Business Briefs

**Machine Tools**

**American Consumption Plunged in January**

A March 7 report by the American Machine Tool Distributors’ Association and the Association of Manufacturing Technology said that U.S. machine tool consumption in January plunged 23.9% from December’s depression level, as manufacturers are hit by soaring steel prices. Industry consumed only $161.19 million worth of machine tools, up 19.4% from the near-record low of a year ago. But January was down 23.9% from the level in December, which had been propped up by year-end tax incentives. Geographically, machine tool use fell in all regions of the nation, with the largest drop in the South.

During 2003, annual U.S. machine tool consumption had plummeted 64% from the level of 1997.

**Labor Force**

**Many Immigrants Are Virtually Indentured**

Northern Virginia, particularly its home construction industry, is one clear example of the condition of virtual indentured servitude of many workers who are recent Hispanic immigrants to the United States.

According to first-hand reports, many Hispanic construction workers in Leesburg, Ashburn, Arlington, and Alexandria, Virginia, work for contractors who hire 5-10 workers to work on a project; receive $2,000-3,000 per week; but pay the workers of the crew only a small fraction of that. Hispanic families under these arrangements sometimes have to live in houses that the contractor owns, with up to 4-6 families living in one home.

Whether living in contractors’ homes or not, many immigrant families pay $600-800 per month for just one, or at most two rooms, and the right to use a kitchen and toilet. Sometimes several families combined are paying more than $3,000 per month in rent for a house. Some Hispanic construction workers pay $500 per month just to rent a single bed and the use of a bathroom. In some cases, 2 or 3 families are wedged into a single apartment.

**Germany**

**Exports Rose to Asia, EU; Dropped to U.S.**

A March 9 preview of a German Office of Statistics report on 2003 shows that German exports to Asian, Eastern European, and Eurozone countries continued to increase moderately, whereas exports to the United States saw a considerable drop. The most spectacular single increase was reported in exports to China (up 24.9%), and to Russia (up 6.5%); European Union (EU) member countries imported 3.5% more, “EU plus 10” (the expanded EU from May 2004 on) accounted for an increase of 3.8%. Exports to the United States dropped by 9.1%.

Generally, market dependency on Europe increased for Germany, which sold 55.5% of its exports to the EU, and 64% to the “EU plus 10.” All in all, the Eurasian Land-Bridge countries played an increasing role for German exporters.

**Railroads**

**Shanghai and Siemens May Expand Maglev**

Shanghai’s government and Germany’s Siemens and ThyssenKrupp are discussing extending the Shanghai-Pudong magnetic-levitation train to Hangzhou, a city 200 km southwest of Shanghai in Zhejiang province. Shanghai government spokeswoman Li Rong said on March 8 that the “governments of the two sides are discussing such a project.” It is awaiting approval in Beijing. “Shanghai can’t start such a big construction project without central government orders.”

The Shanghai Maglev Transportation Co., which operates the 30-km existing commercial maglev, said that it is doing feasibility research on extending to Hangzhou. German radio reports on March 8 claimed that Transrapid International is about to complete an agreement to build the new section. No decision has yet been made on whatrail technology will be used for the longer, Shanghai-Beijing high-speed railroad.

A report from the Overseas Chinese Affairs Office of the State Council said that Zhejiang Province officials are to present their proposal for the new maglev line to the central government by December. If it is approved, construction would begin in 2005. The maglev, which can reach speeds of 430 kilometers per hour already on the short Shanghai-Pudong line, would reduce travel time between Shanghai and Hangzhou from two hours to 30 minutes, beginning in 2008.