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China floats QE-lite / Greece debt and the EU / UK living beyond its means too / Those criminal finance houses / Where to next?

China floats QE-lite

The Chinese stimulus (or QE) is unlikely to affect the economy...just keep their local governments solvent for a while longer...

<http://www.telegraph.co.uk/finance/economics/11563767/Shanghai-equities-roar-as-China-floats-QE-lite.html>

China seems to be burning through its mineral resources at a phenomenal rate...

<http://www.mining.com/china-burning-natural-resources/>

Meanwhile....What is true of the impact of Chinese territorial expansionism for Australia, is also true for New Zealand...

http://www.businessspectator.com.au/article/2015/4/27/china/real-and-present-threat-chinas-territorial-claims?utm_source=exact&utm_medium=email&utm_content=1313190&utm_campaign=kgb&modapt=

The Nepalese earthquake impacted Chinese “provinces” too...

It is interesting to think the PLA have the resources to help Nepal...from Sinocism...

[“Nepal Earthquake: India and China Send Rescue Teams to Himalayan Nation - WSJ](#) Two Asian giants respond quickly to help strategically important neighbor // have to believe China will deliver more aid, and deliver it more efficiently, and is much better positioned than India to help with the massive reconstruction needed”

What is generally unknown is that the Nepalese earthquake also hit Tibet with massive tremors too and there has been large loss of life there.

Greece debt and the EU

This article by Yanis Varoufakis, the new Greek Finance Minister spells out the differences of approach between Greece and her creditors within the EU....

<http://www.project-syndicate.org/print/greece-debt-deal-by-yanis-varoufakis-2015-04>

To me, both points of view are possible. But Greece knows that dropping existing pensions will introduce an unnecessary degree of suffering by those who cannot cope, as well as affecting those who have rorted the system. So I suspect Greece may eventually get her way...but only via brinkmanship. The creditor nations want to send a strong message to those who owe them money. This from Friday's EU Ministers meeting...from Seeking Alpha...

“The finance ministers of Slovenia and Germany on Saturday acknowledged for the first time that they are considering plans on what to do if a Greek deal is not reached by the end of June, breaking their long-held stance of insisting that the country must stay in the eurozone. The issue of a "Plan B" was raised during Friday's Eurogroup meeting in Riga, where Athens was strongly criticized for delaying the list of reforms needed to unlock its next round of funding.”

Yanis Varoufakis is being sidelined in the negotiations, in the hope of getting some movement, but meantime the Brits who want to holiday in Greece this summer are being told to take cash...

<http://www.telegraph.co.uk/finance/personalfinance/11566983/Holidaymakers-warned-to-take-cash-to-Greece-amid-financial-collapse-fears.html>

UK living beyond its means too

But the next elections will not necessary provide any mandate for austerity as every political party wants to bribe its constituent voters.

Reality has hit the Scottish Nationalist movement that they don't have as much oil there as they thought. But the same realisation must have hit the other British parties that the days of high taxes on North Sea oil and gas are over. Production is now one sixth of the 1999 peak and Britain imports large volumes of oil (while not so much gas). The profile of oil in the UK and concerns about rumours that BP may be “in play” have led to an interesting Government reaction...from Seeking Alpha...

“The British government has told BP it would oppose any potential takeover of the company, which was seriously weakened by the huge bill incurred after the Deepwater Horizon disaster and a recent plunge in oil prices. Authorities acknowledge that the U.K. would have few formal powers to block a bid, but a senior City figure briefed on the government thinking said declaring its clear opposition may deter any foreign company from making an offer, *FT* reports. British officials have also said the government would be skeptical about any takeover - even if it involves Royal Dutch Shell ([RDS.A](#), [RDS.B](#)) - because it wants the country to have two big global oil companies. [BP](#) -1.1% premarket.”

Government deficits have remained high over the last few years. So the so-called “Thatcher Economic Miracle” is pretty much dead and buried.

The banking regulations and tax regime are already too tight for some British based businesses. HSBC is preparing to depart...

http://seekingalpha.com/article/3102986-is-an-hsbc-exit-from-london-of-particular-concern-to-the-u-k-economy?source=email_macro_view_eco_0_11&ifp=0

HSBC may well be aware that the halcyon days of living in the UK and banking for Europe are also nearing an end. The EU administrators are jealous of lax banking practices that advantage UK banks and have led to the “City” accounting for 35% of UK’s GDP. The more that the British politicians threaten changing their relationship with the EU, the EU president rubs his hands together and says “OK, let’s start with putting a tax on your financial transactions.”

One thing for certain is that Britain’s National Health Service and other social services will be overwhelmed by immigration from other new EU countries unless something is done to restrict immigration or to substantially reduce benefits for migrants.

Benefit cuts won’t get anyone elected, unfortunately. Also the UKIP can’t offer solutions for the problems with EU, just the rhetoric for exit. From the forthcoming elections we will see just what mandate exists for Brexit. The worst outcome would be a hung parliament. The bill for Brussels costs means that UK could be better off out of the EU. However German think tanks disagree...

<http://www.telegraph.co.uk/finance/economics/11566396/British-exit-from-the-European-Union-could-cost-3500-per-person.html>

Those criminal finance houses

I find it amazing that the big banks and most finance houses are not in the prosecution’s frame for market manipulation (by US DOJ and CFTC)...

http://seekingalpha.com/article/3103716-2010-flash-crash-arrest-motivated-by-greed?source=email_macro_view_mar_out_4_5&ifp=0

It may be time for the UK to look more closely at its extradition treaty with the USA.

Where to next?

Negative interest rates are leading some folks to question the wisdom of leaving money in the bank...

http://seekingalpha.com/article/3103176-the-war-on-cash-migrates-to-switzerland?source=email_macro_view_eco_7_24&ifp=0

There is nothing like a bit of blue skies thinking to sharpen up our thoughts...we could head to outer space J...

<http://www.independent.co.uk/news/science/stephen-hawking-humanity-needs-to-live-in-space-or-die-out-physicist-warns-via-hologram-10206243.html>