Business

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DOW 11,855.42 | S&P 500 1,281.87 | NASDAQ 2,667.33 | AMEX 2,244.60 | 8092.11

THE ASSOCIATED PRESS

Traders work Tuesday on the floor of the New York Stock Exchange. The disaster in Japan affected financial markets in Tokyo and on Wall Street.

Japan disaster worry for feeble global economy

Financial markets in the U.S., Tokyo took a steep dive

BY ERIKA KINETZ
AP Business Writer

Japan's earthquake and nuclear crises have put pressure on the already fragile global economy, squeezed supplies of goods from computer chips to auto parts and raised fears of higher interest rates.

The disaster set off alarm bells in financial markets in Tokyo and on Wall Street on Tuesday. Japan's Nikkei average lost 10 percent, and the Dow Jones industrials fell so quickly after the opening bell that the stock exchange invoked a special rule to reduce volatility.

Yet the damage to the U.S. and world economies is expected to be relatively moderate and short-lived. Oil prices are falling, helping drivers around the world. And the reconstruction expected along Japan's northeastern coast could even provide a jolt of economic growth.

A weaker Japanese economy could help ease global commodity prices because Japan is a major importer of fuel, agricultural products and other raw materials, notes Mark Zandi, chief economist at Moody's Analytics. Oil prices fell more than $4 to $97.18 a barrel Tuesday because of expectations that quake damage will slow Japan's economy and reduce its demand for energy.

Even "assuming a drastic scenario," Bank of America economist Ethan Harris estimates, the disaster would shave just 0.1 percentage point off global economic growth — to 4.2 percent this year.

"Japan has not been an engine of global or Asian growth for some time," says Nariman Behravesh, chief economist at IHS Global Insight. "This means that the impact of much lower Japanese growth on the world economy will be probably limited and small."

Autos and auto parts make up more than one-third of U.S. imports from Japan. As a result, shutdowns of Japanese auto factories could disrupt production at U.S. plants owned by Japanese automakers.

At the same time, some U.S. auto parts makers could benefit if Japanese plants in the United States substitute U.S. parts for those they usually get from Japan, Behravesh says.

A big wild card is the fate of Japan's damaged nuclear power plants. The Fukushima Dai-ichi plant, the center of the concern, let off a burst of radiation on Tuesday.

Another unknown is the impact of the disruptions to Japan's power supplies. Behravesh estimates about 10 percent of Japan's electricity generation could be offline for several months. If so, that would disrupt steel, auto and other production.

Investors fear that Japan will struggle to finance reconstruction, which is expected to cost the government at least $200 billion. The Japanese government's debt is already an alarming 225 percent of the country's economic output.

Reliance on solar energy, fossil fuels may climb

Speakers discuss future of green technology at industry summit

BY K KAUFMANN
The Desert Sun

Concerns about the safety of nuclear power plants following Japan's magnitude-9.0 earthquake could be an unexpected boon for the U.S. solar energy but could also serve as a spur for increased reliance on coal and other fossil fuels.

Wan

Balancing the opportunities and challenges of renewable energy development was a unifying theme for speakers at Tuesday's Greentech Media Solar Summit at the Hyatt Grand Champions Resort in Indian Wells.

"Renewables have a hard time being deployed at the scale of nuclear," said Scott Clavenna, CEO of Greentech Media, an energy industry news and market analysis firm. "If you shut down nuclear, you could argue for the commissioning of coal. It's really hard to transition off fossil fuels."

Solar and utility executives at the two-day event, which started Monday, pointed to financing, reliability and costs as obstacles for for the industry.

Highlights of Tuesday's presentations included:

■ **Utility-scale solar:** Keynote speaker Fong Wan, vice president for energy procurement at Pacific Gas & Electric, challenged the more than 250 summit attendees to bring down costs and improve storage technology so solar power can be used 24/7.

"Your success is what leads to lower customer costs for us," Wan said. "I prefer forecastable output; I like solar that fits the profile of our customer demand in California."

■ **Financing:** Federal energy grants and loan guarantees are essential to maintain current momentum in larger-scale solar development, but may not be sustainable for the long term, a panel of solar and investment experts said.

"The Treasury grant program enables us to do (larger projects) and get into the global market that is very interested in financing these projects," said Arno Harris, CEO of Recurrent Energy, a San Francisco solar developer. "The opportunity to tap lenders allows us to sustain our business as a developer and deliver price to market."

■ **Feed-in tariffs:** In a pro-con debate on feed-in tariffs, Barry Cinnamon, CEO of Westinghouse Solar, argued for the incentives, which pay solar owners for their excess production, but said rates must be flexible.

"When there's a policy that sets a price, it's either too high or too low," he said. "If it's too low, nothing happens. If it's too high, you're going to end up putting out more solar than you need at higher prices."

Travis Bradford, president of the Prometheus Institute, a nonprofit focusing on sustainable development, favored more market-based incentives such as the California Solar Initiative, which decreases consumer rebates as more solar is installed.

"The real problem with feed-in tariffs is they are going to be polarizing and disappointing, and it's going to create backlash," he said. "I think the market should set the price."

Survey: More U.S. workers have a gloomy outlook on retirement

BY CHRISTINE DUGAS
USA TODAY

More workers are pessimistic about their retirement future than at any time in the past two decades, according to the Employee Benefit Research Institute 2011 Retirement Confidence Survey.

The percentage of workers who are not at all confident about saving enough money for a comfortable retirement reached 27 percent in 2011, compared to 22 percent last year. When combined with those who said they are not too confident, the total reaches 50 percent of workers.

"That is sobering," says Greg Burrows, senior vice president of retirement and investor services at the Principal Financial Group, a partner with the EBRI survey. "Hopefully this will spur some action."

Among the findings:

The number of workers who are currently saving money for retirement declined slightly from 60 percent, last year, to 59 percent in 2011.

Quite a few workers virtually have no savings or investments. In 2011, 29 percent said they have less than $1,000. And 56 percent said that their savings and investments, excluding their home value, totals less than $25,000.

The number of workers who have dipped into their savings to pay for basic expenses or to take a loan has reached 34 percent.

And 22 percent of workers said that their debt is a major problem.

There is some good news. "In the past, investors in general were clueless about how big of a nest egg it takes to accomplish their goals," says Harold Evensky, a financial planner in Coral Gables, Fla. "The silver lining of going through a bad economy is that people are substantially more realistic about what they need to do."

Even though workers have not started making major changes, at least 62 percent of workers say that it is possible for them to save $25 a week for retirement.

One expectation may need to be adjusted. Among the 1,004 workers surveyed by EBRI, 74 percent say they plan to work in retirement to supplement their savings, but just 23 percent of the 254 retirees surveyed say they have worked in retirement.

"There is a disconnect between peoples' perception and the reality," Burrow says. Among the reasons retirees are not able to stay in the workforce are health problems and work skills that have eroded.

Time Warner Cable unveils iPad application with live TV

BY PETER SVENSSON
AP Technology Writer

COURTESY OF TIME WARNER CABLE VIA AP

The Time Warner Cable app is displayed on an iPad.

Time Warner Cable Inc. has launched an iPad application that plays live TV, becoming the first cable or satellite company to do so.

The app is free to download, but will only work for people who subscribe to both video and Internet service from the New York-based cable company, which provides service in the Coachella Valley.

Even then, it only works in the home, when the iPad is connected to the company's cable modem via a Wi-Fi router.

Rob Marcus, the company's chief operating officer and president, said the app will play 30 basic cable channels in high definition to start, but that number should expand soon.

"For all intents and purposes ... this enables you to convert any room in a house into a TV room," Marcus said.

Other major cable companies have iPad apps that play video on demand or act like big remotes. Comcast Corp., the largest, has promised that its app will play live TV before the end of the year.

Time Warner Cable's app doesn't work as a remote control, nor does it give access to video on demand or shows stored on a digital video recorder in the home. Marcus said these features will be added later. He also said laptops, smart phones and smart TVs could all eventually get apps, too.

Companies such as Netflix Inc. and Hulu Inc. already have apps that stream movies and TV shows to the iPad, bypassing, in some respects, cable companies. However, the apps don't show live TV.

Some people have started canceling cable in favor of Internet viewing, but the numbers appear to be small so far.

"Increasingly, customers want more flexibility in the way they view content, whether that's on different devices or in different rooms of the house," Marcus said.

Time Warner Cable has 12.4 million video subscribers, making it the second-largest cable company in the U.S. and the fourth-largest pay-TV company, behind Comcast and satellite companies DirecTV Group Inc. and Dish Network Corp.

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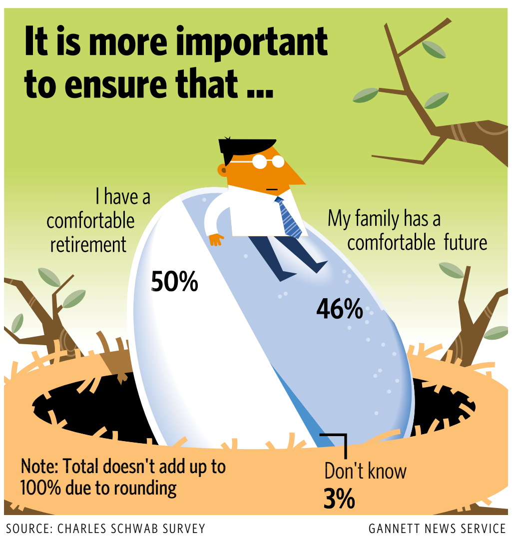

BUSINESSHIGHLIGHTS

palm desert

Scott Flint to speak at renewable energy roundtable

Scott Flint, a program manager with the California Energy Commission, will be the featured speaker at the Coachella Valley Economic Partnership's Renewable Energy Roundtable at 7:30 a.m. Thursday at University of California, Riverside's Palm Desert campus, 75-080 Frank Sinatra Drive.

Flint will discuss the Desert Renewable Energy Conservation Plan now being developed to set state guidelines for solar and wind projects in the Southern California deserts.

The plan will cover a six-county area, including public land in eastern Riverside County, where it could affect future solar projects expected to spur economic development and job creation in the valley.

Information: (760) 340-1575

— K KAUFMANN

washington, d.c.

Federal Reserve says economic recovery on firmer footing

The Federal Reserve offered its most optimistic view of the U.S. economy since the recession ended, even as Japan's nuclear crisis stoked new worries around the globe.

The economic recovery is on "firmer footing," and the jobs market is "improving gradually," the Fed declared in its statement released at the conclusion of its meeting Tuesday.

That's a more upbeat tone from its previous meeting on Jan. 26, when Fed policymakers said the rate of economic activity was "insufficient" to bring about "significant improvement" in the job market.

The Fed also downplayed inflation risks. And it dropped the phrase "disappointingly slow" in describing the progress made lowering the nation's unemployment rate. That's a reflection of a nearly full percentage point drop in just three months — the sharpest decline in unemployment since 1983.

The Fed on Tuesday, in a unanimous decision, said it was maintaining the pace of its $600 billion Treasury bond-purchase program to help the economy grow more strongly and to lower unemployment, which now stands at 8.9 percent.

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