

## What's News

**1. World oil demand is expected to grow twice as fast this year as in 2006, likely resulting in higher and more volatile prices.**

Q.The phrase more volatile prices means that prices will

1. rise swiftly and stay up
2. not change very much
3. rise and fall quite a lot

**2. BP is close to a deal that would cede its holdings in a \$20 billion Russian natural-gas project to state-controlled Gazprom, amid Kremlin pressure.**

Q.If BP plans to cede its holdings to Gazprom, then it is

1. working to take over all of Gazprom
2. buying more assets from Gazprom
3. turning over its assets to Gazprom

**3. Hollywood is grappling with a new wave of piracy hitting this summer's major movie releases before they arrive in theaters.**

Q.According to the headline, Hollywood's new movie releases are

1. often illegally copied shortly after they arrive in theaters
2. being illegally copied even before they open in theaters
3. now protected from piracy before they arrive in theaters

**4. AstraZeneca, Schering-Plough and Bristol-Myers engaged in unfair trade practices regarding some drug prices, a judge ruled.**

Q.According to the headline, the three drug companies mentioned apparently

1. worked to reduce competition and keep some drug prices higher
2. bought some drugs from their competitors at much higher prices
3. formed a joint venture in order to help bring down high drug prices

### Hints:

- 1: volatile 不安定な、急変する
- 2: cede 譲渡する holding 持ち株 state-controlled 国営の Kremlin ロシア政府の
- 3: grapple with 〃に立ち向かう、取り組む piracy 著作権侵害行為
- 4: unfair 不公平な trade practice 取引慣行 rule 判決する

### Answer:

- 1: 3, 2: 3, 3: 2, 4: 1

## EBay Preparing to Re-Enter China Auction Business

イーベイ、中国のオークション市場に再進出の準備

NEW YORK--eBay Inc. is on track to rejoin the online auction business in China this summer. It will have tight restrictions on sellers to clamp down on sales of counterfeit goods. Meg Whitman, the chief executive, said eBay's partnership with TOM Online would start within a few months. It is eBay's second attempt to break into the Chinese market after the failure of the company's EachNet business. To win shoppers' trust, the partnership, TOM eBay, has decided to use an escrow service. Payments will be held until buyers are satisfied with their purchases.

### Key Vocabulary:

on track: 順調に進む / clamp down: 取り締まる、弾圧する / counterfeit: 偽の、偽造の / restriction: 制約、制限 / escrow: 第三者預託。物の受け渡しと代金の支払いを第三者を通して行なう仕組み。

## ADM Plans Entry Into Sugar-Cane Ethanol in Brazil

ADM社、ブラジルのサトウキビ・エタノール事業への進出を計画

NEW YORK--Archer-Daniels-Midland Co. is the U.S.'s largest ethanol producer. The company now wants to enter the sugar-cane-ethanol business in Brazil. Sugar-cane ethanol would compete directly with the corn-based ethanol made by U.S. ethanol companies. ADM is considering different ways of entering Brazil's sugar-cane-ethanol market. It is thinking about building new sugar-cane mills and ethanol plants or buying sugar-cane companies. ADM has also considered buying Cosan SA, Brazil's largest ethanol producer. ADM hasn't said how much money it will invest or when the company would move. However, it believes that sugar-cane ethanol is an important part of its short-term strategy. Buying into Brazil's ethanol business could be difficult. Many producers are in good financial condition, and some are considering initial public offerings. Competition for acquisitions is stiff. ADM is competing against other U.S. and overseas private-equity firms. Any move into sugar cane would be a bold one for ADM. ADM has used corn for years at its U.S. ethanol plants. ADM owns seven ethanol plants in the U.S. ADM's move could change the ethanol business in the U.S., especially if ADM produces ethanol in Brazil and ships it north to the U.S.

### Key Vocabulary:

move: 目的達成、または、状況を進展させるために起こす行動 / private-equity: 非公開投資の / initial public offering: 新規株式公開。初めて会社の株式を一般に売却すること。 / mill: 工場、加工場 / competition: 競争

## BP Set to Lose Russian Gas Project as Moscow Gets Tough

ロシア政府の態度が厳しくなり、BPがロシアのガス事業を失う

BP PLC is close to surrendering its holdings in a \$20 billion Russian natural-gas project to state-controlled gas monopoly OAO Gazprom. The deal is the Kremlin's latest attempt to take control of Russia's energy resources, often at the expense of Western companies and investors. World energy markets increasingly depend on Russian oil at a time of rising demand and tight supply. It could send a chill through the investment climate in Russia. Under the deal, BP's Russian joint venture, TNK-BP Ltd., would sell its 62.7% stake in the Kovykta field to Gazprom for close to \$1 billion. BP and Gazprom would then start negotiations on forming a \$3 billion global joint venture involving projects in Russia and elsewhere. Each side would contribute \$1.5 billion to the venture. TNK-BP may be invited back into Kovykta as a minority shareholder. The deal would be the latest example of the Kremlin squeezing foreign investors out of energy assets that it judges to be strategic. TNK-BP is a 50-50 venture between BP and three Russian billionaires. That structure no longer seems to fit with the Kremlin's desire for Russian control over large energy companies. While Gazprom has expressed interest in buying out the Russian shareholders, there is no sign a deal could be soon. Kovykta and TNK-BP are bellwethers for the Kremlin's willingness to allow foreign investment in its energy sector. Russia has the world's largest reserves of natural gas and is No. 6 in oil. Russian President Vladimir Putin said that the government was losing patience with the investors. The Kremlin also wants to know how the Russian shareholders in Kovykta acquired their investment shares in the 1990s.

### Key Vocabulary:

surrender: to give something that is yours to someone else, especially because you have been forced to do so or because it is necessary to do so / strategic: important to a plan of action; highly important to an intended goal / minority: referring to the smaller number or part / bellwether: someone or something that shows how a situation will develop or change; something that serves as a leading indicator of future trends / chill: a restriction or limit on enthusiasm or warmth of feeling

## Will Changing Times Pressure JAL?

時代が変わり、JALもリストラが必要

TOKYO--For years, Japan's banks and investors coddled the nation's struggling corporate giants. The approach may have saved jobs, but over the long term, it led to moribund companies that are now struggling to modernize. Japan Airlines Corp., which may soon

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begin a major restructuring effort, could present a test of whether times have changed. JAL benefited for years from a highly protected aviation market. Competition from foreign airlines was limited. Even as the global airline industry slashed costs, JAL managed to retain highly paid pilots and a fleet of expensive planes. Now, JAL faces some serious difficulties. Last month, it announced a big net loss for the second year in a row, hurt by higher oil prices and its expensive cost structure. To improve its bottom line, JAL badly needs to replace its fleet with more-fuel-efficient planes. But banks are cautious about lending the carrier more because of its huge existing debt of 1.7 trillion yen (\$13.76 billion). In a sign of tough times, last month the company asked its banks to give up part of their debt in exchange for nonvoting shares in the company. The arrangement, known as a debt-for-equity swap, is a risky move for banks. Still, it has been a popular way to rehabilitate the most troubled companies in Japan, a country where it is still relatively rare for large companies to reorganize by declaring bankruptcy. It is unclear how JAL's banks will respond. The biggest lender is state-owned Development Bank of Japan, which may be more willing to extend additional funding. But other big creditors are private banks--Mizuho Corporate Bank, Mitsubishi UFJ Financial Group Inc. and Sumitomo Mitsui Financial Group Inc.--with increasingly activist shareholders who are questioning corporate governance. That is a big change from the past, when banks were expected to rescue large companies in trouble, no matter what the cost. Even if banks agree to a debt-for-equity swap, they are likely to ask for bold restructuring steps. JAL announced its own turnaround plan in February, but its lenders don't think those measures are sufficient. The company says it is now considering moving forward the implementation of its own restructuring plan by one year so it is completed by March of 2008. This, a spokesman said, reflects the company's own desire to speed up restructuring and isn't the result of added pressure from the banks. Some analysts think the government may try to give JAL more time to recover by delaying plans to deregulate the entire airline industry. Whatever the government might do, JAL will likely have to do more. In February, the airline said it would cut 4,300 jobs in the next three years. But some lenders say they want to see a bigger reduction, combined with pay cuts for employees, including pilots, who are among the best-paid in the global industry.

**Key Vocabulary:**

coddle: to protect someone too much; to pamper or favor / moribund: not active or successful; near death / rehabilitate: to restore to good condition, operation, management or behavior / bankruptcy: the financial condition of a firm that has been legally judged unable to pay its bills / implementation: the act of putting into effect by means of a definite plan or procedure

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