



Business English

Economic Achievements

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Unit 4: Economic Achievements

Objectives:

- Introduce language related to economic success/failure
- Transform sentences using contrast linkers and clauses
- Listen for details in a live report describing a paradoxical economic situation
- Practice writing to summarise and synthesizing details describing a specific case

Skills: reading/listening/writing

I. PRE-READING

A/ Look at the map and explore its key. What is the “divide” about?

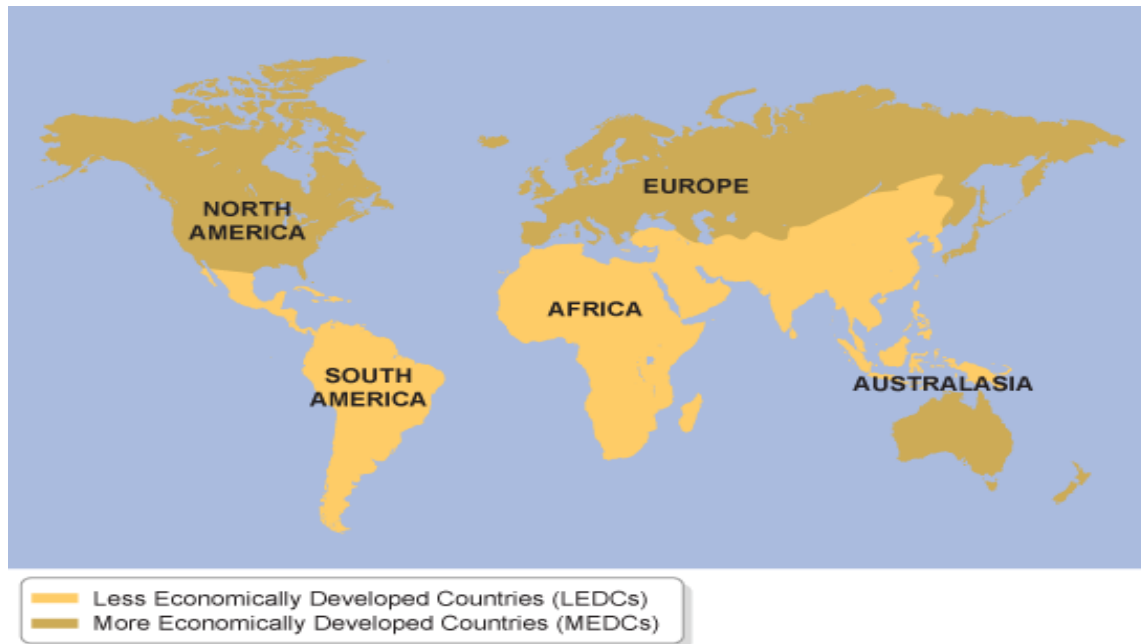
- Military power
- Technology use
- Economic achievement

The North South Divide

The North/South divide between MEDCs and LEDCs

MEDCs are countries which have a high **standard of living** and a large **GDP**. LEDCs are countries with a low standard of living and a much lower GDP.

The map shows the locations of LEDCs and MEDCs. Most of the southern hemisphere is less developed, while countries in the northern hemisphere are more developed.



B/ Read the following extract and think about the measures of business success mentioned. To what extent do you agree with the categories? Post your comment.

CNBC's Top States For Business 2010—And The Winner Is Texas
CNBC.com | July 13, 2010 | 04:30 PM EDT

They say everything in **Texas** is big, and that sure goes for its stature in business.

With the biggest point total in the history of our study, Texas posts a big victory as **America's Top State for Business 2010**.

Top Five

Texas reclaims the top spot from last year's winner, **Virginia**, which slips to No. 2. Texas was last on top in 2008, and Virginia took the crown in the inaugural year of our study, 2007. That leaves Texas and Virginia dead even in the battle for bragging rights at two wins apiece. Rounding out the top five are No. 3 **Colorado**, No. 4 **North Carolina**, and No. 5 **Massachusetts**, which makes its first appearance among America's Top States for Business.

Scoring & Categories

Our fourth annual study of America's Top States for Business puts all 50 states to the test, measuring them on 40 different metrics in ten key categories of competitiveness. We developed these categories back in 2007 with the help of business groups including the National Association of Manufacturers. And we weight the categories based on how frequently states use them as selling points to attract business. That way, we hold the states to their own standards, and tell you how they measure up.

The categories and weightings, for a total of 2,500 points, are:









- Cost of Doing Business (450 points)
- Workforce (350 points)
- Quality of Life (350 points)
- Economy (314 points)
- Transportation & Infrastructure (300 points)
- Technology & Innovation (250 points)
- Education (175 points)
- Business Friendliness (175 points)
- Access to Capital (50 points)
- Cost of Living (25 points)

We use publicly available data on the metrics in each category to score the states, and then add up those scores to rank America's Top States for Business.

Now go to the link and read more

http://m.cnbc.com/special_reports/0/content/37642856?refresh=true





C/ Do you think the following businesses are partners? You can check answers as you go

| | | |
|---|---|----------|
|  |  | (Yes/No) |
|  |  | (Yes/No) |
|  |  | (yes/no) |
|  |  | (yes/no) |

D/ What do these headlines mean? Select an option

1. “Acquisitions, mergers to change the face of industry.”
2. “The big get together: Reasons behind the merger spree.”
3. “Acquisitions, mergers to change the face of industry.”
 - a) Mergers are in fact a purchasing act on the part of a bigger company.
 - b) Mergers are needed to change industry.
 - c) Companies need to unite to face competition.

E/ Find out about these retail chains and fill the table. The first is done for you.
 (<http://www.google.com>)

| Name of retail chain | headquarters | Countries where they have subsidiaries |
|---|-----------------------|--|
|  | Grove City, Ohio, USA | Abu Dhabi, Bahrain, Jakarta, Jeddah, Kuwait, Kuala Lumpur, Manama, Muscat, Singapore, UK |
|  | | |
|  | | |
|  | | |

| | | |
|---|--|--|
|  | | |
|  | | |
|  | | |

F/ Partnerships between companies are believed to be important in business success.

Consider what purposes they may serve:

1. Strengthen the company's capital (yes/no)
2. Explore new market share (yes/no)
3. Dominate the market (yes/no)
4. Avoidance of bankruptcy (yes/no)
5. Transfer assets to another company for tax reasons (yes/no)

II. READING

Read the text below and do the exercises to follow:

Supermarket Chains Ring up the Profits

John Lewis's 70,000 staff in line to receive large bonuses as retail group reveals strong second half figures, reports James Hall

By James Hall

Published: 8:18PM GMT 06 Mar 2010



John Lewis Partnership's 70,000 staff members are expected this week to receive around 14pc of their annual salary as a bonus as the retailer reveals strong full-year profit figures.

The retail group – which owns the Waitrose supermarket and the John Lewis department store chains – is expected to say that pre-tax profit over the year to January 31 was £315m compared with £280m a year ago.

The increase in profits, which came about after a surge over the second half of 2009 following a poor first-half performance, will be enough to guarantee the large pay-out, which is equivalent to almost eight weeks' pay.

The Partnership, often described as the barometer for the middle class shopper, is owned by its employees, who all share in the bonus pot. Last year the percentage received was 13pc and the year before that it was 20pc.

The figure will be revealed simultaneously at 9.30 a.m. on Thursday in all John Lewis and Waitrose stores when a preselected member of staff will open a large envelope containing the number.

Nick Bubb, analyst at Arden Partners, expects the 28-strong John Lewis chain to make full-year earnings before interest and taxation (EBIT) of £168m, up from £144m last year.

Waitrose is expected to make EBIT of £268m, up from £212m last year.

Mr Bubb said: "It was a great second half of the year for the company, with profits up by around 33pc and good recovery from the first half, when profit was down by 20pc.

"This will give around 13pc of profit growth for the year, so I think the staff bonus should be up from 13pc to 14pc."

John Lewis Partnership has been one of the winners in the credit crisis.

Although profits fell sharply over the first half of the year, the group had a very strong second half and a particularly strong Christmas.

Over the vital Christmas trading period, the department stores topped £100m sales in four of the five weeks to Jan 2. Sales at the 222 supermarkets of the Waitrose chain were up 20pc in Christmas week.



At the time, Andy Street, John Lewis managing director, said: "The figures are good but that's probably not going to be sustained. It's a purple patch."

"Looking into 2010 we think that, with higher taxes coming in, we're not going to see these figures continue."

Last Friday John Lewis said that sales over the week to February 27 increased by 14.8pc, showing that consumer spending is still robust.

Over the four weeks to the end of February, sales at the department stores rose by 18pc.

Meanwhile, Waitrose sales rose by 11.7pc over the one week period and 11pc over the four weeks.

The company said: "Evidence that retail sales rallied well in February from January's battering boosts hopes that the economy will continue to grow in the first quarter despite activity being hit significantly at the start of the year by the very bad weather."

"Nevertheless, we continue to suspect that the upside for consumer spending – and hence overall economic growth – will be limited in 2010 as households face still very challenging conditions, notably including high unemployment that is likely to rise further, low earnings growth, high debt levels, and January's VAT hike."

Source:

<http://www.telegraph.co.uk/finance/newsbysector/retailandconsumer/7386493/Supermarket-chains-ring-up-the-profits.html>

A/ Select the one option that best reflects the main idea in the passage.

- a) How big managers are benefiting from the expansion of John Lewis
- b) How John Lewis is seeking to retain its performing managers.
- c) Better performance at John Lewis causes challenges to keep managers

B/ Read and complete from the article what you know about John Lewis.

| | |
|--------------------|-------------------------|
| Type of Business | |
| Partners | JL.....and |
| Number of staff | |
| | Employees and staff |
| | Middle class |
| 2009 profit growth | |
| | £ 315 |



| | |
|----------------------------------|--|
| Bonus allocated to staff in 2009 | |
|----------------------------------|--|

C/ Read paragraphs 1-9 and decide whether the statements are true or false.

| Statement | True | False | Justify Indicating Paragraph |
|--|------|-------|------------------------------|
| 1. Staff will receive bonuses after the fact | | | |
| 2. The profit increase occurred in the first half of the year. | | | |
| 3. employees from John Lewis will benefit from bonuses almost equal to an eight-weeks' pay | | | |
| 4. A preselected member of staff will receive an envelope containing the bonus | | | |
| 5. John Lewis is showing a 13% growth rate | | | |

D/ How can John Lewis' business success in the 2nd half of the year be related to sales? Complete the statements as you go.

- The store's sales reached in four of the five weeks to
- Sales at the too had risen by %20.
- Over the week of, sales increased by

E/ Complete the table and then write a report on how the partners were achieving good results.

| | John Lewis | Waitrose |
|-----------------|------------|-----------|
| EBIT 2008 | | |
| EBIT 2009 | | |
| Christmas sales | |rise |



| | | |
|----------------|------------|-----------|
| February sales | rise |rise |
| | 33% | |
| | 20% | |

Assignment: Write a report in which you explain how *John Lewis* and *Waitrose* were able to achieve good results over the year 2009.

F/ Guess the meaning of these words and select an alternative.

- Retail giants see profits soar
 - Fall
 - stagnate
 - rise
- John Lewis reveals strong full-year profit figures.
 - makes public
 - denies
 - indicates
- The profits came about after a surge over the second half of 2009.
 - improvement
 - quick rise
 - escalation
- High sales will guarantee the large pay out.
 - tax
 - profits
 - bonuses
- Department stores topped £100 sales in 4 weeks.
 - went beyond
 - fell below
 - was equal to

G/ Go back to the text to locate the words and then find a match for each in the suggested list in column B

| | COLUMN A | | COLUMN B |
|----|----------------|----|-------------|
| 1. | Sustain (v) | a. | increase |
| 2. | Robust (adj) | b. | income |
| 3. | Boost (v) | c. | solid |
| 4. | Households (n) | d. | Keep steady |
| 5. | Earnings (n) | e. | Family unit |



III. POST-READING

Vocabulary:

A/ Correct the errors in the sentences below: Replace the verb “to achieve” with one of the verbs given only once.

to reach-to complete-to fulfill-to attain-to reach-to achieve

1. It took the builders 18 months to achieve the stadium.
2. Most children have dreams by the age of four but rarely do they achieve them.
3. When the family business flourished, their grandfather who founded the business achieved 90 years of age.
4. The inflation rate is expected to achieve its highest levels by the month of June.
5. The countries considered “developed” are believed to have achieved economic stability and sustainability.

Grammar

A/ Examine the following sentences:

1. Andy Street believes that although the figures are good, they are not going to be sustained.
2. The company hopes that economy will continue to grow in spite of being hit at the beginning of the year by bad weather.
3. February sales show that consumer spending is still robust; nevertheless, the company managers are not sure whether this situation will continue to be positive.
4. Despite the company’s profit rise, it continues to suspect that consumer spending and economic growth will be limited in 2010.

Rewrite the sentences following the patterns above:

1. Number /Tourists/to keep/to drop/over/past year/**although**/Tour operators/to make/efforts/tremendous/attract/European/clients/more

Although



2. advertising/campaigns/aggressive/Despite/no/change/consumer/behavior/can/be/record.

Despite

3. Bank/not agree/would/support/expansion/company/plan/**in spite of**/previous/success/record/projects/similar.

In spite of

4. Chances/survival/ small business/slim/**nevertheless**/governments/keep/to push/university graduates/start/own/small/businesses.

_____ ; **nevertheless**,

5. Despite/higher/prices/agricultural/organic/goods/there/to be/market/growing/segment/to demand/such products.

Despite the fact that

Listening

A/ What is the general idea of the listening?

- a) The divide between poor and rich in India is disappearing
- b) The difference between economics and Karma in India
- c) The gap between what India has achieved and what the destiny of some is.



- d) How shoe shining can lead to prosperity in India.
- e) Experts views on the way out of poverty in India.

B/ Complete the table with details about the contrast between lives of rich and poor people in India. They are scrambled. Reorder them in the boxes.

| Sign of prosperity | Signs of poverty |
|--------------------|------------------|
| | |
| | |
| | |

C/ Listen for the details and complete the missing parts (words or chunks of sentences)

- Our Planet Money team has this story
.....
- You walk by a mansion that's being built: There's a swimming pool
- Singh's store - if you can call it that - is the that function as walls.
- In India, the gap between rich and poor is And you have to wonder:or is there something wrong here?
- The Hindu rate of growth is but from 2003

D/ Correct the error in the statement:

- India's economy is growing more than twice faster than ours - over 8 percent a year –

—
- The usual route for poor people to stop being poor is that as new higher-paying jobs open up, the economy grows

—
- ...for the very poorest, the first rung on that ladder is a - making something, T-shirts or furniture and manufacturing job.

—


E/ Select the appropriate option:

1. The way out of poverty is....
 - a) overpopulated country b) manufacturing c) export
2. Mr Kestenbaum believes that the poor do not benefit from economic growth because....
 - a) They do not live in the cities b) they lack the IT skills c) they can't apply for jobs
3. The government's economic plans do not affect the lives of poor people because...
 - a) They are five-year plans b) they need to wait 60 years c) the vision is too ideal

FORUM: Listen again and summarize the position of the reporters. Do you agree with the image they reflect of India as a country whose growth is not complete?

Pronunciation
1. Drag and drop the numbers you hear in the boxes

£220.30m-€50,000-\$199.9m-15%-\$13-30%-\$31.30bn-€80,000-£13-15.50%-\$99,000-£40.14-
 €177,000-£1.52bn-€22.6m-\$44.50m-15.55%-19.99%-£90-£390.19m

| % | \$ | € | £ |
|---|----|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

2. Listen to the years you hear and drop them in the boxes in chronological order

1660-1605-1650-1636-1787-1727-1770-1750-1827-1870-1850-1817-1999-1915-1919-
 1950-2020-2001-2003-2013

| 1600 | 1700 | 1800s | 1900s | 2000 |
|------|------|-------|-------|------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |

3. Drop the abbreviations you hear in the right column and then write them in full. Follow the example.



GDP, UK, USA, IMF, WTO, UN, GNP, EU, OECD

| <i>I heard these</i> | <i>They stand for</i> |
|----------------------|-----------------------|
| | |
| | |
| | |
| | |
| | |
| | |

Writing:

Read the following extract and then post your comment. How do you foresee the future economic situation of these countries?

Mixed results

"Africa today is a continent on the move, making tangible progress on delivering better health, education, growth, trade and poverty-reduction outcomes," said Gobind Nankani, the World Bank vice-president for the Africa region.

The bank's African Development Indicators report highlighted the extreme diversity of economic achievement in Africa.

On one hand, Zimbabwe's economy shrunk by 2.4% in 2004 - while Equatorial Guinea's economy surged 20.9%.

But the report also noted that inflation on the continent was down to historic lows, and that the region had managed to weather the impact of higher oil prices in recent years.

On a more negative note, the bank said foreign investment in the continent was just \$10.1bn in 2004 - only 1.6% of global foreign investment - and that more than 50% of the funds were spent in Nigeria and Sudan.

The report also highlighted the difficulty of starting a business in many parts of Africa - taking, across the continent, an average of 64 days.

Source: BBC News

<http://news.bbc.co.uk/2/hi/business/6099672.stm>

AFRICA FACTS

Highest per capita income - Seychelles (\$8,190)

Biggest economy - South Africa (GDP of \$152bn)

Largest population - Nigeria (128.7 million)

Lowest total life expectancy - Botswana (35 years)

Greatest HIV prevalence - Swaziland (33% of 15-49 year-olds)

Source: World Bank

FORUM ACTIVITY

How can the world's economic leaders "restore economic confidence"?

Create groups of four to brain storm and then post your reflections on the possible solutions to the current world crisis.

Restore economic confidence #76289
BY AREND VAN DAM,



Source: <http://www.politicalcartoons.com/cartoon/706b24ae-d928-4749-8a83-18be1a2951ad.html>
3/25/2010 12:00:00 AM