the import and export trade, business transactions, commerce, trading, soaring and plummeting prices, investment, capital, finances, stocks, securities, assets, money laundering, property in the property sector and the real-estate sector, land speculation, the retailing and wholesale business, commodities, airline business, tourism, auto industry, telecommunications, the electric industry, the food business, beverages, energy, and petroleum.

### Related Vocabulary

**People:** Manager, managing director, chairman, president, vice president, sales manager, personnel manager, plant manager, client, customer, salesperson, salesman, teller, investor, stock holder, share holder, broker, importer, exporter, entrepreneur, consumer, trader, Board of Investment (BOI), developer, operator, employer, employee, manufacturer, supplier, wholesaler, retailer, distributor, agent, middleman, dealer. businessman, businesswoman, owner, trainer, trainee, management team, administrative team, the government sector, the private

sector, supervisor, creditor, debtor, executive board, merger, banker, tycoon, executive, etc.

**Places:** **Company**, firm, corporation, depot, emporium, mart, mini mart, store, convenience store, enterprise, state enterprise, stock market (Stock Exchange of Thailand, SET), headquarters, complex, arcade, plaza, mall, bazaar, cash-and-carry store, domestic market, joint venture, plant, joint venture partner, financial institution, competitor, rival, sponsor, patron, prime location.

**Actions:** Distribution, retailing, wholesaling, marketing, targeting, promotion, campaigning, economy, recession, slowdown, slump, meltdown, downturn, stagnant economy, decline, economic halt, economic crisis, economic setback, plunge, reduction, devaluation, foreign equities, incentive, inflation, boom period, family-run business, business potential, exposition, exhibition, fair, budget, partnership, trade mark, brand name, growth, profit, the decline of profit, transaction, competition, competitiveness, strategy, goods, merchandise, product, announcement, short term, long term, merging, business expanding.

**Adjectives:** Central, bilateral, cooperative, local, tax-free, sharp, competitive, strategic, clear-cut, prime, commercial, minimal, maximal

**Adverbs:** Bilaterally, cooperatively, locally, excessively, competitively, **strategically**, mutually, profitably, slightly, slowly, rapidly, markedly, favorably, sharply, gradually, nationally, internationally, globally, overwhelmingly, relatively.

## Expressions:

to celebrate the first anniversary  
to preside over the opening ceremony                      to budget  
to invest                      to launch a product or a project  
to unveil a new product              to endorse              to approve  
to make a campaign for a new product              to exceed  
to **set** a sales target              to merge              to order  
to **trim**                      to shore up the price              to hold a stake  
to afford                      to shoulder the burden              to bid  
to boost income                      to boost profitability  
to register                      to announce              to freeze  
to demand                      to supply              to invest  
to join                      to operate              to manage  
to minimize                      to maximize              to raise  
to manufacture                      to appoint              to monitor  
to make profit                      to increase sales              to revamp  
to promote competitiveness                      to be due  
in excess                      in reaction to              into operation  
in cooperation                      jointly                      according to  
to compete                      to capture the market  
to economize                      to standardize              to organize  
to strong competition                      fierce competition  
tough competition                      to patronise              to support

to sink into red

to cut rates

to consign

### The Headlines in Business News

The following are some headlines in business news. Fill in each blank the number of words **used** in each headline as well as state its type of business.

Headlines	Number of words	Type of business
• L&H sees housing recovery next year	.....	.....
• 200- store centre to open soon	.....	.....
- Siam Makro group sales down slightly	.....	.....
- Property sale reveals confidence	.....	.....
• S' pore builds role as financial centre	.....	.....
• BA (British Airways) profits plunge by 10.5% in first half	.....	.....
• Electricity to pay bigger role	.....	.....
- Shares slip, baht weakens slightly	.....	.....
• NPC's (National Petrochemical Plc's) profit drops sharply	.....	.....

- Nissan sinks into red in first half .....
- 2 banks cut rates on Monday .....
- Exporters establish new rose association .....
- Pigs arrive from Kuala Lumpur .....
- Oriental world's top hotel yet again .....

## Identifying Business News

### *Banking*

*Malaysian central bank cuts rates by 0.5% to 7%*

*Kuala Lumpur, AFP*

*The Malaysian central bank announced yesterday it was lowering its three-month intervention rate in the short-term money market from 7.5% to 7% with immediate effect.*

*“This reduction in the policy rate is to reflect the downward trend in the expected inflation rate as well as to sustain recent positive developments in the economy,” Bank Negara Malaysian said in a statement.*

*“It should result in a further easing of lending rates to support the revival of economic activity, ” it added,*

(From *The Bangkok Post*, Tuesday, November 10, 1998)

## Vocabulary:

<b>Nouns:</b>	central bank	rate(s)	money market
	immediate effect	reduction	policy
	trend	inflation	economy
	revival	activity	statement

<b>Verbs:</b>	to cut rates	to ease	to announce
	to lower	to reflect	to sustain
	to result	to support	to add

<b>Adjectives:</b>	central	Malaysian	short-term
	immediate	downward	recent
	positive	further	easing

## Idioms and expressions:

to cut rates by . . . . . to . . . . .

with immediate effect

as well as

## 5 Ws and H:

**Who:** Malaysian central bank

**What:** Malaysian central bank temporarily lowers its intervention rate from 7.5% to 7% which is effective immediately.

**Where:** The announcement is made in Kuala Lumpur, Malaysia.

- When:** Yesterday
- Why:** Because it reflects the downward trend of inflation and sustains the recent positive development of economy.
- How:** The bank lowers intervention rate from 7.5% to 7% and eases the lending rates to boost the economy.

## *Petroleum*

### **Esso targets pickup sales**

Esso Thailand, Plc yesterday introduced a new motor oil for pickups, timed to coincide with the start of an expected revival in sales of the popular type of vehicle.

The new lubricant, Essolube Pick-Up Turbo Speed, came as major automakers including Toyota and Ford started promoting new pickup models.

Esso Thailand chairman and managing director Edward **Calante** said the new lubricant was a partly synthetic engine oil developed in Britain for high-performance diesel engines.

Esso has also developed another diesel oil, Essolube **Pick-Up**, for heavily-laden and conventional pickups, to replace Essolube XD-3 Extra Pick-Up (gold cap).

Essolube Pick-Up is a multigrade lubricant for diesel engines with special additives that break the flakes of soot into relatively harmless microscopic particles.

It can lengthen the life of the oil as well as the life of the engine.

(From *The Bangkok Post*, Wednesday, November 11, 1998)

**Vocabulary:**

**Nouns:**        sales            oil                    pickup  
                  diesel            revival                vehicle  
                  lubricant        automaker            model  
                  chairman        managing director    engine  
                  flake            soot                    particles

**Verbs:**        to target            to introduce        to time  
                  to **concede** with    to promote            to develop  
                  to replace            to break              to lengthen

**Adjectives:**    expected            popular                major  
                  synthetic            high-performance  
                  heavily-laden        conventional  
                  multi-grade        special                harmless  
                  microscopic        diesel

**Adverbs:**     relatively



### **Idioms and expressions:**

to come as a major automaker

high-performance                      to break, . . . . .into

### **5 Ws and H:**

**who:**                      Esso Thailand, Plc.

**What:**                    The oil firm introduced a new motor oil, or lubricant, for pickups just at the same time that Toyota and Ford launched their new models of pickups to the market.

**Where:**                 In Bangkok, Thailand.

**When:**                 Yesterday

**Why:**                    Because it was a new product developed for high-performance diesel engines like pickups.

**How:**                    The new lubricant could break the flakes of soot into small particles which helps lengthen the durability of the engine and the oil itself.

## Activities

### Exercise 1

Arrange the following information into the correct order by writing 1,2,3... in the space provided to make a good business news story.

..... “The hotel is, of course, legendary for its service and its practically a Far Eastern institution,” the magazine said.

..... The announcement was made at a dinner during the week at the Dochester Hotel in London, presided over by UK Secretary of State for Transport Malcolm Rifkind.

..... The Shangri-La Singapore, the Mandarin Oriental Hong Kong, the Regent Hong Kong and the Shangri-La Bangkok were voted second, third, fourth and fifth respectively.

#### ..... **Oriental world’s top hotel yet again**

..... The Oriental’s top place in the poll was remarkable considering the number of **people travelling** to Bangkok had fallen, the magazine’s October edition said.

..... The Oriental Hotel, Bangkok, has once again been named the best hotel in the world by the British magazine Business Traveller.

## Exercise 2

Fill in the blanks with the words given below.

<b>profitability</b>	<b>worth</b>	<b>quarter</b>
<b>recession</b>	<b>decline</b>	<b>products</b>
<b>says</b>	<b>equipment</b>	<b>profit</b>
<b>cash-and-carry</b>	<b>rose</b>	<b>director</b>

*Siam Makro group sales down slightly*

### **Net profit for nine months down 30%**

Siam Makro Plc . . . . . total group sales for the nine months ending September were . . . . . 23 billion baht, only 3.6% less than in the same period of last year, despite the worsening impact of the . . . . .

Makro, a . . . . . operator, also sell office . . . . .and autocare . . . . .

‘The group reported a net . . . . . for the nine-month period of 368 million baht, about 30% less than in the same period of last year. The third- . . . . . profit was 90.4 million baht.

For the whole of last year, Makro reported a 33.8% . . . . . in the net profit to 505 million baht form 763 million in 1993. However, consolidated revenue . . . . . by 1.8% to 32.7 billion baht in 1997.

**Suchada** Ithjarukul, finance . . . . . of Siam **Makro**, said that declining consumer spending had a major impact on . . . . . this year.

(From *The Bangkok Post*, Tuesday, November 10, 1998)

### Exercise 3

Remove all the unnecessary words in the following sentences. You may need to rewrite some of them if necessary.

1. Income for the month of December set a new record.  
.....
2. The committee had a meeting Monday and made an announcement that it would recruit more people to work.  
.....  
.....
3. The new product was launched for the purpose of giving the consumers other alternatives.  
.....  
.....
4. At this point of time, the company cannot afford this project.  
.....

5. Bangkok Bank and Krung Thai Bank yesterday gave an announcement for the cutting of their lending and deposit rates.

.....  
.....

**Exercise 4**

Write a sentence using each of the words, phrases or idioms given below.

**to boost sales**

**to exceed 1,000 million baht**

**to distribute**

**sales target**

**after-sales service**

**an increase of**

**because consumers are confident of the quality products**

**and sales service.**

.....  
.....  
.....  
.....  
.....  
.....  
.....

## Exercise 5

Choose the best headline to suit the leads below.

..... **Realty developer invest millions in two projects**

..... **Big projects in Chachoengsao**

..... **Two real estate projects underway**

..... **Realty developer to invest B12,000 in two projects**

..... **Land and house developer begins two big projects**

The Country Group, one of Thailand's biggest real estate developers, plans to invest more than 12,000 million baht in two major development projects in Bang Pakong, Chachoengsao.

..... **New Zealand airline stops landing in Bangkok**

..... **New Zealand airline and Thai Airways have conflict**

..... **New Zealand airline faces Thai suspension**

..... **Thai Airways not allowed to land in New Zealand**

..... **That Airways and New Zealand airline change routes**

**Wellington, (AFP)--** Air New Zealand is likely to have its landing rights in Bangkok suspended next week because of a row between Thai and New Zealand civil aviation authorities, the National Business Review (NBR) weekly reported yesterday.

## Exercise 6

Following are the headlines and leads of business news reports (some with more detail). Read each of them carefully, then interpret each headline, analyze the structure and number of words and study the vocabulary used in each report.

1. **Guilin forms direct links to bangkok**

*Guilin, China*

From the end of the month Guilin City in China's southwest province of Guangxi will be operating its third international air route when it commences direct links to Bangkok.

2. **New number is disposable**

*New York, AP*

American Express Co has announced plans to offer disposable credit- card numbers for seller online shopping.

The programme, called Private Payments, would allow customers to buy online without transmitting actual card numbers over the Internet.

For each online purchase, the customer would receive a random number, which would expire after the transaction.

The service will be available starting next month to American Express consumer and small -- business cardholders in the United States.

"Customers have a real fear of having their credit card stolen," said Alfred Kelly, group president of US consumer and small- business services at American express.

"This fear is the biggest obstacle for a real boom in e- commerce."

3. **Dell chief richest man under 40 in US**

*New York, AP*

Michael Dell, founder and president of Dell Computers, has been crowned the richest man in the United States under 40, *Fortune* magazine reports

At the ripe old age of 35, Dell has amassed a fortune of more than \$17 billion to top the list of 40 entrepreneurs in the second annual tally by the financial magazine.

4. **Oil prices climb to new heights**

*London, Reuters*

Oil prices raced to yet another 10-year peak yesterday as anxious dealers feared Opec would fall to ease a supply shortage when its ministers meet on Sunday.

5. **Boots comes under Wal- Mart's eye**

*London, Agencies*

Wal- Mart, the giant United States chain which last year acquired British supermarket Asda, is considering making a 16billion (\$9 billion) bid for Boots, the *Independent on Sunday* reported.

6. **Stores cash in on Japanese links**

*Taipei, AFP*

Some Japanese department store chains may be sinking deeper into debt at home, but their names continue to prove lucrative for their partners in Taiwan.



**7. Hotels cut prices to woo Olympic visitors**

*Sydney, AFP*

Hotels have been forced to lower prices amid reduced expectations of the number of visitors expected for next month's Olympics, tour operators admitted yesterday.

**8. MCOT keen to offer news for web sites**

Cashing in on the Internet boom, the Mass Communications Organization of Thailand (MCOT) is stepping up its business of providing news content to web sites.

The state enterprise, which operates TV channel 9 and Thai News Agency, expects to offer its services, ranging from politics to entertainment, to as many as 20 web sites next year, double its current control.

**9. China sees boom in cell phone use**

*Beijing, AFP*

China had 59.3 million mobile phone users at the end of June, making it the second-largest market in the world, state media reported yesterday.

The figure is up to 37% from 43.3 million at the end of last year, meaning China now has more cell phone users than Japan and less only than the United States, Wu Jichuan, minister of information industry, said at a Beijing telecom forum according to the *Shanghai Daily*.

**10. National Express back on expansion trail**

*London, Reuters*

British transport firm National Express group Plc said this week that it hoped to make further acquisitions in its core bus and rail business while it seeks a buyer for its UK airport division.