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**The Global Economic & Financial Crisis:  
A Timeline**

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**Wednesday, February 7, 2007:** HSBC announces losses linked to US subprime mortgages.

**Tuesday, April 3, 2007:** New Century Financial, which specializes in sub-prime mortgages, files for Chapter 11 bankruptcy protection and cuts half of its workforce.

**Thursday, May 17, 2007:** Federal Reserve Chairman Ben Bernanke says growing number of mortgage defaults will not seriously harm the US economy.

**Wednesday, June 2007:** Two Bear Stearns-run hedge funds with large holdings of subprime mortgages run into large losses and are forced to dump assets. The trouble spreads to major Wall Street firms such as Merrill Lynch, JPMorgan Chase, Citigroup and Goldman Sachs which had loaned the firms money.

**July 2007:** Investment bank Bear Stearns tells investors they will get little, if any, of the money invested in two of its hedge funds after rival banks refuse to help it bail them out.

**Thursday, August 9, 2007:** Investment bank BNP Paribas tells investors they will not be able to take money out of two of its funds because it cannot value the assets in them, owing to a "complete evaporation of liquidity" in the market. The European Central Bank pumps €5bn (£63bn) into the banking market to try to improve liquidity. It adds a further €108.7bn over the next few days. The US Federal Reserve, the Bank of Canada and the Bank of Japan also begin to intervene.

**Friday, August 17, 2007:** The Fed cuts the rate at which it lends to banks by half of a percentage point to 5.75%, warning the credit crunch could be a risk to economic growth.

**Tuesday, August 28, 2007:** German Sachsen Landesbank faces collapse after investing in the sub-prime market. The bank is rescued by its competitor Baden-Wuerttemberg Landesbank.

**Monday, September 3, 2007:** German corporate lender IKB announces a \$1bn loss on investments linked to the US sub-prime market.

**Tuesday, September 4, 2007:** The rate at which banks lend to each other rises to its highest level since December 1998. The so-called Libor rate is 6.7975%, way above the Bank of England's 5.75% base rate; banks either worry whether other banks will survive, or urgently need the money themselves.

**Thursday, September 13, 2007:** The BBC reveals Northern Rock has asked for and been granted emergency financial support from the Bank of England, in the latter's role as lender of last resort. Northern Rock relied heavily on the markets, rather than savers' deposits, to fund its mortgage lending. The onset of the credit crunch has dried up its funding.

**Friday, September 14, 2007:** Depositors withdraw £1bn from Northern Rock in what is the biggest run on a British bank for more than a century. They continue to take out their money until the government steps in to guarantee their savings.

**Tuesday, September 18, 2007:** The US Federal Reserve cuts its main interest rate by half a percentage point to 4.75%.

**Wednesday, September 19, 2007:** After previously refusing to inject any funding into the markets, the Bank of England announces that it will auction £10bn.

**Monday, October 1, 2007:** Swiss bank UBS is the world's first top-flight bank to announce losses - \$3.4bn - from sub-prime related investments. The chairman and chief executive of the bank step down. Later, banking giant Citigroup unveils a sub-prime related loss of \$3.1bn. A fortnight on, Citigroup is forced to write down a further \$5.9bn. Within six months, its stated losses amount to \$40bn.

**Tuesday, October 30, 2007:** Merrill Lynch's chief resigns after the investment bank unveils a \$7.9bn exposure to bad debt.

**Thursday, December 6, 2007:** US President George W Bush outlines plans to help more than a million homeowners facing foreclosure. The Bank of England cuts interest rates by a quarter of one percentage point to 5.5%.

**Thursday, December 13, 2007:** The US Federal Reserve co-ordinates an unprecedented action by five leading central banks around the world to offer billions of dollars in loans to banks. The Bank of England calls it an attempt to "forestall any prospective sharp tightening of credit conditions." The move succeeds in temporarily lowering the rate at which banks lend to each other.

**Monday, December 17, 2007:** The central banks continue to make more funding available. There is a \$20bn auction from the US Federal Reserve and, the following day, \$500bn from the European Central Bank to help commercial banks over the Christmas period.

**Wednesday, December 19, 2007:** Ratings agency Standard and Poors downgrades its investment rating of a number of so-called monoline insurers, which specialise in insuring bonds.

They guarantee to repay the loans if the issuer goes bust. There is concern that insurers will not be able to pay out, forcing banks to announce another big round of losses.

**Wednesday, January 9, 2008:** The World Bank predicts that global economic growth will slow in 2008, as the credit crunch hits the richest nations.

**Friday, January 18, 2008:** A rush to withdraw money from its commercial property funds forces Scottish Equitable to introduce delays of up to 12 months for investors wanting to take their money out. It blames the rush of withdrawals on concerns about the US sub-prime mortgage collapse, recession worries and interest rates.

**Monday, January 21, 2008:** Global stock markets, including London's FTSE 100 index, suffer their biggest falls since 11 September 2001.

**Tuesday, January 22, 2008:** The US Fed cuts rates by three quarters of a percentage point to 3.5% - its biggest cut in 25 years - to try and prevent the economy from slumping into recession. It is the first emergency cut in rates since 2001. Stock markets around the world recover the previous day's heavy losses.

**Thursday, January 31, 2008:** A major bond insurer MBIA, announces a loss of \$2.3bn - its biggest to date for a three-month period - blaming its exposure to the US sub-prime mortgage crisis.

**Thursday, February 7, 2008:** US Federal Reserve boss Ben Bernanke adds his voice to concerns about monoline insurers, saying he is closely monitoring developments "given the adverse effects that problems of financial guarantors can have on financial markets and the economy." The Bank of England cuts interest rates by a quarter of one percent to 5.25%.

**Friday, February 8, 2008:** In the UK, the latest CML figures show the number of homes repossessed in the UK rose to 27,100 in 2007, its highest level since 1999.

**Sunday, February 10, 2008:** Leaders from the G7 group of industrialised nations say worldwide losses stemming from the collapse of the US sub-prime mortgage market could reach \$400bn.

**Sunday, February 17, 2008:** British government nationalizes Northern Rock.

**Friday, March 7, 2008:** In its biggest intervention yet, the Federal Reserve makes \$200bn of funds available to banks and other institutions to try to improve liquidity in the markets.

**Sunday, March 16, 2008:** Bear Stearns is bought by J.P. Morgan Chase in a deal orchestrated by and backed by the US government, following a sharp decline in shares and a collapse in the confidence in the company.

**Wednesday, April 2, 2008:** Moneyfacts, which monitors financial products, says 20% of mortgage products have been withdrawn from the UK market in the previous seven days.

Five days later the 100% mortgage disappears when Abbey withdraws the last home loan available without a deposit.

**Tuesday, April 8, 2008:** The International Monetary Fund, which oversees the global economy, warns that potential losses from the credit crunch could reach \$1 trillion and may be even higher. It says the effects are spreading from sub-prime mortgage assets to other sectors, such as commercial property, consumer credit, and company debt.

**Thursday, April 10, 2008:** The Bank of England cuts interest rates by a quarter of one percent to 5%.

**Friday, April 11, 2008:** A warning is issued by the CML that the amount of funding available for mortgages in the UK could be cut in half this year. It calls on the Bank of England to kick-start the money markets and ease the effects of the credit crunch.

**Tuesday, April 15, 2008:** Confidence in the UK housing market falls to its lowest point in 30 years in March, according to the Royal Institution of Chartered Surveyors, because of the "unique liquidity blight." But it does add that the situation is good news for buyers with large deposits who can buy property that was previously out of reach.

**Monday, April 21, 2008:** The Bank of England announces details of an ambitious £50bn plan designed to help credit-squeezed banks by allowing them to swap potentially risky mortgage debts for secure government bonds.

**Tuesday, April 22, 2008:** Royal Bank of Scotland announces a plan to raise money from its shareholders with a £12bn rights issue - the biggest in UK corporate history. The firm also announces a write-down of £5.9bn on the value of its investments between April and June - the largest write-off yet for a British bank.

**Friday, April 25, 2008:** Persimmon becomes the first UK house builder to announce major cutbacks, citing the lack of affordable mortgages and a fall in consumer confidence. It adds sales have fallen by a quarter since the beginning of the year.

**Tuesday, April 29, 2008:** The CML says the number of new mortgages approved in March slipped 44% to 64, the lowest monthly number since records began in 1999.

**Wednesday, April 30, 2008:** The first annual fall in house prices for 12 years is recorded by Nationwide. Prices were 1% lower in April compared to a year earlier after a "steep decline" in home buying over the previous six months. Later in the week, figures from the UK's biggest lender Halifax, show a 0.9% annual fall for April.

**Friday, May 2, 2008:** More than 850 companies went into administration between January and March, government figures show, a rise of 54% on the previous year. Retail and construction firms are hardest hit.

**Thursday, May 22, 2008:** Swiss bank UBS, one of the worst affected by the credit crunch, launches a \$15.5bn rights issue to cover some of the \$37bn it lost on assets linked to US mortgage debt.

**Thursday, June 19, 2008:** There are significant developments in two major credit crunch-related investigations in the US, which it is hoped will restore confidence in the credit markets. The FBI arrests 406 people, including brokers and housing developers, as part of a crackdown on alleged mortgage frauds worth \$1bn. Separately, two former Bear Stearns workers face criminal charges related to the collapse of two hedge funds linked to sub-prime mortgages. It is alleged they knew of the funds' problems but did not disclose them to investors, who lost a total of \$1.4bn.

**Wednesday, June 25, 2008:** Barclays announces plans to raise £4.5bn in a share issue to bolster its balance sheet. The Qatar Investment Authority, the state-owned investment arm of the Gulf state, will invest £1.7bn in the British bank, giving it a 7.7% share in the business. A number of other foreign investors increase their existing holdings.

**Tuesday, July 8, 2008:** The gloomy findings of a survey of its members prompt the British Chambers of Commerce (BCC) to suggest that the UK is facing a serious risk of recession within months. Meanwhile, the FTSE 100 stock index briefly dips into a "bear market", in which the market suffers a 20% fall from its recent highs.

**Friday, July 11, 2008:** American Federal regulators seize IndyMac Bank after it succumbs to the pressure of tighter credit, tumbling home prices and rising foreclosures. IndyMac is the largest thrift ever to fail in the United States. Barrel of oil hits a record price of \$147.5.

**Monday, July 14, 2008:** Financial authorities step in to assist America's two largest lenders, Fannie Mae and Freddie Mac. As owners or guarantors of \$5 trillion worth of home loans, they are crucial to the US housing market and authorities agree they cannot be allowed to fail. The previous week, there had been a panic amongst investors that they might collapse, causing their share prices to plummet.

**Monday, July 21, 2008:** Just 8% of HBOS investors agree to take up the new shares offered in its £4bn rights issue, because they are priced higher than existing shares trading on the stock market. But HBOS still gets the £4bn it wanted, as the unsold new shares are bought by the issue's underwriters.

**Thursday, July 31, 2008:** UK house prices show their biggest annual fall since the Nationwide began its housing survey in 1991, a decline of 8.1%. The average home now costs £169,316. That is nearly £15,000 cheaper than in the same month last year. Meanwhile, HBOS reveals that profits for the first half of the year sank 72% to £848m, while bad debts rose 36% to £1.31bn as customers failed to repay loans.

**Monday, August 4, 2008:** Global banking giant HSBC warns that conditions in financial markets are at their toughest "for several decades" after suffering a 28% fall in half-year profits.

Of Europe's top banks, HSBC has among the heaviest exposures to the troubled US housing and credit markets.

**Saturday, August 9, 2008:** Investment bank BNP Paribas tells investors they will not be able to take money out of two of its funds because it cannot value the assets in them, owing to a "complete evaporation of liquidity" in the market. The European Central Bank pumps €95 million in to the banking market to try to improve liquidity. It adds a further €108.7 billion over the next few days.

**Friday, August 28, 2008:** Nationwide reveals that UK house prices have fallen by 10.5% in a year. A day later Bradford and Bingley posts losses of £26.7m for the first half of 2008, blaming surging mortgage arrears for a rise in impairment. Looking ahead, it warns it expects arrears to remain at high levels for the rest of the year.

**Saturday, August 30, 2008:** Chancellor Alistair Darling warns that the economy is facing its worst crisis for 60 years in an interview with the Guardian newspaper, saying the current downturn would be more "profound and long-lasting" than most had feared.

**Monday, September 1, 2008:** Official figures from the Bank of England show a slump in approved mortgages for July. Meanwhile, while the pound falls to record lows of 81.21 pence against the euro and two-year lows of \$1.80.

**Tuesday, September 2, 2008:** In an effort to kick-start the UK housing market the Treasury announces a one year rise in stamp duty exemption, from £125,000 to £175,000. But there is more bad news, as the Organisation for Economic Cooperation and Development forecasts that the UK will be in a full blown recession by the end of the next two quarters.

**Wednesday, September 3, 2008:** The European central bank cuts growth forecast for 2009 to 1.2% from 1.5%, leaves interest rate unchanged at 4.25%.

**Thursday, September 4, 2008:** The Bank of England leaves rates on hold at 5% while the latest figures from the Halifax show that house prices in England and Wales continue to fall.

**Friday, September 5, 2008:** A raft of negative news from around the world sees the FTSE notch up its steepest weekly decline since July 2002. The US labour market figures - which showed the unemployment rate rising to 6.1% - were a further jolt to investors who have had to swallow a slew of poor economic data in recent days.

**Saturday, September 6, 2008:** The Halifax warns that the impact of the credit crunch will be felt well into 2010. Chief executive Andy Hornby explains that British banks will continue to suffer major problems in offering loans until they can raise significant sums on wholesale markets, something that will not be possible until US house prices recover.

**Sunday, September 7, 2008:** Mortgage lenders Fannie Mae and Freddie Mac - which account for nearly half of the outstanding mortgages in the US - are rescued by the US government in one

of the largest bailouts in US history. Treasury Secretary Henry Paulson says the two firms' debt levels pose a "systemic risk" to financial stability and that, without action, the situation would get worse. At the same time, in the UK, the Nationwide announces it will merge with two smaller rivals, the Derbyshire and Cheshire Building Societies.

**Tuesday, September 9, 2008:** More bad news emerges for the UK economy as the ONS reveals manufacturing output fell by 0.2% between June and July, raising a real fear of recession. Meanwhile, the British Retail Consortium reports UK retail sales values fell by 1.0% on a like-for-like basis from August 2007. On the housing front, there are more negative headlines with the Royal Institute of Chartered Surveyors publishing figures showing house sales at their lowest level for 30 years, while the CML reports that the number of first-time buyers has hit its lowest level since its survey began in January 2002.

**Wednesday, September 10, 2008:** The US government seizes Fannie Mae and Freddie Mac, putting the liability of more than \$5 trillion of mortgages onto the backs of American taxpayers. The announcement comes against a background of further dire economic warnings from the European Commission, which warns that the UK, Germany and Spain will go into recession by the end of the year.

**Thursday, September 11, 2008:** Lehman Brothers announces it is actively looking to be sold after reporting \$4 billion in losses.

**Friday, September 12, 2008:** With Lehman Brothers facing collapse, the Department of the Treasury struggles to find a white knight for the distressed investment bank.

**Saturday, September 13, 2008:** Teams of bankers flood the New York Federal Reserve building for the weekend to explore options for Lehman. Bank of America and Barclays head list for potential buyers.

**Sunday, September 14, 2008:** Talks at the New York Federal Reserve continues. Barclays pulls out of the bidding for Lehman and Bank of America turns its attention to Merrill Lynch, saying it will buy it for \$29 per share. It is announced that Lehman Brothers will file for bankruptcy after the Federal Reserve Bank declined to participate in creating a financial support facility for Lehman Brothers. The significance of the Lehman Brothers bankruptcy is disputed with some assigning it a pivotal role in the unfolding of subsequent events. The principals involved, Ben Bernanke and Henry Paulson, dispute this view, citing a volume of toxic assets at Lehman which made a rescue impossible. Immediately following the bankruptcy, J.P. Morgan provides the broker dealer unit of Lehman Brothers with \$138 billion to "settle securities transactions with customers of Lehman and its clearance parties" according to a statement made in a New York City Bankruptcy court filing.

**Monday, September 15, 2008:** Bank of America agrees to a \$50 billion rescue package for Merrill Lynch. Lehman files for bankruptcy and thousands of its employees are told it's all over. This is the largest bankruptcy filing in the history of the United States, \$639 billion. Shares in European stock exchanges plunge. FTSE 100 closes almost 4% lower at 5,202.4, a 210 point



drop. US officials agree to put together a \$20 billion lifeline bid for insurance giant AIG. The Dow Jones Industrial average plunges 504 points to close at 10,917.51.

**Tuesday, September 16, 2008:** Asian markets, which were closed yesterday, plummet in early trading. Japan's Nikkei index closes 570 points down at 11,609. Barclays confirms that it is still talking to Lehman about buying some of its assets and divisions. HBOS' shares halve in value to a low of 88 pence. Wall Street titan Goldman Sachs reports 70% drop in profits. FTSE 100 falls 178.6 points to close at 5,025.6. The Dow Jones closes 141.5 points up at 11,059 after zigzagging all day. Barclays formalizes the acquisition of Lehman's US assets. The US government announces it will give AIG \$85 billion to keep it afloat, in return for an 80% equity stake in the company.

**Wednesday, September 17, 2008:** Russia suspends stock market trading while Libor hits a seven-year high as the panic escalates. Barclays agrees to buy Lehman's North American banking divisions and hints that it might also buy its British assets. Due to pressure from banks, the Bank of England extends its special liquidity scheme. Morgan Stanley's shares fall 30% as it becomes the latest bank under fire. FTSE closes below 5,000 for the first time since May 2005, down 113.2 points at 4,912.4. The Dow Jones sheds 449 points to close at 10,609. The takeover of HBOS is finalized while Morgan Stanley looks for salvation through a merger with Wachovia.

**Thursday, September 18, 2008:** Russian stock markets remain closed for a second day. There is even more panic in Asia, where the Nikkei drops 260 points to 11,489. It is formally announced that HBOS will be taken over for £ 12.2 billion. Gold reaches a six-week high as investors flee shares and pile into commodities. Central banks around the globe inject \$180 billion into the international banking system in a concerted effort to end the crisis. The US Federal Reserve cuts its main interest rate by half a percentage point to 4.75%, its first cut since 2003. Christopher Cox, America's most senior financial markets regulator, takes aim at short sellers. The UK's Financial Services Authority follows suit and bans short-selling of bank shares. The shares of Goldman Sachs and Morgan Stanley continue to drop significantly. The FTSE 100 closes 32.4 points lower at 4,880. Wall Street closes 410 points higher as the US Federal Reserve starts briefing on an ambitious plan to create a federal "bailout plan."

**Friday, September 19, 2008:** Asia starts to recover with the Nikkei closing up 431 points at 11,920. Russian stock markets bounce back after the government pledges 500 billion roubles to fight the crisis. The British government increases its guarantee for British banks deposits to £50,000 and the Bank of England announces it will auction £10 billion. On Wall Street, the Dow Jones Industrial closes at 11,388.44 points, up 368.75, despite employment data being worse than expected. Bush Administration announces bailout plan to confront crisis. Congress is asked to give the administration new powers to execute a plan that could cost taxpayers billions to buy toxic debt and bad mortgages.

**Saturday, September 20, 2008:** The US Secretary of the Treasury, Henry Paulson, spends the weekend trying to thrash out his \$700 billion "bailout" plan.

**Monday, September 22, 2008:** Morgan Stanley and Goldman Sachs give up their status as investment banks and become traditional commercial banks that accept deposits from ordinary people and businesses, marking a dramatic change in the make-up of Wall Street. Japan's Nomura buys Lehman Brother's Asian operations.

**Tuesday, September 23, 2008:** British mortgage approvals are reported to have hit a record low in August. Political opposition to the \$700 billion bailout plan grows in Washington pulling stock markets down. Nomura buys Lehman Brother's operations in Britain.

**Wednesday, September 24, 2008:** Warren Buffet invests \$5 billion in Goldman Sachs and warns that failure to agree to a \$700 billion bailout could result in an "economic Pearl Harbor." The FBI starts to investigate the role of Fannie Mae, Freddie Mac, AIG and Lehman Brothers over their role in the sub-prime mortgage crisis. Henry Paulson bows to intense political pressure and accepts limits on what Wall Street bankers can be paid in his \$700 bailout plan.

**Thursday, September 25, 2008:** Ireland becomes the first state in the Eurozone to fall into recession. Traditionally strong American companies such as GE see their profits slide. HSBC raises its rates. The American bailout plan appears to have stalled. President Bush meets with Barack Obama, John McCain and Congressional leaders to discuss a plan of action

**Friday, September 26, 2008:** America's biggest savings-and-loan company, Washington Mutual, is seized by federal regulators and sold to J.P. Morgan for \$ 1.9 million in a deal that sends shockwaves through Wall Street and Main Street alike. WaMu thus becomes the largest thrift failure with \$307 billion in assets.

**Sunday, September 28, 2008:** The credit crunch hits Europe's banking sector as the European banking and insurance giant Fortis is partly nationalised to ensure its survival. It is seen as too big a European bank to be allowed to go under. Authorities in the Netherlands, Belgium and Luxembourg agree to pour in €1.2bn (\$16.1bn; £8.9bn). Fortis' share price has fallen sharply amid concerns about its debts. In the US, lawmakers announce they have reached a bipartisan agreement on a rescue plan for the American financial system. The package, to be approved by Congress, allows the Treasury to spend up to \$700bn buying bad debts from ailing banks. It will be the biggest intervention in the markets since the Great Depression of the 1930s. Spain's Santander buys Bradford & Bingley's 200 branches and £ 22 billion savings book. In Washington, the House speaker, Nancy Pelosi, pleads with representatives to pass the now 100-page plan to save Wall Street.

**Monday September 29, 2008:** The British government is nationalizing troubled mortgage lender Bradford&Bingley, taking over the bank's £50 billion (US \$91 billion) mortgage and loan books as turmoil from the US credit crisis spreads across Europe. The government has also paid out £18 billion (US \$33 billion) to facilitate the sale of Bradford&Bingley's savings business, including its entire retail branch network, to Spain's Banco Santander. As the news of the Bradford & Bingley rescue sinks in, the London stock market plummets in what will end up being one of the FTSE 100 index's worst ever trading days. The Royal Bank of Scotland sees its

shares lose 20% of their value. There is fear amongst traders regarding what bank will be the next to fall, resulting in higher interbank lending rates. In Iceland, the government is forced to take control of one of the nation's biggest banks. In America, Citigroup snaps up troubled bank Wachovia for \$2.1 billion in stock. George Bush publicly urges the House of Representatives to pass the \$700 bailout plan. His speech falls on deaf ears and a few hours later the House votes the plan down, 228 against 205. Wall Street has a fit, and the Dow plunges 777 points, its biggest ever fall. Citigroup agrees to acquire Wachovia.

**Tuesday, September 30, 2008:** Dexia becomes the latest European bank to be bailed out as the deepening credit crisis continues to shake the banking sector. After all-night talks the Belgian, French and Luxembourg governments say they will put in €6.4bn (\$9bn; £5bn) to keep it afloat. Separately, the Irish government says it will guarantee all deposits in the country's main banks for two years. In the UK, Prime Minister Gordon Brown says the government is planning to raise the limit on guaranteed bank deposits from £35,000 to £50,000. Stock markets around the world collapse due to the failure of the bailout bill. The Irish government takes the unprecedented step of guaranteeing retail deposits for the next two years. In the US it is reported that July saw the biggest ever fall in house prices. Dominique Strauss-Kahn, the Managing Director of the IMF, declares that a bailout is the only option for the American economy.

**Wednesday, October 1, 2008:** Warren Buffet decides to snap up \$3 billion worth of General Electric as part of a \$1 billion fundraising by the industrial conglomerate. Swiss bank UBS is the first top-flight bank to announce losses; \$3.4 billion due to subprime related investments. The Chairman and CEO of the bank step down. Stock markets stabilise ahead of a vote in the Senate, which eventually approves an amended \$700bn financial rescue bill. Market confidence that Lloyds TSB's takeover of HBOS will not be derailed by stock market volatility sees HBOS shares rise 20%. A report says that French Finance Minister Christine Lagarde calls for an emergency EU bailout fund for banks threatened with failure. The EU says it is looking at whether Ireland's full guarantee of saving deposits is anti-competitive.

**Thursday, October 2, 2008:** The US Senate approves the bailout. Congress passes the \$700-billion asset relief bailout. European leaders, led by French president Nicolas Sarkozy, consider their own bailout, which would cost €300 billion.

**Friday, October 3, 2008:** The British government increases to £50,000 its guarantees of British bank deposits.

The US House of Representatives passes a \$700 billion (£394 billion) government plan to rescue the US financial sector. The 263-171 vote is the second in a week, following its shock rejection of an earlier version on Monday.

**Saturday, October 4, 2008:** In Paris, the leaders of Europe's largest economies (France, Germany, Italy and the United Kingdom) meet to discuss the crisis. Wells Fargo ends up acquiring Wachovia.

**Sunday, October 5, 2008:** The German government, together with private banks, announces a plan (€35 billion) to save Hypo Real Estate. The attempt fails.

**Monday, October 6, 2008:** The FTSE sees its largest one-day points fall. Germany announces a €50bn (\$68bn; £38.7bn) plan to save one of the country's biggest banks. The deal to save Hypo Real Estate, reached with private banks, is worth €15bn more than the first rescue attempt, which fell apart a day earlier. World stock markets react badly to the ongoing turmoil. The German government says it will not pass new legislation to provide extra protection for savers. Chancellor Angela Merkel had earlier said that no German savers would lose any money. But it emerges that this was a political pledge, rather than one which would see it change laws on banking deposits. However Denmark had already responded by giving a 100% guarantee on savings, while Sweden increased its protection levels. Iceland announces part of a plan to hammer out a financial package to shore up its troubled banking sector. The country's largest banks agree to sell off some of their foreign assets and bring them home.

**Tuesday, October 7, 2008:** Banks shares fall sharply. The Icelandic internet bank Icesave blocks savers from withdrawing money.

**Wednesday, October 8, 2008:** The British Treasury announces a £500 billion bank rescue package. The Federal Reserve, the Bank of England and the European Central Bank all cut half a point off their key interest rates in the first unscheduled rate move since the aftermath of 9/11. The FTSE 100 closes down 238.5 points at 4,366.7, a 5.2% decline and its lowest level since 19 August, 2004. Dow drops 189 points despite global interest rate cuts. It has fallen for six successive days, losing 14.7% of its value.

**Thursday, October 9, 2008:** The IMF announces emergency plans to bailout governments affected by the financial crisis, after warning that no country would be immune from the ripple effects of the credit crunch. The Dow falls to a five-year low, ending the day at 8,579 points. The FTSE ends at 4,313.8, its lowest level since August 13, 2004.

**Friday, October 10, 2008:** A global rout starts in Asia as recession fears deepen, with Japan's Nikkei index falling almost 10%, its biggest drop in 20 years. Singapore officially slides into recession. The FTSE 100 plunges more than 10% to 3,932.1 points, falling under the 4,000 mark for the first time in five years. This fall represents the worst daily fall since the crash of 1987 and wipes-off more than £100 billion off the value of Britain's biggest companies. Oil prices fall \$5 a barrel to a one-year low. The Dow crashes almost 700 points to 7,882 in the first few minutes of trading, a fall of 8%.

**Saturday, October 11, 2008:** The G7 finance ministers and the IMF meet in Washington and put together a five-point plan, which includes spending billions of taxpayers' money to rebuild the global banking system and reopen the flow of credit. The head of the IMF, Dominique Strauss-Kahn, declares in Washington: "Intensifying solvency concerns about a number of the largest US-based and European financial institutions have pushed the global financial system to the brink of systematic meltdown."

**Sunday, October 12, 2008:** European officials meet in Paris to prevent a continent-wide meltdown in the banking sector. The EU's core countries agree to adopt a plan along the lines of Britain's £500 billion banking system bailout.

**Monday, October 13, 2008:** The British government announces it will pump £37 billion of emergency recapitalization into the Royal Bank of Scotland, HBOS and Lloyds TSB. Recapitalization: Citibank (\$25 billion), JP Morgan Chase (25), Bank of America (20), Wells Fargo (20), Goldman Sachs (10), and Morgan Stanley (10). The 15 members of the eurozone, led by Germany and France, unveil large, coordinated plans along British lines to provide their banks with capital funding. The prospect of governments on both sides of the Atlantic injecting money into the financial system increases investor confidence resulting in stock rising. The Dow Jones rockets by 936 points to 9,387, the biggest one-day gain by points. It closes up 11%, the largest daily jump in percentage terms since 1993.

**Tuesday, October 14, 2008:** Stock markets in Asia and Europe rally for a second day as the financial world waited for America to follow Britain's lead and partially nationalize its banks. The heads of major banks meet in Washington with government officials. The US government unveils a \$250 billion plan to purchase stakes in a wide variety of banks in an effort to restore confidence in the sector. President George W. Bush says the move will help to return stability to the US banking sector and ultimately help preserve free markets.

**Wednesday, October 15, 2008:** The FTSE suffers its fifth biggest fall in history, closing down 7.16% at 4,079.5 (a 315 point fall), more than wiping out all of Tuesday's gains. Meanwhile, in New York, the Dow Jones drops by 7.8%. Unemployment figures in the U.K. show the biggest rise since the country's last recession 17 years ago, up to 5.7%. American banks J.P. Morgan and Wells Fargo report big falls in profits, and retail sales in the US suffer their biggest fall in three years, with the decline in car sales hitting 3.8%.

**Thursday, October 16, 2008:** The Dow Jones Industrial Average makes strong gains of 401 points. Japan's Nikkei suffers its worst fall since 1987, and the FTSE 100 index slumps to 3,861. An EU summit ends in Brussels with a clear message that time cannot be lost in coming up with a concerted plan of action. In Switzerland, UBS receives a capital injection from the government, taking hits of more than \$13 billion to cover liabilities arising from the credit crunch. In Japan, the Prime Minister, Taro Aso, dismisses the American bailout as "insufficient," in the first real sign of a split among the world's richest countries on how to address the credit crunch and looming global recession. OPEC calls for an emergency meeting in Vienna as the oil price falls to less than half the \$147 at which it traded in July.

**Friday, October 17, 2008:** French savings bank Caisse d'Epargne announces a loss of €600 million in a "trading incident" which the bank says was triggered by what it called "extreme market volatility" amid the market crash in the previous two weeks.

**Sunday, October 19, 2008:** Details emerge that Dutch savings bank ING is to get a €10 billion capital injection from Dutch authorities. South Korea announces a \$130 billion financial rescue

package to stabilize its markets. It further promises to guarantee banks' foreign debts and to inject capital into struggling financial firms if necessary.

**Monday, October 20, 2008:** Sweden's government sets out its own bank rescue plan, with credit guarantees to banks and mortgage lenders up to a level of 1.5 trillion kroner (\$205 billion). Officials also announce the creation of a fund for the stabilization of the economy. India's Central Bank unexpectedly cuts its short-term lending rates in response to continued pressure from the global financial crisis. The Reserve Bank of India cuts the repo rate by a full percentage point to 8%.

**Tuesday, October 21, 2008:** The governor of the Bank of England, Mervyn King, hints at fresh interest rate cuts admitting "it now seems likely that the U.K. economy is entering a recession" in a speech to business leaders in Leeds. BayernLB bank of Germany becomes the first to seek help from the federal government Tuesday under a massive financial sector rescue plan, with a senior official saying it would seek up to €5.4 billion in aid.

**Wednesday, October 22, 2008:** The stricken American bank Wachovia reports the biggest quarterly loss of any bank since the onset of the credit crunch, with a deficit of \$24 billion, more than the total price being paid for the North Carolina lender by its rival Wells Fargo. Pakistan seeks emergency bailout funds from the IMF.

The International Monetary Fund says more European banks may fail as private funding has become "virtually unavailable" and banks have to rely on government interventions, asset sales and consolidation.

**Thursday, October 23, 2008:** Former Fed Chairman, Alan Greenspan, admits he had been "partially wrong" in his hands-off approach towards the banking industry. The credit crunch had left him in a state of "shocked disbelief," he admitted before a congressional committee. Goldman Sachs says it is to cut 10% of its global workforce. Daimler, maker of Mercedes cars, issues its second profits warning this year after third-quarter earnings plunged by two-thirds.

**Friday, October 24, 2008:** Shares and the pound slumped as official government figures confirmed that the U.K. economy was shrinking, with the biggest drop in GDP since 1990. The Ukraine and Hungary seek \$ 16.5 and \$ 10 billion rescue packages respectively from the IMF. In Denmark, the Central Bank raises its key interest rate by 0.5 percentage points to 5.5%. Stock markets around the world plummeted. Investors fear that governments, central banks and finance ministers will not be able to stop the deepening of a global recession. Dow Jones opened with a drop of almost 490 points (5 percent drop). Before opening Dow futures drop 550 points, triggering a temporary trading halt in stock futures contracts in an effort to slow the decline.

Overnight, the Japanese Nikkei dropped 9.6 percent. Germany's DAX index plunged as much as 10.8 percent, France's CAC40 slid 10 percent and Britain's FTSE 100 shed 8.7 percent. In Hong Kong stocks fell 8,3 percent. In other Asian markets stock prices also plunged.

The UK economy contracted in the third quarter by 0.5 percent.

Emerging market economies and currencies are coming under extreme pressure. Investors are pulling money out of countries in Eastern Europe, Latin America and Asia on fears vulnerable countries will not only be hit hard by the financial crisis but may also default on debt.

**Tuesday, October 28, 2008:** US consumer confidence falls to a record low of 28 in October, down from a revised 61.4 in September and below analyst's expectations of 52. It is the lowest since the Conference Board began tracking consumer sentiment in 1967. Dow Jones Industrial Average index surges by 11 percent.

Dutch insurance company Aegon gets €3 billion from the Dutch government. In Belgium, KBC bank receives a capital injection of €3.5 billion.

The Nordic nation (Sweden) announces it is in recession after GDP shrinks 0.1 percent in both the second and third quarters.

**Wednesday, October 29, 2008:** The US Federal Reserve cuts interest rates by half a point, trying to avert a prolonged economic downturn in the wake of the financial crisis. The IMF, the EU and the World Bank announce a massive rescue package for Hungary. The prospect of fresh cuts in interest rates on both sides of the Atlantic helped propel Wall Street stocks to a dramatic rebound, with the Dow scoring its second-biggest points gain ever, just short of 900. Volkswagen found itself the most valuable company in the developed world as a bout of financial speculation went spectacularly wrong.

**Thursday, October 30, 2008:** Deutsche Bank reported steep falls in pre-tax and net profits and a further series of write-downs in the third quarter. Merrill Lynch chief resigns after the investment bank unveils a \$ 7.9 billion exposure to bad debt. The Federal Reserve cuts its key interest rate from 1.5% to 1% in a widely expected move. The Commerce Department issues figures showing the US economy shrank at an annualized rate of 0.3% between July and September.

**Friday, October 31, 2008:** Barclays says it will raise up to £ 7.3 billion, mainly from Middle East investors, who could end up owning nearly a third of the UK's second largest bank. The Bank of Japan cuts interest rates for the first time in seven years in response to the global crisis. The bank cut the key interest rate from 0.5% to 0.3%, a move some criticized as half-hearted.

**Monday, November 3, 2008:** French bank Societe Generale sees net profit slump by 84% in the third quarter, hit by the credit crisis. Net profits in the three months to the end of September fell €183 million from €1.12 billion in the same period a year before.

**Thursday, November 6, 2008:** The IMF approves a \$ 16.4 billion loan to Ukraine to bolster its economy. The Bank of England slashes interest rates unexpectedly from 4.5% to 3%, the lowest level since 1955. The European Central Bank lowers eurozone rates to 3.25% from 2.75% in an attempt to prevent a recession.

**Sunday, November 9, 2008:** China announces a two-year \$ 586 billion stimulus package to help boost the economy by investing in infrastructure and social projects and by cutting corporate taxes. Economic growth has slowed in China with sharp drops in property and stock values. The money from the stimulus package will be spent on upgrading infrastructure, particularly roads, railways, airports and the power grids throughout the country and raise rural incomes via land reform. Also spending will be made on social welfare projects such as affordable housing and environmental protection. Some Chinese factories engaged in low-end export manufacturing have gone out of business.

**Monday, November 10, 2008:** the US Treasury announced investment of 40 billion dollars in preferred stock of AIG, adjusting the terms of the existing credit line and its amount. Total exposure, including equity and debt, is now 150 billion dollars. Funds were drawn from the Troubled Asset Relief Program which was not available at the time of the original bailout of AIG. The question of whether emergency funding would be made available to the troubled American auto industry remained under consideration. General Motors is the most threatened with a sharp drop in sales and diminishing cash reserves.

Fannie Mae loses \$29 billion on write-downs. All the profits, and then some, that Fannie Mae reaped as home prices soared in recent years vanished in a mere three months, the mortgage giant said on Monday, leaving many analysts wondering where the red ink will end.

**Wednesday, November 12, 2008:** US Treasury Secretary Henry Paulson scraps the original Troubled Asset Relief Program (TARP) and announces shift in the focus to consumer lending. The remaining portion of the TARP budget will be used to help relieve pressure on consumer credits such as car loans, student loans, credit cards etc.

**Thursday, November 13, 2008:** the Dow Jones Industrial Average marks another dramatic session, with the index (opening at 8,282.66) that after a mixed start tumbles again below the 8,000 mark (to a low of 7,965.42) but then reverses the trend and gains more than 900 points (fourth largest daily swing ever) in less than three hours, closing at 8,835.25 with a net gain of more than 550 points (third largest ever). The prospect of a federal bailout of failing US automakers appears dim pending the inauguration of Barack Obama. There appears to be opposition from both the Republican members of the Senate and the office of the incumbent president, George W. Bush, which expresses doubt that the companies can be salvaged.

**Saturday, November 15, 2008:** International summit in Washington to reinvent the international financial system. Leaders agree to cooperate with respect to the global financial crisis and issued a statement regarding immediate and medium term goals and actions considered necessary to support and reform the international economy. The next session will be held April 30, probably in London, after Barack Obama takes office as President of the United States. The initial session, attended by the leaders of the G20, sets forth a road map of proposed reforms which will be followed up in coming months by the development of specific proposals, including a comprehensive reform of the the Bretton Woods Institutions.



**Monday, November 17, 2008:** The Group of 20 leaders from major developed and emerging economies had pledged on their meeting on Saturday short-term measures such as fiscal stimulus in order to try to keep the global economy from falling into a deep slump and promised to look at ways to tighten regulations to prevent future crisis.

**Tuesday, November 18, 2008:** The first modern economy has officially entered into a recession. Late Sunday the Japanese economy posted Q3 GDP results as forecasted of -0.1%. Despite the official recessionary trend, the JPY strengthens against the dollar, closing the day at 97.33.

This could be taken as a positive sign of the market's reaction to the contracting Japanese economy. The Japanese economy may appear relatively strong compared to its counterparts. The Organization for Economic Cooperation and Development has forecasted Japanese GDP to fall 0.1% in 2009. OEC forecasted the US economy to post a decline of 0.9% and the eurozone to fall 0.5%.

**Wednesday, November 19, 2008:** the Dow Jones Industrial Average falls sharply by 427.47 points or 5.07%, closing below 8,000 points for the first time since March 2003. United States financial stocks lead the way with Citigroup showing a 23% drop. The UK FTSE100 fell by about the same percentage, closing just above 4000. The BBC Global 30, combining Europe, Asia and North America in a single index, fell by 5.1%.

**Thursday, November 20, 2008:** the Dow Jones Industrial Average plunges another 445 points in the last minutes of the trading session, closing at 7,552. This is its lowest point in six years. Shares in Citigroup plummet another 26% with drops of more than 10% in the shares of other major US financial institutions.

President Nicolas Sarkozy of France left the summit meeting on the financial crisis here last weekend in a triumphal mood, declaring that it had tamed the animal spirits of American capitalism. Then he went home and announced that he would hold his own summit meeting in a few weeks in Paris — on the same topic. That has raised hackles in diplomatic circles, not just because the meeting appears to compete with a planned gathering of G20 world leaders next April. Sarkozy's aggressive statements have put American officials on edge, with some saying that he seemed determined to turn the global crisis into a referendum on the ills of untrammelled capitalism.

The economy will log little, if any, growth this year, and could jolt into reverse, according to various Fed projections. And, the frailty will extend into next year, the Fed said, where the economy could shrink or turn in subpar growth. The economy "would remain very weak next year" and "the subsequent pace of recovery would be quite slow," the Fed said in its new economic projections. "The unemployment rate would increase substantially further." The Fed projected that the national unemployment rate will rise to between 6.3 percent and 6.5 percent this year. That would be up sharply from last year's average rate of 4.6 percent. For 2009, the Fed expects the jobless rate to climb to between 7.1 percent and 7.6 percent.

**Sunday, 23 November 2008:** Citigroup is bailed out in an asset-relief package worth \$306 billion and a further \$20 billion recapitalization (on top of an earlier \$25 billion).

**Monday, 24 November 2008:** Citigroup shares jump on bailout. Shares in Citigroup have jumped by almost 60% as investors welcome the US government's rescue plan for the bank. The US Treasury is set to invest \$20bn (£13.4bn) in return for preferred shares in the troubled banking giant. The Treasury and the Federal Deposit Insurance Corp. will also guarantee up to \$306bn (£205bn) of risky loans and securities on Citigroup's books.

The UK government announces a temporary cut in the level of VAT - to 15% from 17.5% - in its pre-Budget report. Chancellor Alistair Darling also says government borrowing will rise to record levels, but defends the move as essential to save the UK from a deep and long-lasting recession.

**Tuesday, 25 November 2008:** The International Monetary Fund (IMF) approves a \$7.6bn (£5.1bn) loan for Pakistan to shore up the country's economy. Pakistan needs the money in order to avoid defaulting on international debt.

The US Federal Reserve announces it will inject another \$800bn into the economy in a further effort to stabilise the financial system and encourage lending. About \$600bn will be used to buy up mortgage-backed securities while \$200bn is being targeted at unfreezing the consumer credit market.

**Wednesday, 26 November 2008:** The European Commission unveils an economic recovery plan worth €200bn which it hopes will save millions of European jobs. The scheme aims to stimulate spending and boost consumer confidence.

The US pledges to pump another \$800 billion into ailing credit markets, much of it directly from the Fed. With support from the Treasury, the Fed will also provide up to \$200 billion in financing to boost consumer lending.

China's central bank cut interest rates by more than a full percentage point on Wednesday, its largest rate reduction since the Asian financial crisis a decade ago and the latest sign of worries in Beijing about the slowing of the Chinese economy.

Bank of America will control roughly 11.9% of the nation's deposits following its acquisition of Merrill Lynch, the Federal Reserve said Wednesday in its regulatory order approving the deal.

**Thursday, 27 November 2008:** The Spanish government on Thursday announced an €1 billion stimulus package aimed at creating 300,000 jobs and cushioning the Spanish economy from the global crisis.

The German unemployment rate fell to 7.1 percent in November as the number of people out of work hit a 16-year low, but the national labor agency on Thursday warned of increasing signs that the economic crisis would soon hit the job market in Germany, The Associated Press reported from Berlin.

Norinchukin Bank plans to raise ¥1 trillion to shore up its capital, the largest fund-raising by a Japanese financial firm since the start of the global credit crisis.

China shares surrendered most of an early rally to close slightly higher Thursday as continued worries about the slowing economy overshadowed the country's biggest interest rate cut in 11 years. The benchmark Shanghai Composite Index closed up 1.1 percent, or 19.98 points, at 1917.86 after rising as much as 6.6 percent. The Shenzhen Composite Index for China's smaller second market rose 1.7 percent to close at 544.1.

Elsewhere in Asia, markets rose on China's rate cut late Wednesday. Japan's benchmark Nikkei 225 jumped 2 percent, Hong Kong's Hang Seng Index was up 1.2 percent and Korea's KOSPI Composite Index added 3.3 percent.

Global vehicle production at Toyota and Nissan declined in October, hit by a US slump, but worldwide production was up at Honda and Mazda, according to data released Thursday.

The Philippine economy grew a sluggish 4.6 percent in the third quarter, slumping from 7.1 percent last year, after being "damaged but not quite ravaged" by the global financial crisis, the government said Thursday.

China Southern Airlines said it will get a 3 billion yuan (\$440 million) capital injection from the government, intended to tide the major carrier through a financial crisis.

**Friday, 28 November 2008:** South Korea prepared fresh actions Thursday to help protect its banks from the havoc of the global financial crisis and said it would tap a \$30 billion swap line with the US Federal Reserve to bring in dollars.

Japan's industrial output and household spending tumbled in October, evoking memories of the decade-long stagnation of the 1990s and highlighting how rapidly the global financial crisis was derailing major economies.

General Motors Europe wants to cut labor costs by 10 percent without eliminating jobs, according to a letter sent to GM employees.

Unlisted Spanish real estate company Habitat said on Friday it had gone into administration. Habitat has financial commitments of up to €2.3 billion (\$2.98 billion), it said in a statement.

**Monday, 1 December 2008:** The US recession is confirmed by the National Bureau of Economic Research, a leading panel including economists from Stanford, Harvard and MIT. The committee concludes that the US economy started to contract in December 2007.

The Bank of England is widely expected to cut interest rates by at least another 0.5% this week as it tries to stave off a deep recession.

Citigroup plans to sell its Japanese trust banking unit as the ailing US banking giant struggles to survive the global financial crisis, according to the Nikkei. Citigroup plans to begin tender offers next week to determine the buyer of NikkoCiti Trust and Banking, its trust banking operation in Japan, for about 40 billion yen (\$416.7 million), the business newspaper reported.

**Tuesday, 2 December 2008:** Around 10,000 savers are to be rescued by a UK compensation scheme after London Scottish Bank became the first British bank in the current economic crisis to go into administration.

Markets around the world dropped Tuesday, a day after the Dow Jones Industrial Average dropped 7.70 per cent, the fourth-largest point loss in history. As data shows a deepening recession in Europe, finance ministers from the 27 EU member states are meeting in Brussels to debate stimulus spending proposals.

**Thursday, 4 December 2008:** French President Nicolas Sarkozy unveils a €26bn stimulus plan to help France fend off financial crisis, with money to be spent on public sector investments and loans for the country's troubled carmakers.

The European Central Bank, as well as central banks in England, Sweden and Denmark, slash interest rates again in an effort to prevent a looming recession. The eurozone entered recession in the third quarter according to figures released on Thursday. The economies of the 15 countries which share the European currency shrank by 0.2 per cent after contracting by a similar amount in the second quarter, meaning the bloc has officially entered recession. The European Central Bank reacted by cutting interest rates by 0.75 per cent to 2.5 per cent.

AT&T, Dupont and Credit Suisse announce job cuts.

The Bank of England has cut interest rates by one percentage point, from 3% to 2% - the lowest level since 1951.

**Friday, 5 December 2008:** Amid fresh assembly line layoffs, congressional Democrats and the White House grope for a compromise Friday on bailout billions for the beleaguered auto industry. President George W. Bush warns that at least one of the Big Three carmakers might not survive the current economic crisis.

US employers shed more than half a million jobs in November, the worst monthly showing in 34 years. President-elect Barack Obama's transition team agrees to accompany Treasury Department officials to meet with Capitol Hill leaders to help the Bush administration gain access to the second half of the \$700 billion financial rescue package.

**Saturday, 6 December 2008:** The German parliament completes passage of a €31 billion (\$39.6 billion) stimulus program, while October manufacturing orders fell and the central bank warned of a considerable contraction ahead.

Sweden also announces Friday an 8.3 billion kronor (\$1.01 billion) stimulus package, a day after its central bank delivered its biggest rate cut in 16 years

The Reserve Bank of India on Saturday announced sizable cuts in its key short-term interest rates, sending a signal to banks to bring down lending rates as it scrambles to protect the real economy from a worsening global financial crisis.

Figures released by the United States Labor Department showing half a million job losses in November may push Congress to agree on a bailout plan for the auto industry. Executives for the Big Three auto makers – Chrysler, Ford and General Motors – are asking for \$34 billion to rescue the failing sector. Congress has been arguing over the bailout, but Democrats seem to be pushing for it to go through.

**Sunday, 7 December 2008:** HSBC Holdings has created a \$5 billion (3.4 billion pound) global working capital fund for small and medium-sized businesses to help them weather the credit crisis, the bank said on Sunday.

Indian Prime Minister Manmohan Singh unveiled a 3 trillion rupee (\$60 billion) spending plan, four times more than expected, to bolster an economy buffeted by recession and a terrorist attack. The government plans to allocate the money, equivalent to 5 percent of gross domestic product, by March, it said in a release in New Delhi today. The Reserve Bank of India yesterday cut interest rates for the third time in less than two months.

**Tuesday, 9 December 2008:** The Bank of Canada lowered its benchmark interest rate by more than anticipated to a half-century low and signaled more action may be needed as economic growth sputters amid a “broader and deeper” global slump.

Governor Mark Carney and his rate-setting panel slashed the target rate for overnight loans between commercial banks by three-quarters of a point to 1.5 percent, the lowest since 1958. Two of 23 economists surveyed by Bloomberg predicted the move, with 20 calling for a half-point cut and one calling for a quarter point.

Landsbanki, Seized Icelandic Bank, Enters Bankruptcy

The World Bank has forecast a significant decline in global economic growth in 2009 for both developed and emerging countries.

The US economy is still facing “sharp downside risks” to growth, according to the Organisation for Economic Co-operation and Development (OECD).

**Wednesday, 10 December 2008:** Citigroup Inc., the US bank that’s eliminating 52,000 jobs worldwide, will shed about 1,000 workers at its retail brokerage unit in Japan, two company officials said.

The UK economy contracted 1% between September and November, the National Institute of Economic and Social Research (NIESR) has estimated.

China has reported a fall in exports for the first time in seven years as a result of the global economic downturn.

**Thursday, 11 December 2008:** South Korea's central bank has cut its key interest rate by a record one percentage point to 3%, twice the expected reduction.

Bank of America announces up to 35,000 job losses over three years following its takeover of Merrill Lynch in the New Year. It said the cuts will be spread across both businesses. The European Central Bank, as well as central banks in England, Sweden and Denmark, slash interest rates again in an effort to prevent a looming recession.

UK manufacturers' order books have continued to contract sharply, despite a fall in the value of the pound, a monthly survey by the CBI has said

**Friday 12 December 2008:** A \$14bn (£9.4bn) bail-out deal for the US car industry has failed to get Senate support, raising fears of job cuts and a possible industry collapse

Russia is headed for a recession, the country's deputy economy minister, Andrei Klepach, has said.

India's industrial growth has shrunk for the first time in more than a decade as the country witnesses the fallout of the global credit crunch.

**Saturday 13 December 2008:** Belgium's government will push to proceed with the sale of Fortis assets to BNP Paribas SA even after the country's appeals court froze the deal because it didn't have shareholder approval.

European stocks rose this week, led by construction companies and commodity producers, on speculation a US stimulus plan will prevent a prolonged recession in the world's largest economy.

BAA May Need to Sell 3 U.K. Airports Including Gatwick, FT Says

Some of the world's wealthiest private and corporate investors are reported to be victims of an alleged \$50bn fraud by Wall Street broker Bernard Madoff

**Sunday, 14 December 2008:** The falling value of sterling means some are getting less than a euro for every pound when changing money, research by The Observer suggests.

The Irish government is to provide a fund of £9bn (€10bn) to recapitalise all its listed banks.

US Federal Reserve chief Ben Bernanke says that the world's central banks are ready to take further action to ease troubled credit markets.

**Monday, 15 December 2008:** The International Monetary Fund has said the global economy may not begin to recover until the end of 2009.

The Russian central bank devalued the ruble on Monday for the second time in a week. It was a sign that, despite spending \$161 billion defending the currency in recent months, the central bank

may be forced to let the ruble fall even further against the dollar and the euro unless oil prices rebound soon.

**Tuesday, 16 December 2008:** The US Federal Reserve has slashed its key interest rate from 1% to a range of between zero and 0.25% as it battles the country's recession.

US consumer prices dropped by a record amount in November as petrol prices and other energy costs continued to fall.

Lower energy costs helped to push the Consumer Prices Index inflation rate down to 4.1% in November from 4.5% the month before, figures have shown.

**Wednesday 17 December 2008:** Expectations increased Wednesday that central banks in Japan and China would cut interest rates again after the Federal Reserve lowered its benchmark rate by more than expected and declared that it would try to pull the American economy out of recession by pumping money into the system.

**Thursday, 18 December 2008:** German business confidence dropped sharply in December to its lowest level in 18 years, according to a business index from the Ifo research institute.

Economic development in Iraq in 2008 has been "encouraging" according to a review of the country's economy by the International Monetary Fund.

Economic indicator hits worst level since 1991: index of leading economic indicators fell for the second consecutive month, dropping 0.4 percent in November. That was slightly better than the 0.5 percent decline economists surveyed by Thomson Reuters had expected.

The dollar and the pound have weakened further as interest rate cuts continue to undermine the two currencies.

**Friday, 19 December 2008:** Japan's central bank follows suit and cuts rates from 0.3% to 0.1%. The government says the world's second largest economy will not grow in 2009.

President George W Bush says the US government will use up to \$17.4bn of the \$700bn meant for the banking sector to help the Big Three US carmakers, General Motors, Ford and Chrysler.

The Federal Reserve Board announces revised terms and conditions of the Term Asset-Backed Securities Loan Facility (TALF). Among the revisions are an extension of TALF loans from maturities of one year to three years and an expansion of eligible ABS collateral.

The US Treasury Department purchases a total of \$27.9 billion in preferred stock in 49 US banks under the Capital Purchase Program

**Monday, 22 December 2008:** The Federal Reserve Board approves the application of CIT Group Inc., an \$81 billion financing company, to become a bank holding company. The Board

cites “unusual and exigent circumstances affecting the financial markets” for expeditious action on CIT Group’s application

**Wednesday, 24 December 2008:** The Federal Reserve Board approves the applications of GMAC LLC and IB Finance Holding Company, LLC (IBFHC) to become bank holding companies, on conversion of GMAC Bank, a \$33 billion Utah industrial loan company, to a commercial bank. GMAC Bank is a direct subsidiary of IBFHC and an indirect subsidiary of GMAC LLC, a \$211 billion company. The Board cites “unusual and exigent circumstances affecting the financial markets” for expeditious action on these applications. As part of the agreement, General Motors will reduce its ownership interest in GMAC to less than 10 percent.

**Monday, 29 December 2008:** The US Treasury unveils a \$6bn bail-out for GMAC, the car-loan arm of General Motors.

**Wednesday, 31 December 2008:** The FTSE 100 closes down by 31.3% since the beginning of 2008, which is the biggest annual fall in the 24 years since the index was started. The Dax in Frankfurt lost 40.4% while the Cac 40 in Paris dropped 42.7%.

**Monday 5 January 2009:** The Federal Reserve Bank of New York begins purchasing fixed-rate mortgage-backed securities guaranteed by Fannie Mae, Freddie Mac and Ginnie Mae under a program first announced on November 25, 2008.

**Tuesday, 6 January 2009:** House prices in England fell by 15.9% last year, according to the latest survey by the Nationwide building society.

Inflation in the eurozone fell by more than expected in December to 1.6%, from November's figure of 2.1%, according to the EU statistics office Eurostat.

**Wednesday, 7 January 2009:** The sharp slowdown in the US economy will push the federal budget deficit to more than \$1 trillion, the non-partisan Congressional Budget Office (CBO) says.

**Thursday, 8 January 2009:** The Bank of England has cut interest rates to 1.5%, the lowest level in its 315-year history, as it continues efforts to aid an economic recovery.

Commerzbank, Germany's second-biggest bank, has said it is to be partly nationalised, with the government taking a 25% stake, plus one share.

The unemployment rate in Spain hit a 12-year high in 2008 of 3 million, figures show, a further sign of the economic slowdown.

**Friday, 9 January 2009:** More US workers lost jobs last year than in any year since World War II, with employers axing 2.6 million posts and 524,000 in December alone.

South Korea's central bank has slashed interest rates by half a percentage point to a record low of 2.5%, in the latest attempt to fend off recession.



Frozen food retailer Iceland has bought 51 former Woolworths stores, and said it plans to create 2,500 new jobs.

Spanish industrial output fell by 15.1% in November, compared with the same month one year ago, the biggest fall on record and a sign of a deep recession.

**Saturday, 10 January 2009:** The UK economy shrank by 1.5% in the last three months of 2008, its worst performance in 28 years, a think tank has concluded.

**Monday, 12 January 2009:** Gold trading enjoyed a bumper year in 2008 as investors sought a safer place to put their cash as the credit crunch hit home.

Daimler cuts pay as €50bn stimulus sought.

**Tuesday, 13 January 2009:** Company bankruptcies in Japan jumped 24.7% in December from a year earlier, as the financial crisis pummelled the world's second-largest economy.

A severe economic slowdown in China is one of the biggest risks faced by the world this year, the World Economic Forum has warned.

China's exports have dropped into their biggest decline in a decade.

Computer giant Dell is to cut 1,900 of the 3,000 jobs at its manufacturing site in Limerick in the Irish Republic.

Barclays is to cut at least 2,100 jobs globally across its investment banking and wealth management businesses, the BBC has learned.

Struggling US banking giant Citigroup and its rival Morgan Stanley have agreed a deal which sees the tie-up of their brokerage operations.

The US trade deficit dropped to its lowest level in more than five years in November as the economic slowdown led to lower demand for imports.

President Bush has asked Congress to release the remaining \$350bn (£236bn) of US financial bail-out funds after a request from Barack Obama. The stimulus package proposed by President-elect Barack Obama would give the US economy a "significant boost", says Federal Reserve boss Ben Bernanke.

German Chancellor Angela Merkel has unveiled an economic stimulus package worth about €50bn; \$67bn; £45bn) to kick-start Europe's largest economy.

**Wednesday, 14 January 2009:** Deutsche Bank has issued a profits warning, saying it made an estimated loss of €4.8bn (\$6.4bn; £4.4bn) in the fourth quarter of last year.

Nationalised bank Northern Rock announced today it was only passing on half of last week's interest rate cut to its variable rate mortgage customers.

US retail sales fell by more than expected in December, official figures have shown, as shoppers cut back on spending over the Christmas period.

Germany's economy grew by just 1.3% in 2008 as the global financial slowdown hit demand for its exports.

Nortel Networks, North America's biggest maker of telephone equipment, has filed for bankruptcy protection.

Barclays says it will cut 2,100 jobs from its UK banking business, in addition to the same number of jobs it cut on Tuesday.

In a sign of deepening fragility among the nation's largest banks, the government is preparing to throw a new multibillion-dollar lifeline to Bank of America, several people briefed on the talks said Wednesday, the latest effort to stem a tide of growing losses in the financial system.

China overtook Germany to become the world's third-largest economy in 2007 after the Chinese authorities revised upwards the figures for growth during that year.

Europe debt crisis evident in Greek mire.

Gordon Brown and David Cameron trade blows over economic policy.

**Thursday, 15 January 2009:** Asian Markets Fall Sharply: The Nikkei 225 index in Tokyo shed 4.9 percent. By midafternoon the Hang Seng in Hong Kong was down 5%, the benchmark Kospi in South Korea 6%. The key indexes in Singapore and Taiwan were 3.2 and 4.4% lower.

JPMorgan Chase (JPM: 26.13, 0.211, 0.81%) posts a drop in fourth-quarter income of 76% even though the company had \$2.6 billion in gains.

French president Nicolas Sarkozy on Thursday calls for curbs on dividend payments by French banks and for top executives to renounce any bonuses as conditions for a fresh capital injection by the government.

The European Central Bank decides to lower its main interest rate by half of a percentage point to 2% amid mounting evidence of lower prices and weaker activity.

**Friday, 16 January 2009:** Citigroup capped a devastating 2008 by announcing Friday that it would split into two entities and that it had posted an \$8.29 billion loss for the fourth quarter.

Hours after receiving another government lifeline, Bank of America announces gaping fourth-quarter losses on Friday. The bank lost \$1.79 billion in the fourth quarter, down from a gain of net income of \$268 million a year ago, with the reversal caused largely by growing consumer loan losses.

Bank of America's credit-loss provisions surged, while a preliminary loss of \$15.31 billion at Merrill Lynch showed why BofA needed government help.

The Anglo Irish Bank today moves to reassure its UK savers that their money is entirely safe after the bank was dramatically nationalised last night by the Irish government.

Santander speeds up integration of its three British banks.

**Monday, 19 January 2009:** The government of Prime Minister Gordon Brown announces a new bailout for the British financial system that increases its control over lenders, saying it would offer banks insurance on troubled assets and take other measures to restore credit and support the foundering economy.

Britain launches a second bank rescue plan on Monday and Royal Bank of Scotland recorded the biggest loss in UK corporate history, while a cut in Spain's credit rating caused fresh market wobbles. Royal Bank of Scotland shares have plunged 67% after the bank said it was heading for a record loss.

After a first round of costly bank bailouts and stimulus programs came up short, governments in Europe and the United States are moving more forcefully to assure that bailed-out banks lend more money to offset the recession that has engulfed both continents.

European stock markets decline Monday with banks in free fall as investors fret over a second British government bailout of the sector in just over three months. Royal Bank of Scotland shares fall 60% after it announced significant losses. Germany's DAX was down 0.9%, while France's CAC-40 fell 0.7%.

Saudi Arabia's central bank has cut two key interest rates, as the Arab economic powerhouse looks to offset a tightening of credit markets stemming from the global financial crisis.

Denmark-based engineering company FLSmidth said Monday it is reducing its work force by 6%, or 600 employees, because of the global economic downturn

The eurozone economy will shrink 1.9% in 2009 and grow by only 0.4% in 2010, the European Commission has forecast.

**Tuesday, 20 January 2009:** Big fall in UK inflation to 3.1%.

Asian stocks fall sharply on Tuesday amid renewed fears over the health of the financial sector.

The Bank of Canada, as expected, cuts its key interest rate on Tuesday by a half a percentage point to a 50-year low of 1%, and predicts a period of falling prices as an economic recession took hold.

John McFall, confidant of Gordon Brown and chairman of the Treasury select committee, calls for the complete nationalisation of Lloyds and Royal Bank of Scotland tonight after shares in

both banks crumbled, the pound skidded to a seven-year low against the dollar and government bonds were sold off sharply.

The Italian automaker Fiat agrees to take a 35% stake in the struggling American auto company Chrysler, which was forced last month to seek a federal bailout amid fears it might not survive.

The parent company of Clear Channel Communications, struggling in the advertising downturn, announced on Tuesday that it was eliminating 1,850 positions, or about 9% of its staff. The dismissals were effective immediately.

**Wednesday, 21 January 2009:** Unemployment in UK leapt closer to the 2 million level in the three months to November as 131,000 people lost their jobs, pushing the jobless total to its highest since September 1997. Jobless rate expected to hit 3 million by 2010. Britain's public finances took a big hit in December from the government's recapitalisation of Royal Bank of Scotland Group (RBS). Bank of England votes 8-1 to cut interest rates to 1.5%.

Two of the UK's biggest customer-owned banks are to merge to create a "super-mutual", it was announced today. Co-operative Financial Services and Britannia building society have agreed the deal, which will create a business with £70bn in assets, nine million customers and more than 300 branches.

French government to pump €6bn into ailing car industry.

Stocks fell Wednesday in Asia and Europe amid concern for the health of the financial system.

Germany has predicted that its economy will shrink by 2.25% in 2009, which would be its worst performance in the post-World War II era.

**Thursday, 22 January 2009:** Microsoft has said it will cut up to 5,000 jobs over the next 18 months, including 1,400 immediately.

Electronics giant Sony has said it is going to make its first annual loss in 14 years as the global economic slowdown hits demand for its products.

Google, the internet search engine, saw revenue rise and profits fall in the final quarter of last year in what have been seen as positive year-end results.

The number of new cars produced in the UK in December 2008 fell dramatically, according to the Society of Motor Manufacturers and Traders (SMMT).

China's economic growth slowed to 9% last year, its lowest rate of growth for seven years.

**Friday, 23 January 2009:** Samsung Electronics, the world's biggest chip-maker, has recorded its first ever quarterly loss. Nippon Steel has announced the biggest production cuts in its 40 year history, hit by falling demand from carmakers.

Official data due later is expected to confirm the UK is in a recession for the first time since the early 1990s.

**Monday, 26 January 2009:** Philips cuts 6,000 jobs after first loss in five years. Europe's biggest electronics consumer group reports net €1.5bn (£1.4bn) loss in the final quarter of 2008.

The world's largest drug company, Pfizer, has broken through Wall Street's credit freeze to borrow billions of dollars for a \$68bn takeover of rival Wyeth in the first US corporate deal of its scale since the economic crisis began.

Dutch banking giant ING has said it is to cut 7,000 jobs as it seeks to save €1bn (\$1.29bn; £949m).

The American Express Company, the credit card company, said Monday that its profit dropped 79% in the fourth quarter as cardholders cut back their spending amid the harsh economy and the company took a significant severance-related charge.

Banking crisis brings down Iceland government.

**Tuesday, 27 January 2009:** Chancellor Angela Merkel's cabinet approved a €50bn (£46.7bn) stimulus package today, the biggest programme in Europe, to tackle overcome the country's deepest economic crisis since World War II.

The Canadian government has said it will "spend whatever is necessary" to stimulate the country's economy in the midst of the global economic downturn.

Iceland's coalition government has collapsed under the strain of an escalating economic crisis.

Home Price Index fell again in November.

The Japanese government outlined on Tuesday a plan to inject state money into ailing companies in exchange for equity stakes, a move that echoes the partial nationalization of some troubled financial firms in the United States and Europe.

Mexico's central bank says the amount of money migrants sent home fell 3.6 percent in 2008, the first drop on record.

Chemical maker DuPont Co. reported a \$629 million loss for the fourth-quarter Tuesday due to lower sales and a hefty restructuring charge, and cut its earnings forecast for 2009.

Verizon's earnings rose 15% in quarter.

**Wednesday, 28 January 2009:** Starbucks shuts 300 more stores.

Santander offers to compensate private banking clients in Madoff case.

World economic growth is set to fall to just 0.5% this year, its lowest rate since World War II, warns the International Monetary Fund.

Spain's economy is in recession for the first time since 1993, according to figures from the Spanish central bank.

**Thursday, 29 January 2009:** President Barack Obama let rip at troubled Wall Street banks yesterday for paying out billions of dollars in bonuses to staff, accusing them of displaying "the height of irresponsibility" and of letting down the American people.

Bank of England to use £50bn of taxpayers' money to ease credit crunch.

After closing the books on a \$14.6 billion loss in 2008 — the worst annual result in its 105-year history — Ford Motor Company said Thursday that it would draw the last \$10.1 billion from its lines of credit to add to its cash hoard so that it could survive the increasingly bleak vehicle market.

Latest reports indicate economy is getting worse.

**Friday, 30 January 2009:** US economy slows at fastest pace in 26 years. Tribune's LA Times to cut 300 jobs, including 70 editorial positions.

Japan heads for worst recession since World War II. Hitachi is to cut up to 7,000 jobs, as it warned it expects to make an annual loss of 700bn yen (\$7.8bn; £5.5bn) because of a big fall in global sales.

Honda shuts UK factory for four months.

Iceland will be put on a fast track to joining the European Union to rescue the small Arctic state from financial collapse amid rising expectations that it will apply for membership within months, senior policy-makers in Brussels and Reykjavik have told the Guardian.

Unemployment across the nations that share the euro rose to its highest level in more than two years last month, as more firms laid off staff.

**Saturday, 31 January 2009:** Governments across Europe tremble as angry people take to the streets.

**Monday, 2 February 2009:** France's Prime Minister Francois Fillon has unveiled a series of measures worth €26bn (\$33.1bn; £23.5bn) designed to "revitalise" the French economy.

Japan's top share index falls 1.5% in Monday trading, after several leading companies warn of steep losses.

Russian economic growth slowed considerably in 2008 as the boom in commodity prices came to an end, official estimates have shown.

China has reported a budget deficit of 111bn yuan (\$16.2bn;£11.5bn) in 2008 after a big increase in government spending to boost the economy.

**Tuesday, 3 February 2009:** Australia's government has announced a 42bn Australian dollar (\$26.5bn; £19bn) stimulus plan, targeting infrastructure and those on low incomes. The country's central bank also cut interest rates to 3.25% - the lowest level in 45 years.

The EU and Canada have warned that a clause in the US economic recovery package could promote protectionism.

The number of people out of work in Spain increased by 199,000, or 6%, in January from the previous month, official figures show.

**Wednesday, 4 February 2009:** Japanese electronics group Panasonic is to cut 15,000 jobs and close 27 plants worldwide as it seeks to reduce costs.

The Icelandic retail investor Baugur, which owns stakes in Hamleys, House of Fraser and Iceland supermarkets, has asked for protection from creditors.

**Thursday, 5 February 2009:** Deutsche Bank says it made an annual loss last year, its first since being restructured after World War II.

The European Central Bank has kept interest rates unchanged at 2%, but has left open the option of cutting rates at its next meeting in March.

The average price of UK homes rose by 1.9% in January from December's figure, according to the Halifax.

The Bank of England has reduced interest rates to a record low of 1% from 1.5%, in an attempt to boost the shrinking economy.

**Friday, 6 February 2009:** French President Nicolas Sarkozy has defended his plans to revive the French economy, saying state intervention with banks has so far cost people nothing. France's trade deficit hit €5.7bn (\$71.4bn; £48.6bn) in 2008, due to high oil prices and the slowing economy, the customs office said.

German industrial output has seen a record fall after a sharp contraction in manufacturing activity.

The Congressional Oversight Panel says the government overpaid for distressed financial assets and shares last year.

**Monday, 9 February 2009:** Nissan to cut 20,000 jobs worldwide

**Wednesday, 11 February 2009:** The heads of Wall Street's biggest banks will confront a potentially hostile congressional committee today with a defiant message that their institutions are lending money and that they have spent taxpayers' funds appropriately.

Credit Suisse today reported a record full-year loss of 8.2bn Swiss francs (£4.91bn) after suffering losses of 14.2bn francs at its investment bank in 2008. Swiss banking giant UBS AG announces more staffing cuts at its investment-banking operation, saying it would cull more than 2,000 jobs as it reported the largest annual loss ever by a Swiss company.

Sweden's central bank lowered its key interest rate Wednesday to a record-low 1%, and said further monetary policy loosening may lie ahead as the economic outlook continues to darken.

**Friday, 13 February 2009:** Congress approves a \$787 billion economic stimulus measure, meeting the crushing mid-February deadline that Democrats had set for adopting the centerpiece of President Obama's early agenda but without quelling partisan divisions in Washington. Not a single House Republican votes for the bill.

Europe sank even deeper into recession than the United States in the closing months of last year, according to figures published Friday, as finance ministers of leading industrialized nations gathered in one of the worst-affected countries, Italy, for discussions on the crisis.

Eurozone GDP dips 1.5%. Germany, France and Italy all suffer in the quarter, weighing on hopes for recovery.

A shock profits warning by Lloyds Banking Group knocked 32% off the bank's share price today and raised speculation that the taxpayer may be forced to take a majority stake in the banking giant created with the intervention of Gordon Brown.

February's level falls back to November lows, as a majority think the economic downturn will last five more years.

Closures in Nebraska, Florida, Illinois and Oregon bring the number of bank failures to 13 this year as the financial crisis continues to roll.

**Saturday, 14 February 2009:** Eurozone economy registers a grim performance. GDP shrank an annualized 5.9% in fourth quarter, ratcheting up pressure on governments, central banks.

Finance ministers from The Group of Seven industrialized nations pledge to fight rising protectionism during the global economic downturn.

**Monday, 16 February 2009:** India's government has said its budget deficit will surge this year, calling the situation "worrying."

**Tuesday, 17 February 2009:** US President Barack Obama has signed his hard-fought economic stimulus plan in Denver, after Congress approved the \$787bn (£548bn) package last week.

Chancellor Alistair Darling has announced that the government is limiting bonuses paid out to staff by the Royal Bank of Scotland.

Texan billionaire and cricket promoter Sir Allen Stanford has been charged over an \$8bn (£5.6bn) investment fraud, US financial regulators say.



**Wednesday, 18 February 2009:** The German cabinet has agreed on a draft law that will allow it to temporarily nationalise troubled banks.

The European Commission has taken disciplinary steps to tackle swelling budget deficits in six EU countries.

The US Federal Reserve has cut its economic forecasts for 2009 and considered setting an inflation target, minutes from its meeting have shown.

President Barack Obama has revealed a long-awaited plan to tackle the US housing crisis, aiming to help up to nine million families.

UBS has agreed to pay \$780m (£549m) to the US government to settle allegations that it defrauded US tax authorities, the Justice Department has said.

About 7.2 million people in Asian countries are likely to lose their jobs in 2009 amid the global downturn, a UN report has suggested.

Troubled US carmakers GM and Chrysler have asked the US government for another \$21.6bn (£15.2bn) in support, on top of the \$17.4bn already received.

**Thursday, 19 February 2009:** The recession led to a £7bn fall in the amount of tax paid by individuals and businesses in January, data shows.

The head of the International Monetary Fund has told the BBC that he expects more countries to request financial aid to survive the global slowdown.

Swiss bank UBS has refused a US government demand to provide information on 52,000 US clients.

Peru and Venezuela have become the latest countries to intervene in local banks controlled by the Stanford group as it faces fraud accusations.

**Friday, 20 February 2009:** Mining giant Anglo American has said it is to cut an additional 9,000 jobs as the global economic downturn hits demand for raw materials.

Nearly 70% of multinational companies in China plan to cut recruitment this year, and more than a quarter have laid off staff already, a survey suggests.

Germany has approved a €50bn (\$63bn, £44bn) stimulus plan aimed at boosting Europe's largest economy.

FBI agents in the US state of Virginia have served Texan billionaire Sir Allen Stanford with civil legal papers from the US financial watchdog, the SEC

US consumer prices climbed in January, the first rise since July, after energy prices picked up.

Saab in Bankruptcy Filing; G.M. Seeks More Aid.

**Saturday, 21 February 2009:** Caribbean regulators have taken over the Bank of Antigua, owned by the Stanford group, amid fraud accusations.

**Sunday, 22 February 2009:** European leaders in Berlin have agreed on the need to regulate all financial markets including hedge funds.

UK may get cash injection 'soon'. A government minister has suggested that plans to inject more cash into the economy could happen "quite soon."

Asian finance ministers plan to extend an emergency currency fund, hoping to boost their economies and better protect them from the financial crisis.

**Monday, 23 February 2009:** The finance minister Christine Lagarde said Monday that the French government would inject up to €5 billion, or \$6.4 billion, into the bank that would be formed from the merger of Caisse d'Épargne and Banque Populaire, through the purchase of bonds that could be converted into shares. Sarkozy adviser may head merged banking giant.

**Tuesday, 24 February 2009:** Fed Chairman says recession will extend through the year. Best hope is recovery in 2010, Ben Bernanke tells US Congress.

Ford executives cut own pay 30% for 2 years.

Vodafone confirmed yesterday that it is to cut about 500 jobs in Britain, making it the latest corporate heavyweight to slash its workforce in the face of the recession

TomTom, Europe's largest maker of satellite navigation devices, has lost its way, announcing a plunge into the red today after over-paying for digital cartographer Tele Atlas and seeing consumer demand for satnav modules dry up.

Stockmarkets around the world fell today after grim trading in New York, where the Dow Jones index closed at its lowest level for 12 years.

**Wednesday, 25 February 2009:** Japan's exports fell by 46% in January, and Hong Kong's economy contracted 2.5% in the last three months of 2008, further signs that the economic downturn in Asia is set to drag on through this year.

Britain sank deeper into recession in the second half of last year than had been thought, official figures revealed today.

**Thursday, 26 February 2009:** Part-nationalized British banking group RBS announces massive losses for 2008, totaling \$34.6 billion. The results are the worst in British corporate history.

Citigroup is nearing an agreement with federal regulators to increase the government's stake in the bank to as much as 40%, according to a published report.

Brussels looks at Europe-wide bank regulation.

**Friday, 27 February 2009:** The US government will boost its control over Citigroup under a deal to convert up to \$25 billion in government-held preferred shares in the bank to common equity, a person familiar with the deal said Friday

The US economy shrank at an annual rate of 6.2% in the last three months of 2008 official figures show, a far sharper fall than previously reported.

Data from US and Japan trigger fears that the downturn has turned into the worst slump since the 1930s.

The taxpayer could end up with a near 75% stake in Lloyds Banking Group it emerged today after the UK's biggest high street bank admitted the HBOS mortgage lender it rescued had incurred £10.8bn of losses last year.

The banking sectors in Central and Eastern Europe are to get a €24.5bn (\$31bn; £21.8bn) rescue package to support them in the economic crisis.

The biggest challenge facing China is not slowing growth but unemployment, which could trigger social unrest, a Chinese government minister has said.

**Sunday, 1 March 2009:** Steep market drops highlight despair over rescue efforts.

**Monday, 2 March 2009:** Mortgage lending slumped by 60% in January with the net value of new loans falling to just £690m, figures from the Bank of England showed today. UK firms have shown a slight rise in short- and mid-term confidence as they accept the realities of the recession, a survey of 11,000 firms suggests.

The crisis-stricken insurance company AIG has crashed to the biggest corporate loss in US history, with a deficit of \$61.7bn, after suffering devastating liabilities on policies to protect banks against bad loans.

Financial crisis hits world markets.

HSBC seeks \$18 billion in capital and cuts 6,100 jobs.

German carmaker Opel is in talks with the country's economy minister about a €3.3bn (£2.93bn; \$4.16bn) cash injection from the government.

Japan slips 3.8%, led by banks.

**Tuesday, 3 March 2009:** Most Asian stock markets extend their slump after unremitting troubles at financial giants like American International Group and HSBC sent Wall Street tumbling to new multiyear lows overnight.

After a volatile day's trading, US and European markets close lower on Tuesday as investors continue to fear for the health of the global economy.

Canada's central bank has cut its key interest rate from 1% to 0.5%, a record low, as it tries to stem the effects of the global economic downturn.

The number of unemployed people in Spain jumped by 154,058 in February, as the deepening recession forced companies to lay off more workers.

Toyota's financing unit is in talks with a Japanese government-backed bank on possible lending, the automaker said Tuesday, underlining the serious woes facing the car industry amid plunging global sales.

Sales of new German cars jumped by almost a quarter in February, as a cash bonus for scrapping old cars encouraged consumers to buy new ones.

February auto sales seen hovering at 27-year lows.

As it reports a 70% drop in 2008 net profit, HSBC Holdings PLC unveils a plan to raise £12.5 billion (\$17.9 billion) in capital it is counting on to ride out the financial storm's impact on Asia and a US consumer-lending market it plans to exit.

For AIG, a buy-and-hold strategy :US resigned to long stewardship after failing to sell insurer in pieces.

The European divisions of General Motors could collapse within weeks without European governments' help, GM's top executive has warned.

**Wednesday, 4 March 2009:** Japan's parliament has passed legislation to give a cash hand-out to every resident in attempt to boost the recession-hit economy.

Australia's economy has shrunk for the first time in eight years, raising fears that the country may be heading for a recession.

The central banks of the Czech Republic, Bulgaria, Poland, Romania and Slovakia have issued a joint statement defending their economies.

**Thursday, 5 March 2009:** The Malaysian government has unveiled plans to spend another 10bn ringgit (\$2.7bn; £3.3bn) in a further attempt to revive the nation's economy.

Asian shares jumped on Thursday after Chinese premier Wen Jiabao gave details of his stimulus package and predicted 8% growth for China this year.

The Bank of England has cut interest rates to 0.5% - a fresh all-time low - and says it will now boost the money supply to help revive the economy.

The European Central Bank has cut its key interest rate to 1.5% from 2.0%, the lowest since it started setting euro rates in January 1999.

**Friday, 6 March 2009:** The US jobless rate jumped in February to 8.1%, according to official figures from the Labor Department.

German carmaker Opel should consider entering insolvency, the country's interior minister has said.

Fortis Bank, which is owned by the Belgian government, has warned that it will report bigger-than-expected losses for the last three months of 2008.

Satyam approved to sell 51% stake.

Most European shares fell after the release of US unemployment data, which sent New York's Dow Jones down slightly adding to Thursday's losses.

**Monday, 9 March 2009:** The financial crisis wiped \$50 trillion (£35tn) off the value of financial assets last year, the Asian Development Bank says.

Japan's current account recorded its largest deficit on record in January, reaching 172.8bn yen (\$1.8bn; £1.2bn). It was its first deficit in 13 years.

The last major Icelandic bank left standing after the country's financial collapse in October is being closed down by the financial authorities.

The global economy will shrink this year for the first time since World War II, the World Bank has said.

The pound has sunk back below \$1.40 to a six-week low, as confidence in the UK economy took yet another knock following falls in bank shares.

**Tuesday 10 March 2009:** US Federal Reserve chief Ben Bernanke says the world is suffering from the worst financial crisis since the 1930s.

The world economy is likely to shrink for the first time in decades this year, the head of the International Monetary Fund has warned.

Britain's retailers suffered falling sales in February, partly as a result of the heavy snow, according to the British Retail Consortium. The Irish Republic's economy will shrink by more than 6% this year, the country's top central banker has said.

German export earnings fell by a fifth in January as the world's largest exporter was hit hard by a drop in demand for its goods overseas.

Trading on Syria's stock exchange has officially begun, marking a crucial step as the country liberalises its state-controlled economy.

Malaysia's government has unveiled a 60bn ringgit (\$16.27bn; £11.7bn) economic stimulus plan as it seeks to stave off a deep recession.

Brazil suffered its biggest quarterly decline in economic output for more than a decade in the final three months of last year, official figures show.

**Wednesday, 11 March 2009:** Chinese exports plunged by more than a quarter in February from a year ago as the world's third-largest economy was hit by a drop in demand for its goods.

The Government Pension Fund of Norway suffered a 633bn kroner (\$92bn; £66bn) loss on its investments in 2008.

Department store group John Lewis has said its profits declined last year amid "deteriorating conditions."

Toyota cuts UK pay and output by 10%.

Bank of England starts £2bn spending spree.

Barroso defends EU's handling of economic crisis.

UBS revises 2008 losses higher.

Asian markets took up where US and European markets left off and surged ahead after news that Citigroup made a profit in the first two months of 2009.

**Thursday, 12 March 2009:** German factory output fell by a record 7.5% in January, its biggest drop since reunification in 1990.

US carmaker General Motors has said it will not need the \$2bn (£1.45bn) of funding it had previously requested for March from the government.

BMW's profits tumble nearly 90%.

Madoff admits \$50bn fraud scheme.

**Friday, 13 March 2009:** The White House has sought to assure China that its \$1 trillion (£0.7tn) in investments in the United States is safe despite the economic downturn.

China is ready to introduce new economic stimulus measures "at any time", Premier Wen Jiabao has said.

Australia's second largest investment bank, Babcock & Brown, has gone into administration after it was unable to deal with its massive debt levels.

Nikkei climbs on stimulus hopes.

**Saturday, 14 March 2009:** Finance ministers from the G20 group of rich and emerging nations have pledged to make a "sustained effort" to pull the world economy out of recession.

**Tuesday, 17 March 2009:** Sri Lanka will not accept any conditions on a loan from the International Monetary Fund, the island's president has said.

**Wednesday, 18 March 2009:** The US Federal Reserve says it will buy almost \$1.2 trillion (£843bn) worth of debt to help boost lending and promote economic recovery.

The World Bank has cut its prediction for China's economic growth in 2009 from 7.5% to 6.5%, saying it could not "escape the impact of global weakness."

**Thursday, 19 March 2009:**

**Comment [jriggs1]:** Source not cited.

US lawmakers in the House of Representatives have voted in favour of a bill to levy a 90% tax on big bonuses from firms bailed out by taxpayers.

The G20 summit is close to agreement on new, tougher principles to regulate the world's financial system.

Inflation in India has fallen to its lowest rate in at least 14 years as the global economic slump hits demand.

The dollar has fallen against all major currencies after the US Federal Reserve announced a plan to buy \$1.2tn (£843bn) of debt to boost its economy.

**Friday, 20 March 2009:** Eurozone industrial output plunged by 3.5% in January compared with the previous month, the biggest decline since records began in 1990.

The US budget deficit will hit \$1.8tn (£1.25tn) this year, a record amount, according to US Congress estimates.

The head of the Organisation for Economic Cooperation and Development has said that the world economy is likely to shrink this year.

EU leaders have urged the G20 leading economies to double the money available to the International Monetary Fund to help countries in financial difficulty.

**Saturday, 21 March 2009:** US insurance giant AIG paid out a total of \$218m (£150m) in bonuses after accepting bailout cash, according to a senior US official.

**Sunday, 22 March 2009:** A key adviser within US President Barack Obama's administration says she is "incredibly confident" the US economy will recover within 12 months.

**Monday 23 March 2009:** The US has announced details of a plan to buy up to \$1 trillion (£686bn) worth of toxic assets to help repair banks' balance sheets.

Four top bosses at French bank Societe Generale have handed back thousands of stock options, after public criticism and a call from the government.

The Daily Mail and General Trust (DMGT) is to cut 1,000 jobs as the advertising slump continues to hurt newspapers.

Global trade flows are set to shrink by 9% during 2009, according to a forecast by the World Trade Organization.

**Tuesday, 24 March 2009:** The International Air Transport Association says airlines will make losses of \$4.7bn (£3.2bn) in 2009, 88% more than the body's initial forecast.

Bank of China has reported a 58% fall in net profits during the October to December quarter to 4.5bn yuan (\$659m; £449m).

Banking leaders from around the world have told the UK prime minister and chancellor to go slow on banking reform ahead of the G20 summit next week.

Asian shares gained ground in Tuesday trading, having taken heart from a US plan to deal with banks' toxic assets.

Nine of the top 10 recipients of bonuses from US insurance giant AIG have agreed to return them, New York's attorney general says.

China's central bank has called for a new global reserve currency run by the International Monetary Fund to replace the US dollar.

**Wednesday, 25 March 2009:** Barack Obama has told Americans he sees signs of economic recovery, but urged them to be patient and look beyond their "short-term interests."

The International Monetary Fund has announced major reforms of its lending procedures to member states.



Japan's exports saw a record plunge in February, falling by nearly half compared with a year earlier, according to the country's finance ministry.

The International Monetary Fund and other lenders have agreed in principle to provide Romania €20bn (£18.4bn; \$27bn) in aid.

**Thursday, 26 March 2009:** The Irish Republic's economy has suffered its largest contraction in recent decades.

UK Prime Minister Gordon Brown has called for a \$100bn (£69bn) global fund to underwrite world trade as his pre-G20 summit tour continues in Brazil.

The search engine company Google is planning to cut nearly 200 marketing and sales jobs in its second set of lay-offs this year.

**Friday, 27 March 2009:** Retail sales in Japan saw their biggest fall in seven years in February, adding to fears of a deepening recession.

The New Zealand economy shrank at its fastest rate in 17 years in the last three months of 2008.

China is ready to contribute extra funds to the International Monetary Fund, the country's vice premier, Wang Qishan, says.

Commerzbank has warned its 2009 earnings will be badly affected, as it revealed its toxic assets totalled more than €50bn (£46.9bn; \$68bn).

**Sunday, 29 March 2009:** France's biggest carmaker, PSA Peugeot Citroen, has sacked its chairman weeks after it announced huge losses and a massive programme of job cuts.

**Monday, 30 March 2009:** President Barack Obama has given US carmakers General Motors and Chrysler strict deadlines to restructure before getting more aid. The chief executive of struggling US car company General Motors has been ordered to step down by US President Barack Obama.

Spain's decision to rescue a regional savings bank has sent financial stocks in the country lower.

Russia's Prime Minister Vladimir Putin has said that Lada-owner Avtovaz could be bailed out by the government.

Stock markets have fallen worldwide amid worries over the depth of the financial crisis and persistent problems in the US car industry.

The head of Germany's railway company, Deutsche Bahn, is stepping down after the company admitted spying on thousands of its employees.

Barclays says it has decided not to participate in the government's insurance scheme for toxic assets.

The Nationwide is to buy the Dunfermline Building Society's branches, good loans and deposits, it has been confirmed.

**Tuesday, 31 March 2009:** Germany's unemployment rate rose to 8.6% in March as the global economic downturn continued to tighten its grip on Europe's largest economy.

Japan's unemployment rate has risen to a three-year high as companies continue to slash jobs.

The Irish Republic's top sovereign credit rating has been cut by Standard & Poor's.

China and Argentina have made a tentative agreement to swap \$10bn (£7bn) worth of their currencies.

Fortis, once the largest bank in Belgium and the Netherlands, has said it made a net loss last year of €28bn (£26bn).

**Wednesday, 1 April 2009:** Unemployment across the eurozone rose to its highest level in almost three years in February as the economic downturn continues to tighten its grip.

Japan's business confidence drops. Honda has announced a sweeping programme of cost cutting measures in North America as it continues to struggle with a slump in sales.

France and Germany have called for tougher regulation for the world's financial system at the G20 summit.

**Thursday, 2 April 2009:** One of the world's largest reinsurers, Swiss Re, plans to cut 10% of its workforce, or 1,150 jobs, over the next year as it seeks to reduce costs.

Leaders of the world's largest economies will shortly announce an agreement worth around \$1.1 trillion to tackle the global financial crisis.

**Friday, 3 April 2009:** The US dollar rose briefly above 100 yen in Asian trading on Friday, the first time it had done so since early November 2008.

UK house prices fell by 1.9% in March compared with the previous month, according to the Halifax.

The number of people employed in the US fell by 663,000 in March, according to figures from the Department of Labor.

The Bank of Spain has predicted that the country's rate of unemployment will reach 17.1% in 2009 and 19.4% in 2010.

**Monday, 6 April 2009:** Japan is to implement another fiscal stimulus plan of more than 10tn yen (\$99bn; £66bn) to fight the recession.

February's fall in eurozone retail sales was unexpectedly severe amid shrinking consumer spending.

World stock markets started the week on a positive note, extending recent gains on hopes that worst may now be over for the world economy.

**Tuesday, 7 April 2009:** The eurozone economy shrank more than previously estimated in the last three months of 2008, official figures say.

**Tuesday, 21 April 2009:** The Indian central bank has cut a key interest rate as it aims to boost the economy, which is slowing in the face of the global economic recession.

**Tuesday, 28 April 2009:** The Lithuanian economy shrank by 12.6% in the first quarter of 2009 compared with the same period last year, the country's statistics office has said.

**Wednesday, 29 April 2009:** The German government says the country's economy will shrink 6% this year, in a dramatic revision to its earlier forecast of a 2.25% decline.

The US economy continued to contract in the first quarter of 2009, led by the biggest fall in exports for 40 years.

The US Federal Reserve has kept interest rates on hold at its current range of between zero and 0.25%, and suggested the recession may be easing.

**Thursday, 30 April 2009:** Unemployment across the 27 EU member states reached 20 million in March.

Industrial output in Japan rose in March for the first time in six months, according to government figures.

US carmaker Chrysler has filed for Chapter 11 bankruptcy protection, and has formed an alliance with Fiat, President Obama has said.

**Friday, 1 May 2009:** Japan's economy has fallen back into deflation for the first time in more than a year, new data for March shows.

The number of people being declared bankrupt in England and Wales has hit a new record, according to the government's Insolvency Service.

US manufacturing activity fell further in April - but at a slower pace - figures from the Institute for Supply Management have suggested.

Mitsubishi UFJ, Japan's biggest bank, is warning investors it will make a net loss of 260bn yen (\$2.6bn, £1.7bn) in 2009 after revising its forecast.

**Monday, 4 May 2009:** EU economies will contract by 4% in 2009, the European Commission has forecast - more than twice what it predicted at the start of the year.

President Barack Obama has proposed outlawing offshore tax-avoidance techniques in a move that could hit US corporations with overseas divisions.

The number of people claiming unemployment benefits in Spain rose in April, but by the smallest amount in nine months, official data has shown.

Italian carmaker Fiat has begun efforts to win support for its plan to take over General Motors' European business, which includes Vauxhall and Opel.

**Tuesday, 5 May 2009:** German car sales climbed 19% in April compared with the same time a year ago, as a trade-in plan to scrap old cars continued to encourage purchases.

General Motors' European plants in peril over Fiat bid.

**Wednesday, 6 May 2009:** Carmaker Porsche has proposed closer ties with fellow German manufacturer Volkswagen Group after weeks of talks between the two firms' management.

The UK recession could be the worst since the early 1930s, a leading economic research body has predicted.

Bank of America comes up \$34bn short in stress test.

Profits at entertainment giant Walt Disney have fallen 46%, as some of its films disappointed at the box office.

**Thursday, 7 May 2009:** The European Central Bank (ECB) has cut interest rates in the eurozone to a record low of 1%, down from 1.25%.

The Bank of England has kept interest rates on hold at 0.5% and announced that it will inject an extra £50bn into the UK economy.

Troubled US carmaker General Motors has announced a loss of \$6bn (£3.98bn) for the first three months of this year as a massive slump in sales hit revenues.

President Barack Obama has said he aims to cut \$17bn (£11bn) from next year's US government budget, saying he had found examples of "stunning" waste.

Barclays Bank has announced a sharp rise in profits in the first three months of the year despite a jump in bad debts during the financial crisis.

UK car sales fell by 24% in April compared with the same month last year, the latest industry figures have shown.

Video games firm Nintendo has posted an 8.5% rise in its net annual profits.

A comprehensive review of house prices in England and Wales by the Land Registry has revealed the depth of the slump in early 2009.

**Friday, 8 May 2009:** US bank Wells Fargo has said it plans to raise \$7.5bn (£4.9bn) from selling new shares, a day after the US Treasury said 10 banks needed to boost reserves.

Germany's Commerzbank has reported further losses as it struggles to recover from the impact of the global financial crisis.

The US economy lost 539,000 jobs in April, fewer than in previous months, in a sign that the US jobs market might be beginning to improve.

The price of oil has risen to more than \$58 a barrel, a rise of 10% on the week, as optimism about the state of the world economy has grown.

Venezuela's President Hugo Chavez has announced plans to nationalise companies that provide services for the country's oil industry.

**Sunday, 10 May 2009:** Celebrated US financier Warren Buffett has seen his investment firm report its first loss in eight years due to a badly-timed purchase of oil stocks.

**Monday, 11 May 2009:** Four more of the largest US banks have announced plans to sell shares in a bid to boost their capital and repay money from the government bail-out. US Bancorp, Capital One, BB&T and Keycorp plan to raise \$6bn (£4.5bn).

HSBC has described its three-month results as "encouraging", although its bad debt provisions have risen.

China's consumer prices fell by 1.5% in the year to April, figures show, the third consecutive month of declines.

Italian clothing retailer Benetton has reported a 38% fall in first-quarter profits, after being hit by a drop in demand and unfavourable exchange rates.

Suzuki Motors has avoided reporting a loss for the January to March quarter, helped by growth in India, but was downbeat about future sales.

General Motors going into bankruptcy protection was looking more likely, the firm's chief executive has said.

France and Italy both saw sharp falls in industrial output in March, which were much larger than forecast.

**Tuesday, 12 May 2009:** Electronics maker Hitachi has reported a record annual loss for a Japanese manufacturer, after demand for its products fell.

China's exports in April were down 22.6% from a year ago, the sixth successive month of decline.

The number of people out of work in the UK rose 244,000 to 2.22 million in the first three months of 2009, the Office for National Statistics said.

The International Monetary Fund has called for European banks to be subjected to "stress tests" like those applied to US banks.

Spanish Prime Minister Jose Luis Rodriguez Zapatero has announced new economic stimulus measures, including subsidies for people who buy new cars.

The current recession in the UK will not be as bad as the one in 1929.

Comment [jriggs2]: Citation?

UK manufacturing output continued to decline in March, but the falls were not as severe as had been expected.

**Wednesday, 13 May 2009:** Retail sales in the US fell 0.4% in April, according to official figures from the Commerce Department, which were much worse than had been expected.

The German cabinet has agreed a "bad bank" scheme, to enable the country's lenders to remove remaining toxic assets from their balance sheets.

The Bank of England says that the UK economic recovery is likely to be slow and protracted.

China's industrial output has slowed, according to the latest figures from the country's statistical bureau.

Japan's current account surplus, the widest measure of its trade, fell 50.2% in the year to the end of March to 12.23tn yen (\$127bn; £83bn).

**Thursday, 14 May 2009:** Electronics giant Sony has reported its first annual loss in 14 years, after being hit by a big drop in sales.

Spain's economy suffered its largest contraction in 50 years in the first three months of 2009, preliminary estimates have shown.

BT has said it will cut about 15,000 jobs this year, mostly in the UK, and has reported an annual loss of £134m.

US producer prices jumped by more than expected in April, pushed higher by the biggest rise in food costs in more than a year, official figures show.

US carmaker Chrysler has told a bankruptcy court that it plans to close about one quarter of its dealerships.

**Friday 15 May 2009:** The economies of the 16 countries that make up the eurozone declined by 2.5% in the first three months of 2009, the EU's statistics agency Eurostat said. The European Bank for Reconstruction and Development says it aims to invest a record €7bn (£6.2bn; \$9.4bn) in 2009 to tackle the slowdown.

Norway's economy is set to shrink by 1.9% this year but more state spending will help to stimulate growth, the country's government has said

Russia's economy contracted sharply in the first three months of the year, hit by the global slowdown, Federal State Statistics figures show.

Hong Kong's economy shrank by 7.8% in the first three months of this year compared with a year earlier as exports plunged during the global downturn.

US industrial production fell in April for the sixth month in a row, but at the slowest rate seen in that time. US consumer prices were unchanged in April, but recorded their largest year-on-year drop for more than 50 years, official data showed.

Unemployment is rising faster in this recession than at anytime since the 1980s, according to official figures.

**Sunday 17 May 2009:** General Motors has announced plans to close up to 1,100 of its dealerships in the US as it desperately tries to cut costs and stave off bankruptcy.

**Monday 18 May 2009:** Ford and Honda have delayed the start of their involvement in the UK car scrapping scheme, saying there are a number of matters still to be resolved.

German car giant Volkswagen has said it is suspending merger talks with luxury carmaker Porsche.

**Tuesday, 19 May 2009:** German investor confidence rose for the seventh month in a row, a survey has indicated, raising hopes that the worst of Germany's recession could be over.

UK annual inflation slowed in April as consumers' energy and food bills continued to drop, figures show.

Lloyds Banking Group has announced it is cutting 625 jobs in the UK. UK retailer Marks and Spencer has cut its dividend by a third after reporting a fall in annual profits. Mobile phone operator Vodafone is to speed up its £1bn cost-cutting plan, as economic pressures weigh heavily on its European operations.

The number of new homes built in the US fell to a record low in April, official statistics have shown. American Express is cutting about 4,000 jobs - approximately 6% of its global workforce - as part of a plan to save \$800m (£521.6m) this year.

Japan's biggest bank, Mitsubishi UFJ, has reported an annual loss after being hit by big costs to cover bad loans.

China is to expand a programme which subsidises the purchase of new cars and home appliances as it tries to stimulate its slowing economy.

**Wednesday, 20 May 2009:** Japan's economy during the first three months of 2009 shrank at its quickest pace since records began, as exports slumped, officials figures have shown.

Bank of America has raised \$13.5bn (£8.7bn) through selling new shares as it looks to strengthen its financial position during the economic downturn.

The US Federal Reserve says it is seeing "tentative evidence" the US recession is easing despite cutting its economic growth forecast. US financial institutions will repay \$25bn (£16bn) of bail-out funds over the next year, the US Treasury says.

Prime Minister Gordon Brown has defended the new 50p tax rate for top earners, calling it a necessary step to address the growing deficit.

Demand for gold is soaring among investors, but hard-up consumers are shunning gold jewelry, figures from the World Gold Council show.

**Thursday, 21 May 2009:** Mexico's economy shrank by 8.2% in the first three months of this year compared with a year earlier, as the global downturn hit demand for exports.

Chinese banks' surge in lending to support the government's stimulus package is leading to excessive risk taking, said the Fitch ratings agency.

Singapore's economy shrank less than previously thought in the first quarter of this year, suggesting an improvement in economic activity in March.

Lloyds Banking Group has announced it is cutting a further 210 full-time jobs from across the UK by the end of 2010.

**Friday, 22 May 2009:** British Airways has announced the biggest loss since the company was privatised in 1987.



The US Treasury is to give finance group GMAC \$7.5bn (£4.7bn) in further state aid, to help it offer loans to potential Chrysler and GM car buyers.

Japan's central bank has upgraded its economic outlook, saying the worst of the recession might be over.

The output of the UK economy fell by an unrevised 1.9% in the first three months of 2009, revised figures from the Office of National Statistics show.

Italian carmaker Fiat has said it plans to cut fewer than 10,000 jobs if it succeeds in buying Opel and its UK brand Vauxhall from General Motors.

The Emirates group, the largest airline in the Middle East, has reported a fall in profits of 72% for the 2008/09 fiscal year.

**Sunday, 24 May 2009:** President Barack Obama says he hopes US carmakers will come out "leaner and meaner" from their financial troubles.

**Monday, 25 May 2009:** Firms in Germany, Europe's largest economy, are more confident now than they have been for six months, according to a key index.

**Tuesday, 26 May 2009:** Russia's economy contracted sharply in April - shrinking by 10.5% from the same month a year ago - Deputy Economy Minister Andrei Klepach has said.

The South African economy has gone into recession for the first time since 1992, following a sharp slowdown in the manufacturing and mining sectors.

Japanese exports show modest signs of recovery.

**Wednesday, 27 May 2009:** Concerns are growing over the future of GM Europe jobs outside Germany as German ministers are due to pick their preferred bidder for the firm.

General Motors' battle to avoid bankruptcy has suffered a major blow as bondholders have rejected a key part of the carmaker's restructuring plan.

The pound has risen above \$1.60 for the first time since November, reflecting reduced fears over the outlook for the UK economy.

The number of problem US banks jumped 40% to a 15-year high in the first three months of the year, a government watchdog has warned.

Japan's export slump eased in April, leading to an unexpected trade surplus for the world's second largest economy, official figures show.

Spanish banking giant Santander is to rebrand all of its major UK High Street brands - Abbey, Alliance & Leicester and Bradford & Bingley.

**Thursday, 28 May 2009:** General Motors and the US Treasury have improved the offer to GM's bondholders, as they prepare for the firm's move into bankruptcy protection.

Retail sales on the UK High Street fell more than expected in May after a brief rise in April, a survey has shown.

Sterling has fallen back against the dollar after the US currency rallied in early trade and a Bank of England policymaker warned of "false dawns".

Christian Lacroix, the French couturier whose artistic and exuberant pouf dresses propelled him to fame in the 1980s, became the latest victim of the global financial crisis Thursday as the US-owned fashion house bearing his name filed in France for court protection from creditors.

Retail sales in Japan rose in April for the first time in eight months as discounting at department stores and supermarkets pulled in customers.

**Friday, 29 May 2009:** The US economy shrank in the first three months of 2009 at a slower pace than had originally been estimated by the Commerce Department.

India's economy grew 5.8% in the first three months of the year compared with the same period last year, which was better than had been expected.

Japan's factory output has jumped at its fastest rate in more than 50 years, but higher unemployment figures have dampened hope of an early recovery.

Prices in the eurozone stopped rising in May - with the annual inflation rate at 0.0% - igniting concern that prices will fall in the months ahead.

**Monday, 1 June 2009:** Canada's economy contracted at the fastest rate since 1991 in the first three months of 2009, according to official figures.

Factory production in the eurozone shrank more slowly in May than expected, a key survey suggests.

US consumer spending fell for the second month in a row in April, despite an increase in personal income, official data has shown.

Car giant General Motors has filed for bankruptcy protection, marking the biggest failure of an industrial company in US history.

There has been fresh criticism of the way banks were supervised by the Treasury, Bank of England and Financial Services Authority.

The pound has risen to a seven-month high against the dollar, as the greenback continued recent falls.

**Tuesday, 2 June 2009:** Unemployment in the 16 countries using the euro increased in April to its highest level in nearly ten years, official data has shown.

Switzerland has entered recession after official figures showed that the country's economy shrank by 0.8% in the first three months of 2009.

General Motors is to sell its Hummer brand to China's Sichuan Tengzhong Heavy Industrial Machinery for an undisclosed amount.

Shares in Barclays have fallen 13.5% after news that one of the largest Middle Eastern investors in the firm sold a stake worth about £3.5bn.

**Wednesday, 3 June 2009:** The Australian economy has unexpectedly avoided falling into recession after its economy grew by 0.4% in the first three months of 2009.

The recession is expected to shrink the number of higher rate taxpayers by a million in just two years, according to figures from HM Revenue & Customs.

**Thursday, 4 June 2009:** France's unemployment rate has risen to a two-year high as it continues to be hit by the global recession.

**Monday, 8 June 2009:** The pace of decline of the world's major economies is slowing, according to the Organisation for Economic Co-operation and Development.

**Tuesday, 9 June 2009:** Brazil has gone into recession after its economy contracted by 0.8% in the first three months of 2009.

**Friday, 12 June 2009:** Latvia's prime minister says that he has saved the country from bankruptcy.

India's industrial output rose unexpectedly in April, driven by a rise in domestic demand, fuelling hopes that a recovery may be in sight.

**Monday 15 June 2009:** For three decades, Bahrain has been the banking capital of the Middle East. It is home to 150 banks, employing more than 14,000 people.

The International Monetary Fund has said the US economy will recover more strongly and more quickly, than it previously thought.

**Tuesday, 16 June 2009:** China will extend a \$10bn (£6bn) loan to Russia and four Central Asian states to help them in the financial crisis, Chinese President Hu Jintao has said.

**Comment [jriggs3]:** Is there a reason to include this?

The Bank of Japan has said the Japanese economy has begun to stop deteriorating, but it has still kept interest rates unchanged at 0.1%.

The US economy should emerge from recession by the late summer, according to economists from some of the country's top banks.

The Bank of England has appointed US economist Dr Adam Posen to the Monetary Policy Committee (MPC) interest rate-setting panel for three years.

**Wednesday, 17 June 2009:** The US government has announced a major reform of banking regulation to prevent future financial crises.

US consumer prices rose less than had been expected in May, as the recession continued to keep inflation down.

The Bank of England's interest rate setters voted unanimously to hold interest rates at the record low of 0.5% earlier this month.

Chancellor Alistair Darling does not plan fundamental reform of the structure of the system that regulates UK financial institutions.

US banks have started to pay back money borrowed through the government's Troubled Asset Relief Program (TARP).

**Thursday, 18 June 2009:** The US Treasury has defended huge reforms of the banking system and urged Congress to pass the changes soon.

Inflation in India has turned negative for the first time in more than 30 years, official figures have shown.

UK public sector borrowing was the highest on record in May, the Office for National Statistics said.

Swiss financial regulators said Thursday that they were considering assuming new emergency powers that would allow them to break up large banks to wind down troubled business units that are not essential to the economy.

**Friday, 19 June 2009:** Thailand's exports slumped by more than a quarter in May - a record fall - as demand for Thai goods overseas continued to drop during the downturn.

Federal regulators closed three small banks on Friday, bringing the number of bank failures to 40 so far this year. The largest of the banks closed on Friday was the Cooperative Bank of Wilmington, N.C., with \$970 million in assets and \$774 million in deposits, the Federal Deposit Insurance Corporation said.

**Sunday, 21 June 2009:** Governments that have borrowed heavily to fight the economic crisis should not accumulate any more debt, the president of the European Central Bank has said.

**Monday, 22 June 2009:** The World Bank says the economies of developing countries are expected to grow by just 1.2% this year, compared with 5.9% in 2008 and 8.1% in 2007.

The Japanese government is ready to make an emergency loan to the country's biggest airline.

Firms in Germany, Europe's largest economy, are more confident now than they have been for seven months, according to a key index.

**Tuesday, 23 June 2009:** A total of 55 firms who responded to a survey intend to freeze their final-salary pension scheme for existing members within the next five years.

Ministers from 18 countries have backed a plan to impose sanctions on countries who do not do enough to clamp down on tax fraud.

**Wednesday, 24 June 2009:** The Organisation for Economic Cooperation and Development says the world economy is near the bottom of the worst recession in post-war history.

**Thursday, 25 June 2009:** France saw its unemployment total grow by 36,400 in May, with young jobseekers suffering the biggest rises, official figures have shown.

The US economy shrank at an annualised rate of 5.5% in the first three months of 2009, better than previously thought, government figures show.

**Friday, 26 June 2009:** China's central bank has reiterated its call for a new reserve currency to replace the US dollar.

US consumer confidence rose in June to its highest level since February 2008, a survey has shown, suggesting the worst of the recession may be over.

**Monday, 29 June 2009:** There are signs that the financial services sector is emerging from the worst of the downturn, a quarterly survey from the CBI suggests.

Japanese industrial output increased 5.9% in May compared with the month before, the third consecutive monthly climb, according to official data.

**Tuesday, 30 June 2009:** The UK economy contracted 2.4% in the first quarter of 2009, a decline not exceeded in 51 years, according to the latest official data.

Employers in the UK have saved themselves £4.5bn a year by closing their final salary pension schemes, an insurance company estimates. Lloyds Banking Group has announced it is to cut a further 2,100 jobs over the next three years.

The eurozone's annual rate of inflation turned negative in June for the first time since the single currency was introduced in 1999.

German unemployment rose in June, official figures have shown, but the increase was smaller than expected.

**Wednesday, 1 July 2009:** UK manufacturing activity shrank at its slowest pace for a year in June, a survey has indicated, adding to hopes that the worst of the downturn is over. The Crabtree & Evelyn business in the US, which specialises in premium natural skincare products, has filed for Chapter 11 bankruptcy protection.

Unemployment in the Irish Republic was 11.9% in June, the highest rate since April 1996, according to the Central Statistics Office.

Business confidence in Japan has improved for the first time in two-and-a-half years, according to the Bank of Japan's quarterly Tankan survey. Japan's Shinsei Bank and Aozora Bank have agreed to merge to form the country's sixth largest bank, with assets of 18tn yen (\$186bn; £113bn).

India's exports fell in May for the eighth month in a row as overseas demand for goods continued to shrink in the global recession.

Wall Street starts quarter with a push higher.

**Thursday, 2 July 2009:** The number of jobs lost in the US last month came in at 467,000, which was much more than had been expected.

India could achieve growth of 7% in the current year and more in coming years if the right reforms are made, a report from the finance ministry said.

**Friday, 3 July 2009:** Retail sales in countries that use the euro fell more than expected in May, a further sign that consumers are still limiting their spending, data shows.

**Saturday, 4 July 2009:** Venezuela has taken formal control of its third largest bank, the previously Spanish-owned Banco de Venezuela.

**Monday, 6 July 2009:** India's government has unveiled its annual budget, saying the "first challenge" is to return to a growth rate of 9% a year "at the earliest."

China has begun a trial scheme that allows trade with its neighbours to be settled with its own currency, the yuan, also known as the renminbi.

The Bank of England is to be given new powers to control the amount of money that banks and building societies lend, the BBC has learnt.

Business leaders have called for the government to do more to stem rising job losses, including introducing an "alternative to redundancy" scheme.

**Tuesday, 7 July 2009:** The level of people falling behind with consumer loans in the US hit a new high in the first three months of 2009, the American Bankers Association said.

A senior US Democrat has said that legislators must be willing to consider the possibility of a second economic stimulus package.

The worst of the UK's recession is over, according to the British Chambers of Commerce business group, but talk of a recovery is premature.

European finance ministers have agreed proposals which would force banks to put aside more money in good times to help them weather tougher periods.

Philippine inflation fell to 1.5% in June - its lowest rate in 22 years - after energy prices fell, according to official figures.

**Wednesday, 8 July 2009:** Worldwide economic growth is expected to recover to 2.5% in 2010, says the International Monetary Fund.

German industrial output rose by a surprise 3.7% in May compared with April, the latest sign that the country's recession may be easing.

UK banks will face tougher regulation and consumers will get more protection, under reforms to the financial system proposed by the chancellor.

Japanese machinery orders dropped unexpectedly in May to a record low, figures show, with firms limiting their spending as the economy remained weak.

China's finance ministry has failed to sell all 28bn yuan (\$4.1bn; £2.55bn) of one-year government bonds it offered at an auction.

**Thursday, 9 July 2009:** The Bank of England's interest rate setters have kept the cost of borrowing unchanged at 0.5% for the fourth month in a row.

German exports rose 0.3% in May from the month before, raising hopes of a tentative economic recovery.

Car sales in China rose 48% in June from a year ago, boosted by government incentives and the continuing resilience of the country's economy.

Australia's unemployment rate hit a six-year high of 5.8% in June, up from 5.7% in May, but the increase was less than had been feared.

**Friday, 10 July 2009:** General Motors (GM) says it has emerged from bankruptcy protection after creating a "new GM" made up of the carmaker's best assets.

The US saw its deficit narrow to \$26bn (£16bn) in May, its lowest level in more than nine years, according to figures from the Commerce Department.

Wholesale prices in Japan fell at their fastest pace to date in June, Bank of Japan data showed, raising further fears about deflation returning.

Canada saw fewer job losses than expected in June, but the unemployment rate hit an 11-year high, data shows.

**Friday, 31 July 2009:** US President Barack Obama has said that new figures on the American economy indicate progress is being made in tackling the country's problems.

British Airways has reported a pre-tax loss of £148m (\$245m) in the three months to the end of June.

**Monday, 3 August 2009:** Barclays has announced an 8% rise in first-half profits, boosted by its investment banking division.

Banking group HSBC saw pre-tax profits halve to \$5bn (£2.98bn) in the first six months of 2009.

**Tuesday, 4 August 2009:** US consumer spending climbed for the second consecutive month in June, despite growing unemployment and falling personal income.

**Wednesday, 5 August 2009:** Shares in Lloyds Banking Group surged by 11% despite its announcement of a £4bn loss in the first half of 2009, due to mounting bad debts at HBOS.

One of Asia's biggest airlines, Cathay Pacific, has reported a profit for the first half of the year, helped by bets it placed on the oil price.

**Thursday, 6 August 2009:** The Bank of England's rate-setters have decided to pump another £50bn of new money into the economy in their programme of quantitative easing.

**Friday, 7 August 2009:** German exports rose 7% in June, the fastest pace in nearly three years, in the latest sign of recovery in Europe's biggest economy, official figures show.

The US economy lost 247,000 jobs in July, far fewer than analysts had expected, official figures show.

Royal Bank of Scotland Group, which is 70%-owned by taxpayers, has reported a pre-tax profit of £15m for the first six months of the year.



Japan Airlines has reported a significant loss in the three months to June, after ticket sales slumped during the period.

**Monday, 10 August 2009:** Car sales in India have risen by almost a third as new launches and lower interest rates encourage people to buy new cars.

The price of raw sugar has increased to its highest level since 1981, as supply concerns grow.

**Tuesday, 11 August 2009:** China's economy has shown signs of improvement, with the annual growth rates of both industrial output and retail sales rising last month.

Russia's economy shrank at an annualised pace of 10.9% in the three months to 30 June, Federal State Statistics figures have shown.

The world's biggest hotel group has warned it has seen no sign of recovery and has said it could take two years for trade to return to previous levels.

Japan's central bank has kept its key interest rate unchanged and underlined its cautious outlook for the economy.

The number of mortgages for homebuyers granted in June rose by 23% compared with May, according to UK lenders.

US productivity rose at its fastest annual pace for nearly six years in the second quarter of 2009, figures from the Department of Labor show.

**Wednesday, 12 August 2009:** The Federal Reserve has suggested that the worst of the US recession is over.

The Bank of England has warned that the UK economy still has some way to go before it recovers from the effects of the financial crisis. Bankers' pay deals are to be linked more closely with the long-term profitability of banks under new rules from the Financial Services Authority. The number of people out of work in the UK has risen to its highest level since 1995, official figures have shown.

Eurozone industrial output fell back in June, wiping out gains made in May and dampening expectations of a recovery in the region, official figures show.

Microsoft and Nokia have announced an alliance to bring the software giant's services to smartphones made by the world's biggest mobile phone firm.

The strong Swiss franc has hit food and drinks firm Nestle, pushing the company's profits down by 2%.

Scandinavian airline SAS has said it will cut another 1,000 to 1,500 jobs as part of a fresh cost-cutting programme.

Japanese wholesale prices were down by a record 8.5% in July compared with a year earlier, highlighting the growing deflationary pressure in the economy.

**Thursday, 13 August 2009:** The French and German economies both grew by 0.3% between April and June, bringing to an end year-long recessions in Europe's largest economies.

India and the 10-country South East Asian bloc ASEAN have signed a free trade agreement after more than six years of talks.

Brewing giant ABInBev has reported a strong growth in profits as the impact of the merger late last year of Anheuser-Busch and InBev is felt.

**Friday, 14 August 2009:** The economy of Hong Kong has emerged from recession, posting growth of 3.3% in the three months from April to June. Asian markets gain amid signs recession easing.

The number of homes repossessed in the UK fell 10% in the second quarter of the year compared with the previous three months, lenders say.

South Africa's central bank has taken markets by surprise by cutting its lending rate from 7.5% to a four-year low of 7%.

**Monday, 17 August 2009:** Japan has come out of recession after its economy grew by 0.9% in the April-to-June quarter.

**Tuesday, 18 August 2009:** China reduced its holdings of US government debt by the largest margin in nearly nine years in June, according to data from the US Treasury.

A key measure of inflation in the UK has unexpectedly remained at 1.8%.

The South African economy contracted for the third quarter in succession between April and June, the latest official figures have shown.

The value of assets in employees' defined-contribution pension funds rebounded in July due to rising share prices, the consultants Aon have said.

**Wednesday, 19 August 2009:** A sharp fall in petrol prices has seen Canada's annual rate of inflation drop by the largest amount in 56 years.

The Governor of the Bank of England, Mervyn King, wanted to pump more money into the UK economy this month but was outvoted by fellow policymakers.

The Organisation for Economic Co-operation and Development has said the economies of its members stabilised in the last quarter.

China's main share index has closed at a two-month low on concerns about the viability of the global recovery.

**Thursday, 20 August 2009:** Germany has said it would be prepared to give a €4.5bn (\$6.4bn: £3.9bn) loan to carmaker Opel if its favoured suitor is chosen to take over the firm.

UK retail sales rose 0.4% in July from June, taking the annual gain to 3.3%, according to figures from the Office for National Statistics.

Mortgage lending continues to rise, according to the latest figures from the Council of Mortgage Lenders.

Mexico's economy shrank by 10.3% between April and June as the global downturn hit demand for exports and swine flu drove tourist numbers down.

Bahrain-based investment bank Investcorp has reported its first annual loss, due to the "severe impact" of the world financial crisis.

**Friday, 21 August 2009:** World stock markets have risen after US central bank chief Ben Bernanke said the world's biggest economy was nearing the start of a recovery.

**Monday, 24 August 2009:** Asian shares have risen sharply, boosted by comments made by Federal Reserve chief Ben Bernanke that the US economy is approaching recovery.

Confidence among business professionals has surged, suggesting the recession is at an end, a survey has said.

Industrial orders in the eurozone rose in June, official figures have shown, suggesting the manufacturing sector could be emerging from recession.

Unemployment in Taiwan has reached record levels for the third month running, according to the latest unemployment figures.

Recession in Britain "at an end,"

Comment [jriggs4]: Citation?

**Tuesday, 25 August 2009:** The US budget deficit will soar to almost \$1.6 trillion (£978bn) this year, the highest on record, both the White House and Congress have warned.

US consumer confidence rose more than expected this month, a report has found, in the latest sign that the economy may now be recovering.

China's main share index has fallen after a three-day winning streak, as fears grow about possible bad bank loans and a reduction in liquidity.

**Wednesday, 26 August 2009:** Japanese exports slid in July at a faster annual rate than June, raising fears the effects of global stimulus measures are starting to decline.

US durable goods orders and new home sales both soared last month, the latest positive indications of the state of the world's largest economy.

More than one in six UK homes which house at least one person of working age does not have anyone in employment, official statistics show.

The euro hit a two-and-a-half-month high against the pound after a survey showed confidence among German firms was growing.

**Thursday, 27 August 2009:** The US economy shrank at an annual pace of 1% between April and June, unchanged from an initial estimate released last month, according to the latest data.

**Friday, 28 August 2009:** Japan's jobless rate hit a record 5.7% in July and consumer prices fell at a record pace, figures released days before a general election have shown.

The rate of contraction of the UK economy in the three months from April to June has been reduced by the Office for National Statistics.

Iberia has reported a loss of €165.4m (\$237.2m; £145.7m) in the first half of the year after passenger numbers fell during the downturn.

Carrefour, the world's second-biggest retailer, has reported a loss for the first half of the year after writing down the value of assets in Italy.

US consumer spending rose slightly in July, helped in part by the government's "cash for clunkers" car scrappage scheme.

**Monday, 31 August 2009:** The eurozone's annual rate of inflation was negative in August for the third consecutive month.

India's economy grew 6.1% in the second three months of the year compared with the same period last year, which was slightly better than had been expected.

**Tuesday, 1 September 2009:** Unemployment levels across the 16 countries that use the euro hit a 10-year high in July, as the impact of the recession continued to be felt.

Airlines are likely to have lost more than \$6bn (£3.7bn) in the first half of 2009, according to the International Air Transport Association (IATA).

China's manufacturing sector continued to recover in August, two separate monthly surveys have indicated.

India's exports declined at an annual rate of 28% in July, the 10th month in a row of falls, after the weak global economy continued to hit demand.

The total amount of personal debt in the UK has fallen for the first time since records began in 1993, the Bank of England has said.

US manufacturing output grew in August for the first time in 19 months, a closely-watched survey suggests.

**Friday, 4 September 2009:** US employers cut 216,000 jobs in August, pushing the unemployment rate up to 9.7%, a 26-year high, official figures show.

**Saturday, 5 September 2009:** Finance ministers from the world's most powerful economies have agreed a series of measures to try to regulate the global banking system.

**Sunday, 6 September 2009:** The UK economy should bounce back next year but the risk of a relapse remains high, a business group has warned.

**Monday, 7 September 2009:** Central bankers have backed new measures to strengthen supervision of the global banking industry.

Nobel Prize-winning economist Joseph Stiglitz has cast doubt on the strength of any US economic recovery, warning it may be hit by a "double-dip" recession.

Cadbury shares rose almost 40% after it rejected a £10.2bn approach from Kraft Foods, sparking talk of a bidding war.

The Australian dollar is at its highest in a year as confidence increases about the global economy.

**Tuesday, 8 September 2009:** Gold returns back above \$1,000.

Switzerland has overtaken the United States as the world's most competitive economy, according to a report from the World Economic Forum.

The European Bank for Reconstruction and Development (EBRD) will invest a record €8bn (\$11.6bn; £7bn) in central and eastern Europe this year.

**Wednesday, 9 September 2009:** The world will suffer another financial crisis, former Federal Reserve chief Alan Greenspan has told the BBC.

UK consumers were more optimistic about the future than they have been in more than a year, according to the Nationwide Consumer Confidence index.

Business Secretary Lord Mandelson has said there are "signs" the UK economy is coming out of recession.

Oil prices have risen ahead of an OPEC meeting, as a weaker US dollar made the commodity cheaper in other currencies.

The US economic outlook has become "cautiously optimistic", according to the latest issue of the Federal Reserve's influential Beige Book.

**Thursday, 10 September 2009:** US President Barack Obama's massive stimulus package has created up to 1.1m jobs, according to the White House.

The Bank of England has held interest rates at the record low of 0.5% for the sixth consecutive month.

**Friday, 11 September 2009:** The world's largest economies have spent \$10,000 for every person in a bid to fix the financial meltdown of the past year.

China's exports continued to decline in August, down 23% from the same month last year

Brazil has come out of recession after its economy grew in the April-to-June quarter.

The European Union will take a look at bonuses at banks that received government bail-outs.

**Monday, 14 September 2009:** The eurozone is emerging from recession, according to the latest forecast from the European Commission.

US President Barack Obama has warned bankers against complacency, saying that some in the industry are ignoring the lessons of the financial crisis.

**Tuesday, 15 September 2009:** Japan Airlines plans to cut 6,800 jobs, as an airline trade body upped its projected losses for the global industry this year.

A year after Lehman Brothers collapsed, a think tank has warned the lessons of the crisis have not been learned.

The US recession is probably over but the economy will remain weak for some time due to unemployment, Federal Reserve chairman Ben Bernanke has said.

There are signs that the UK economy is growing again, the governor of the Bank of England, Mervyn King, has said.

A key measure of inflation has fallen to its lowest level since February 2005, official statistics show.

Foreign investment in China has risen for the first time in 11 months, official figures have shown.

**Wednesday, 16 September 2009:** Zimbabwean inflation slowed again last month, thanks to the lower cost of food and non-alcoholic drinks, the Central Statistical Office has said.

The number of people out of work in the UK has risen to its highest level in 14 years, official figures have shown.

The Organisation for Economic Co-operation and Development says the global recession could cost 25 million people their jobs.

**Thursday, 17 September 2009:** UK retail sales were unchanged in August compared with the previous month, casting doubt on the strength of the recovery in consumer spending.

The Bank of Japan has signalled more optimism about the future of the world's second-largest economy.

**Friday, 18 September 2009:** The Bank of Japan has given an upbeat assessment of the Japanese economy and hinted it may soon withdraw some emergency support measures.

Switzerland's stock exchange is investigating banking giant UBS for possible breaches of public disclosure rules during the financial crisis.

US credit rating agencies will face tighter supervision under new rules adopted by the US financial watchdog.

**Monday, 21 September 2009:** The pound has fallen to its lowest level since April against the euro after a warning that UK public debt levels may not be sustainable.

This week's G20 summit in the US will call for major reforms to promote a more balanced global economy, according to a document seen by the BBC.

Small businesses in the eurozone are finding it harder to get loans despite massive government stimulus to free up credit markets, a survey suggests.

**Tuesday, 22 September 2009:** Venezuela will pay off more than \$4.6bn (£2.8bn) in debts owed by its state-run oil producer in an attempt to boost its slowing economy.

China's sovereign wealth fund has bought a stake in a Hong Kong-based commodities trading firm.

**Wednesday, 23 September 2009:** The US Federal Reserve has said economic activity is "picking up" but that it expects to keep interest rates close to zero for an "extended time." US Treasury Secretary Timothy Geithner has defended the Obama administration's planned financial reforms. The US dollar has fallen to a one-year low against the euro ahead of the G20 meeting of world leaders.

The World Bank is to provide India with \$4.3bn (£2.6bn) in loans, including \$2bn to support its state-owned banks

The UK economy has begun to emerge from recession but growth next year will be fragile, a forecast by business group the CBI has warned.

The number of mortgages approved by the major banks in August was up 81% from the same month a year ago when the housing market was in a slump.

Germany's economy has stopped its "free fall" but any recovery will be "muted" and take a long time, the head of the country's central bank has said.

**Tuesday, 29 September 2009:** The Organisation for Economic Co-operation and Development has called for innovative policies to tackle high global unemployment.

The rate of contraction of the UK economy in the three months from April to June has been reduced again.

US consumer confidence fell unexpectedly in September, suggesting Americans are not as convinced as US policymakers of an economic recovery.

Japan's core consumer prices dropped 2.4% in August year-on-year, the fourth successive month of record falls. The yen has weakened from Monday's eight-month highs against the US dollar following comments from Japanese Finance Minister Hirohisa Fujii.

**Wednesday, 30 September 2009:** US markets have fallen after one of the first economic snapshots of September posted a surprise decline in output.

Britain's five largest banks are to accept the curbs on bonuses agreed by G20 leaders at the recent Pittsburgh summit, Alistair Darling has announced.

The collective wealth of the richest 400 Americans has fallen by \$300bn (£187bn) over the past year, according to the latest Forbes 400 rich list.

The FTSE 100 index of leading shares has enjoyed the best three months in its 25-year history.

Prices in the eurozone fell in September at a faster rate than they had in August.

The International Monetary Fund has cut its forecast for the amount likely to be written off globally in bad loans and investments by 15%.

**Thursday, 1 October 2009:** The global economy is expanding again and financial conditions have improved significantly, the International Monetary Fund has said.



The unemployment rate across the 16 countries that use the euro has risen again as the effects of the recession continue to be felt.

Activity in the UK manufacturing sector continued to decline in September, a survey has indicated.

US stocks have fallen after weaker-than-expected manufacturing output data increased fears that the economic recovery will be both slow and uneven.

**Friday, 2 October 2009:** Japan's jobless rate unexpectedly fell to 5.5% in August from July's record high of 5.7%, official figures showed.

The US economy lost 263,000 jobs in September, which was more than had been expected, according to official non-farm payrolls figures.

**Sunday, 4 October 2009:** US economic power is declining as a result of the financial crisis, the head of the World Bank has said.

**Monday, 5 October 2009:** Financial firms may be recovering, with business volumes growing for the first time in two years, a survey has shown.

The US services industry expanded in September for the first time in a year, a survey has shown.

**Tuesday, 6 October 2009:** The price of gold has hit a new all-time high of \$1,043.77 an ounce after a decline in the dollar boosted the attractiveness of metals to investors.

Contrary to expectations, the UK economy did not grow in the third quarter of the year, an influential economic group has predicted. UK industrial output fell unexpectedly in August, confounding analysts' expectations of an increase and casting doubt on the strength of the economy.

Sales of new cars rose 11.4% in September compared with the same month last year, according to the Society of Motor Manufacturers and Traders.

Australia has raised its main interest rate to 3.25% from 3%, becoming the first G20 nation to do so as the global economy begins to recover.

**Wednesday, 7 October 2009:** The US aluminium-maker Alcoa has announced a surprise profit after three consecutive quarterly losses.

Economic activity in the eurozone shrank by 0.2% between April and June - worse than originally thought - according to official figures.

The Brazilian unit of Spanish banking giant Santander has raised 14.1bn reais (£5.1bn; \$8.1bn) in the country's biggest share offering.

The price of gold has hit a fresh all-time high of \$1,048.40 an ounce after a continued decline in the dollar kept it attractive to investors.

**Thursday, 8 October 2009:** The US budget deficit more than trebled to a record \$1.4 trillion (£877bn) in the year to 30 September, according to US Congress estimates.

The eurozone economy has seen the worst of the recession and is "out of freefall", the president of the European Central Bank has said.

The Bank of England's rate-setting committee has kept UK interest rates on hold at 0.5% for the seventh successive month, as widely expected.

The price of gold has touched an all-time high for a third consecutive day - after a continued decline in the dollar kept it attractive to investors.

**Friday, 9 October 2009:** The dollar has rebounded from recent lows after US Federal Reserve boss Ben Bernanke said he would tighten monetary policy when the economy recovers.

The US trade deficit shrank unexpectedly in August as the weak dollar boosted exports, according to figures from the Commerce Department.

Germany's trade surplus fell 43% in August after a drop in exports from Europe's biggest economy, according to the national statistics office.

The UK has overtaken the United States to be ranked as the world's leading financial centre, despite doubts about its economic stability.

**Sunday, 11 October 2009:** Russia's economy will shrink by 7.5% in 2009, President Dmitry Medvedev has said, but claimed Kremlin intervention had prevented a worse decline.

**Monday, 12 October 2009:** Gordon Brown has set out proposals to reduce the rising budget deficit by raising £16bn from the sale of assets. UK interest rates will stay low for years amid tax rises and spending cuts, according to an economic forecast. Scotland's economy is continuing to show signs of recovery, according to the latest survey of business managers.

Singapore's economy has surged for a second consecutive quarter, continuing the recovery from its worst recession.

The Organisation for Economic Co-operation and Development has said unemployment in its member countries has edged higher.

The FTSE 100 has closed at its highest level for more than a year, boosted by stronger commodity prices and optimism about the US corporate earnings season.

**Tuesday, 13 October 2009:** A key measure of inflation has fallen to its lowest level since September 2004, official statistics show, further weakening the value of sterling.

A leading business group has cast doubt on whether the UK economy emerged from recession in the third quarter of 2009.

**Wednesday, 14 October 2009:** Chinese official export figures for September have suggested improvements in economies in the rest of the world.

The Bank of Japan has not made any reference to stimulus measures in a statement announcing its decision to keep interest rates unchanged at 0.1%.

US retail sales fell in September by the largest amount in 2009, driven by car sales plummeting at the end of the country's scrappage scheme.

The latest official UK unemployment figure has risen once again, but the rate of increase has slowed.

**Thursday, 15 October 2009:** The European Union and South Korea have signed a trade deal that could be worth up to €19bn (\$28bn; £17bn) to European exporters.

The Dow Jones Industrial Average has topped the 10,000 mark for the first time in a year.

Eurostar has reported a rise in sales between July and September, with "some signs of an upturn in business travel."

**Friday, 16 October 2009:** Google has reported its highest quarterly profit, suggesting that the internet advertising market is bouncing back from the recession.

The US Treasury has criticised China for what it described as the lack of flexibility of the Chinese currency, the yuan.

US industrial production rose more than expected in September, growing for the third straight month, the latest official figures have shown.

The eurozone trade balance with the rest of the world slipped into deficit in August after a big surplus in July, as exports fell by more than imports.

The European Commission has warned that Germany's planned state aid for Opel may breach competition rules, raising the prospect of its sale being halted.

Bank of America has reported a \$1bn (£612m) net loss for the three months from July to September, which was worse than had been expected.

**Sunday, 18 October 2009:** The Icelandic government says it has come to a new agreement with the governments of the Netherlands and the UK over the repaying of \$5bn (£3bn).

**Monday, 19 October 2009:** The Sri Lankan stock market has fallen sharply after the arrest of a Sri Lankan billionaire hedge fund manager in New York on insider trading charges.

The price of oil has reached a new high for 2009, continuing its recent rise on the back of the weak US dollar and strong US company results.

A Dutch court has declared DSB bankrupt after last-ditch attempts to find a buyer for the bank failed.

It is "still premature" to talk about the beginnings of a recovery despite growing optimism, according to the influential Ernst & Young Item Club.

The New York Stock Exchange plans to create a technology service centre in Belfast, creating up to 400 jobs.

**Tuesday, 20 October 2009:** The number of new houses being built in the US edged up in September, but by less than expected, raising concerns about the strength of the US recovery.

US bank Morgan Stanley has agreed to sell its retail asset management business to investment manager Invesco in a deal worth \$1.5bn (£913m).

Caterpillar, the world's largest maker of construction and mining equipment, has said it sees "encouraging signs" of economic recovery.

Workers at Opel's factory in Spain have announced four days of strikes starting next week after failing to reach an agreement with Magna on job cuts.

Chinese annual car production has topped 10 million for the first time as carmakers boost output to meet growing demand, state media has said.

The UK's public sector net borrowing reached £14.8bn last month - a high for September, official figures have shown. More UK companies face the threat of insolvency next year, a report says, even though the number of firms failing has fallen in the past three months.

**Wednesday, 21 October 2009:** The International Monetary Fund has warned Asian nations not to withdraw their stimulus spending too soon.

**Thursday, 22 October 2009:** President Barack Obama has welcomed plans to force some companies which accepted government aid during the financial crisis to cut executive pay.

China has said it is on track to hit its growth target of 8% this year, after the economy grew 8.9% from a year ago in the third quarter.

Quarterly profit at Hyundai has tripled to reach a record high, helped by government incentives and a lack of strikes, the company says.

Swedish telecoms equipment maker Ericsson is blaming the global financial crisis for a 71.5% fall in third-quarter profits.

Lenders expect the availability of mortgages to rise in the coming months as the outlook for the UK economy improves, a report has said.

Magna has reached an agreement with unions about planned job cuts at the Opel factory near Zaragoza in Spain, the industry minister has said

**Friday, 23 October 2009:** The UK economy unexpectedly contracted by 0.4% between July and September, according to official figures, meaning the country is still in recession.

Spain's unemployment rate has remained at 17.9% in the third quarter, the highest in the European Union.

China is launching its long-awaited Nasdaq-style stock market in the southern city of Shenzhen.

The New York Times Company, the struggling US newspaper group, has reported a smaller-than-expected loss of \$35.6m in the third quarter.

Sales of previously-owned US homes unexpectedly surged last month to the highest level in more than two years.

**Saturday, 24 October 2009:** The number of US bank failures this year has topped more than 100 after US federal regulators shut down a trio of small Florida banks.

**Monday, 26 October 2009:** Caterpillar, the world's largest construction and mining equipment maker, says it will permanently cut 2,500 jobs in the US. The company which owns the Chicago Sun-Times has been bought by a group led by a local businessman, seven months after it filed for bankruptcy.

Magna's takeover of Opel has moved a step closer after Spanish workers voted to accept plans that save their factory from closure and sees fewer jobs cut.

Consumer confidence in Germany fell in October for the first time since September 2008, according to the GfK economic research institute

India's largest carmaker, Tata Motors, has soundly beaten expectations for its quarterly profit.

Loss-making carrier Japan Airlines is to be put under the supervision of a state-backed turnaround body, a report has said.

South Korea's economy grew between July and September at its fastest quarterly rate since the first quarter of 2002.

**Tuesday, 27 October 2009:** Oil giant BP has reported third-quarter profits well ahead of expectations, sending its share price up 5%.

Bank lending to companies operating in the eurozone fell in September for the first time on record, according to the European Central Bank.

High Street sales grew at their fastest annual rate for almost two years in October, a CBI survey has said.

Iceland is the country that has made the most progress in closing the gender gap - knocking Norway off the top spot - a World Economic Forum survey said.

India's leading shares slipped more than 2% after the country's central bank said it was time to roll back some of its economic support measures.

Honda's profits for the July to September period more than halved after car sales continued to fall during the global downturn.

US consumer confidence fell sharply and unexpectedly in October as fears about future job prospects increasingly preyed upon Americans.

**Wednesday, 28 October 2009:** Steel giant ArcelorMittal has reported a profit for the July to September quarter, ending a run of three consecutive quarterly losses.

The Spanish government has been told to end a tax break that gives its companies an advantage in buying companies in other European countries.

Spanish banking giant Santander has announced a profit of €2.2bn (\$3.3bn; £2bn) for July to September, almost unchanged from a year ago.

Norway has become the first European country to raise its interest rates since the beginning of the global financial crisis.

Italian fashion house Versace is cutting a quarter of its workforce, blaming a slump in demand for luxury goods and designer items.

The annual rate of US new home sales fell unexpectedly in September, raising doubts about the strength of the housing sector's recovery.

European shares have fallen sharply, hit by disappointing company results and US economic data.

The fall in the number of people paying into private sector final-salary pension schemes has slowed, despite a trend for these benefits to be closed

Nomura Holdings, Japan's biggest brokerage, has reported its second straight quarterly profit after trading activity increased.

**Thursday, 29 October 2009:** Official data due later is expected to indicate that the US economy has started to grow, but analysts warn the continuing recovery will be slow.

Anglo-Dutch oil giant Royal Dutch Shell has reported its quarterly profit fell sharply, and warns the outlook remains "very uncertain,"

Loss-making carrier Japan Airlines has confirmed it is to apply for financial assistance from a newly-formed state-backed turnaround agency.

The US economy grew at an annual pace of 3.5% between July and September, its first expansion in more than a year.

**Friday, 30 October 2009:** Unemployment levels across the 16 countries that use the euro rose to 9.7% in September, the highest rate since January 1999.

US consumer spending fell for the first time in five months in September, coinciding with the end of the government's car scrappage scheme.

German retail sales fell for the second consecutive month in September, as the economic downturn continued to affect consumer spending.

The price of shares for all 28 firms on China's new Nasdaq-style stock market more than doubled when it opened for trading for the first time on Friday.

**Sunday, 1 November 2009:** The US lender, CIT Group, has filed for bankruptcy protection, after a debt-exchange offer to bondholders failed.

China's manufacturing sector grew in October at its fastest rate in 18 months, a survey has suggested.

Chancellor Alistair Darling has confirmed that Lloyds, RBS and Northern Rock will be broken up and parts sold to new entrants to the banking sector.

**Monday, 2 November 2009:** Irish budget airline Ryanair has said it may stop expanding its business if it does not get a better deal on new aircraft from Boeing.

UK factory activity grew at its fastest pace in two years in October as orders rose at their fastest in almost six years, a survey has indicated.

Consumer confidence has risen to its highest level for 18 months but major job fears remain, according to research by the British Retail Consortium.

A key US housing index has risen to its highest level in almost three years, helped by first time buyers taking advantage of a popular tax break.

Germany's Commerzbank has reported a bigger than expected quarterly loss, hit by restructuring costs.

**Tuesday, 3 November 2009:** Australia has raised its main interest rate for the second month in a row, to 3.5% from 3.25%.

Royal Bank of Scotland and Lloyds Banking Group are to sell off branches in another major shake-up of the UK banking industry.

**Wednesday 4 November 2009:** The World Bank has upped its 2009 growth forecast for China from 7.2% to 8.4%, but says the nation needs to encourage more consumer spending.

General Motors has cancelled plans to sell a majority stake in its European car business Opel, including its UK brand Vauxhall.

The Federal Reserve has kept US interest rates on hold at between 0% and 0.25%, as had been widely expected.

**Thursday, 5 November 2009:** The European Central Bank has kept interest rates on hold at a record low of 1% for the sixth month in a row.

The Financial Services Authority has fined Swiss banking giant UBS £8m for failing to stop its employees making unauthorised transactions.

The Bank of England's rate-setters have decided to pump an extra £25bn into the economy in their quantitative easing (QE) programme.

General Motors has confirmed that it plans to cut 10,000 jobs across its European car unit Opel, which includes the Vauxhall brand in the UK.

Iceland's central bank has cut interest rates to 11% from 12%, as hopes build that the country is starting to stabilise after the financial crisis.

**Friday, 6 November 2009:** The unemployment rate in the US rose to 10.2% in October, which was its highest rate since April 1983, according to figures from the US Labor Department.

Major economies across the world are showing strong signs of recovery, the Organisation for Economic Co-operation and Development has said.



The Reserve Bank of Australia has said that the country's economy is growing faster than had been expected.

**Monday, 9 November 2009:** The price of gold has touched a new all-time high as the precious metal becomes increasingly attractive compared with the weakening dollar.

**Tuesday, 10 November 2009:** Lloyds Banking Group is to cut 5,000 more jobs by the end of next year as it continues to reduce overlap following its merger with HBOS last year.

UK banks Barclays and HSBC have both reported continuing profits, and indicated that the worst of their bad debts may be coming to an end.

German investor confidence has fallen more than expected in November. An index measuring sentiment fell to 51.1, down from 56 in October.

US video game maker Electronic Arts has said it is cutting 1,500 jobs.

**Wednesday, 11 November 2009:** The latest economic data from China suggests that industrial production grew year on year at a level faster than expected.

The number of people unemployed in the UK rose again in the three months to September, although the 30,000 increase was the smallest since May 2008.

The world's largest power firm, E.On, has raised its annual profit forecast.

The UK economy has "only just started" along its road to economic recovery, according to Bank of England governor Mervyn King.

Troubled national carrier Air India has reported a net loss of 55.5bn rupees (\$1.2bn; £719m) for the full-year to the end of March.

**Thursday, 12 November 2009:** Australia's economy created more jobs than expected in October, with 24,500 more people finding employment.

Russia's economy grew by 13.9% between July and September compared with the previous quarter, the country's federal statistics agency has said.

**Friday, 13 November 2009:** The eurozone economy has emerged from recession after growing between July and September, figures have shown.

Asia is leading the world out of recession, the region's leaders have said.

Some specialist mortgage lenders have been so reckless that 30% to 60% of their borrowers are now in arrears, the main City regulator has said.

**Monday, 16 November 2009:** Figures released by the Japanese government show that the country's economy has grown for a second successive quarter.

**Tuesday, 17 November 2009:** A key measure of UK inflation has risen for the first time since February, official figures have shown.

The Scottish economy is forecast to achieve almost no growth during 2010, according to the most recent analysis from Strathclyde University.

Belgian insurance group Fortis has reported a profit for the third quarter of the year.

Regulators involved in the rescue of AIG may have overpaid other banks when cutting a deal, a report says.

US producer prices rose less than expected in October as a weak economy largely kept inflation in check, official figures have shown.

**Wednesday, 18 November 2009:** Canadian inflation rose to an annual rate of 0.1% last month, as increases in the price of food and consumer goods offset a fall in the cost of petrol.

The construction of new homes and apartments in the US showed a surprise fall in October.

**Thursday, 19 November 2009:** The Dutch government has announced it will inject a further €4.4bn (\$6.5bn; £3.9bn) into ABN AMRO.

The Organisation for Economic Co-operation and Development says growth and recovery are expected in 2010 in just about all world regions.

**Friday, 20 November 2009:** Deflation has returned to the Japanese economy for the first time since 2006, the government has warned.

Volkswagen, Europe's biggest car company, has announced plans to invest €26bn (\$28.5bn; £15.8bn) over the next three years to boost production.

**Monday, 23 November 2009:** Eurozone economic activity rose at its fastest pace in November for two years, according to an influential survey.

The economies of the 30 members of the Organisation for Economic Co-operation and Development grew by 0.8% in July to September, the group has said.

Thailand's economy has grown for a second straight quarter, boosted by a strong recovery in the country's manufacturing sector.

The price of gold has hit a new all-time high, boosted by continued concerns about the weakening dollar.

Sales of previously-owned US homes jumped by 10.1% in October as buyers rushed to take advantage of tax credits, which have now been extended.

**Tuesday, 24 November 2009:** The US economy grew by far less than originally forecast between July and September, according to revised official figures.

South Africa has emerged from recession after its economy returned to growth between July and September.

Russia's central bank has cut interest rates from 9.5% to a record low of 9% in a widely expected move.

**Wednesday, 25 November 2009:** Japan's exports fell at their slowest annual rate in a year in October, providing further evidence of the country's emergence from recession.

US consumer spending rose more than expected in October, raising hopes that the economic recovery is continuing despite stubbornly high unemployment.

The UK economy contracted at a slower pace than originally estimated between July and September, figures show.

**Thursday, 26 November 2009:** European shares have been hit by concerns over Dubai's financial health, after a government-owned company asked for an extension on repaying its debts.

Leading Chinese shares have slid ahead of a key government economic meeting with investors wary of the outcome.

**Friday, 27 November 2009:** US shares have fallen on worries about Dubai's debt problems, with the Dow Jones ending down 154 points, or 1.5%, at 10,309.92, in a shorter trading day.

Chancellor Alistair Darling will say in his pre-Budget report that the economy performed worse in 2009 than he first predicted, Treasury sources have said.

Jaguar Land Rover had seen its sales rise 23% in the second quarter after its new models were well-received.

Japan's finance minister has said the strength of the yen is harmful to the country's economy.

**Monday, 30 November 2009:** The eurozone has seen consumer prices rise for the first time in seven months, official figures have shown.

The Dubai government has said it will not guarantee the debt of Dubai World, which caused global panic because it cannot pay back creditors immediately.

India's economy grew at a faster-than-expected rate of 7.9% in the three months to September, compared to the same period last year.

Japan's authorities have moved to offer support for the country's weakened economy.

**Tuesday, 1 December 2009:** Australia's central bank has raised interest rates for a third month in a row, as the country's economy continues to recover from the downturn.

The Bank of Japan has announced new measures to boost the economy and tackle deflation.

UK manufacturing activity slowed in November as new orders fell sharply, a survey has indicated, casting doubts on the strength of the sector's recovery.

The Venezuelan government has shut down four private banks, accusing them of financial irregularities.

**Wednesday, 2 December 2009:** Germany's Economy Minister Rainer Bruederle has warned that German firms face another credit crunch if the country's banks do not lend more.

US shares headed higher on Tuesday after a flurry of economic data pointed to a rebound in the economy - and took dealers' minds off the Dubai story.

European Union finance ministers have agreed plans for a new Europe-wide system of financial regulation.

**Thursday, 3 December 2009:** The ratings agency Standard & Poor's has cut the credit ratings of four Dubai-based banks because of their exposure to the debt-laden Dubai World.

**Friday, 4 December 2009:** The US unemployment rate fell in November to 10% from 10.2% in October, Labor Department figures show.

UK car sales rose by 57.6% in November compared with a year earlier, industry figures have shown.

**Monday, 7 December 2009:** Iceland's recession deepened in the third quarter as figures showed output plunging at the fastest pace on record.

The recession is over in Northern Ireland, according to the chief economist working for one of NI's "big four" banks.

Although the US economy is improving, it is too early to say that the recovery will last, Federal Reserve chairman Ben Bernanke has said.

Dubai's stock market fell by 6% on Monday on new worries about the size of the emirate's debt burden.

**Tuesday, 8 December 2009:** Japan has agreed a 7.2 trillion yen (\$81bn; £48bn) stimulus plan designed to prevent the country's economy from slipping back into recession.

Dubai's stock market has fallen for the second consecutive day on continuing fears about leading companies' ability to repay debts.

US President Obama has set forward a number of proposals aimed at boosting employment, including calling for tax cuts for small businesses.

**Wednesday, 9 December 2009:** Spain has had its credit outlook cut to negative from stable by the ratings agency Standard & Poor's.

**Thursday, 10 December 2009:** Greece's debt has reached the highest level in its modern history, the country's deputy finance minister Philippos Sachinidis has said.

The Bank of England has held UK interest rates at the record low of 0.5% in a widely-expected move. The UK and France are working together on curbing bank bonuses, Gordon Brown has said, after holding private talks with Nicolas Sarkozy.

Australia's unemployment rate fell unexpectedly in November, as the country's economic recovery continued.

**Friday, 11 December 2009:** The US House of Representatives has approved the most sweeping changes to the country's financial sector since the Great Depression of the 1930s. US retail sales in November again rose by more than expected, according to official figures.

Ukraine has made an urgent appeal to the International Monetary Fund for about \$2bn in emergency loans.

China has shown further signs of economic recovery with factory output surging and its export slump easing.

**Monday, 14 December 2009:** Dubai's government has announced it has been given a \$10bn (£6.13bn) handout from United Arab Emirates neighbour Abu Dhabi to help it pay off its debts.

**Tuesday, 15 December 2009:** US producer prices rose more than expected in November, led by a big increase in the cost of petrol, official figures have shown.

**Wednesday, 16 December 2009:** The Federal Reserve has decided to keep US interest rates on hold at between 0% and 0.25%, as had been widely expected.

The number of people unemployed in the UK rose by 21,000 between August and October to 2.49 million.

Citigroup says the Abu Dhabi Investment Authority has filed a claim against it seeking to stop a 2007 deal to buy \$7.5bn (£4.6bn) worth of stock.

November's eurozone annual inflation figure was the first positive rate for seven months, figures have confirmed.

**Thursday, 17 December 2009:** British council leaders are attending a creditors' meeting in Iceland to fight for more of their money back from one of the country's ruined banks, Glitnir.

UK retail sales fell in November, according to official figures, despite analysts' predictions of a rise.

**Thursday, 24, December 2009:** The US Treasury Department announces the removal of caps on the amount of preferred stock that the Treasury may purchase in Fannie Mae and Freddie Mac to ensure that each firm maintains a positive net worth. Previously, such purchases had been capped at \$200 billion for each firm. The Treasury Department announces that the removal of these caps "should leave no uncertainty about the Treasury's commitment to support these firms."

**Saturday, 28 December 2009:** The Federal Reserve Board proposes amendments to Regulation D (Reserve Requirements of Depository Institutions) that would enable the establishment of a term deposit facility. Under the proposal, the Federal Reserve Banks would offer interest-bearing term deposits to eligible institutions through an auction mechanism.

**Thursday, 7 January 2010:** The Federal Reserve releases an advisory reminding depository institutions of supervisory expectations for sound practices in managing interest rate risk. This advisory, adopted along with the other financial regulators, reiterates the importance of effective corporate governance, policies and procedures, risk measuring and monitoring systems, stress testing, and internal controls related to the interest rate risk exposures of depository institutions.

**Monday, 11 January 2010:** The Federal Reserve offers \$75 billion in 28-day credit through its TAF to depository institutions eligible to borrow under the primary credit program.

**Tuesday, 12 January 2010:** Reserve Board announces preliminary unaudited results indicating that the Reserve Banks transferred approximately \$46.1 billion of their estimated 2009 net income of \$52.1 billion to the US Treasury. This represents a \$14.4 billion increase over the 2008 results. The increase was primarily due to increased earnings on securities holdings during 2009.

**Wednesday 13 January 2010:** The Financial Crisis Inquiry Commission, created by Section 5 of the Fraud Enforcement and Recovery Act of 2009, holds its first public hearing in Washington, D.C.

**Thursday, 14 January 2010:** The OCC releases a list of Community Reinvestment Act performance evaluations that became public during the period of December 15, 2009 through January 14, 2010. Of the 30 evaluations made public this month, 3 were *outstanding*, 27 were *satisfactory*, none were *needs to improve* and none were *substantial noncompliance*.

**Tuesday, 19 January 2010:** In response to a request from the House Committee on Oversight and Government Reform, the Federal Reserve Bank of New York provides documents that relate to Maiden Lane III LLC and the public disclosures made by American International Group, Inc. in December 2008 concerning the transactions entered into by Maiden Lane III. Maiden Lane III is a limited liability company that was formed in the fourth quarter of 2008 to facilitate a restructuring of the New York Fed's financial support to AIG. The New York Fed extended credit to Maiden Lane III to purchase multi-sector collateralized debt obligations from certain counterparties of AIG Financial Products Corp.

**Wednesday, 20 January 2010:** The Treasury releases a TARP Warrant Disposition Report, which provides an overview of the warrants received by Treasury under the Capital Purchase Program of TARP. As of December 31, 2009, the Treasury has received \$4 billion in gross proceeds on the disposition of warrants in 34 banks, consisting of (i) \$2.9 billion from repurchases by the issuers at agreed upon fair market values and (ii) \$1.1 billion from auctions. For those 34 institutions, the Treasury received an absolute return of 3.1% from dividends and an added 5.7% return from the sale of the warrants for a total absolute return of 8.8%.

**Thursday, 21 January 2010:** President Obama proposes new restrictions on the trading activities and market shares of commercial banks. Specifically, he calls for prohibiting banks from owning, investing in or sponsoring hedge funds, private equity funds, or proprietary trading operations for their own profit. He also calls for broader market share limits on commercial banks.

**Monday, 1 February 2010:** The Commercial Paper Funding Facility, Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility, Primary Dealer Credit Facility, and Term Securities Lending Facility programs expire.

**Friday, 12 February 2010:** Germany's recovery from recession faltered in the final quarter of 2009, according to preliminary figures released on Friday.

**Thursday, 18 February 2010:** The Federal Reserve announces that it has unanimously approved several modifications to the terms of its discount window lending programs. The changes to the discount window facilities include Board approval of requests by the boards of directors of the 12 Federal Reserve Banks to increase the primary credit rate from 1/2% to 3/4%. In addition, the Board announced that, effective on March 18, the typical maximum maturity for primary credit loans will be shortened to overnight. Finally, the Board announced that it had

raised the minimum bid rate for the TAF by 1/4 percentage point to 1/2%. The final TAF auction will be on March 8, 2010.

The Treasury announces its intention over the next month to conduct auctions to sell its warrant positions in Bank of America Corporation, Washington Federal, Inc., Texas Capital Bancshares, Inc. and Signature Bank, received in consideration for investments made under the Capital Purchase Program and Targeted Investment Program. The anticipated sales, if consummated in full, would represent Treasury's disposition of its remaining holdings in these banks. The Treasury intends to sell the warrants through public offerings executed using a modified Dutch auction methodology. More detailed guidance will be available in prospectuses that will be filed or offering circulars that will be made available by the warrant issuers prior to the opening of each auction.

**Tuesday, 23 February 2010:** The US Treasury increases the balance in the Supplementary Financing Account, a product of the Supplementary Financing Program, from \$5 billion to \$200 billion. This will return the balance back to the level maintained between February and September 2009.

The FDIC announces that the number of "problem banks" increased from 552 insured institutions with \$345.9 billion in assets at the end of third quarter of 2009, to 702 institutions with \$402.8 billion of assets at the end of the fourth quarter of 2009.

**Wednesday, 24 February 2010:** Freddie Mac reports a net loss of \$6.5 billion in the fourth quarter of 2009 and a full-year 2009 net loss of \$21.6 billion, compared with a \$50.1 billion net loss in 2008.

**Friday 26 February 2010:** Fannie Mae reports a net loss of \$15.2 billion in the fourth quarter of 2009 and a full-year 2009 loss of \$72.0 billion. The fourth quarter loss resulted in a net worth deficit of \$15.3 billion as of December 31, 2009, and as a result, the Acting Director of the Federal Housing Finance Agency submitted a request for \$15.3 billion from the US Treasury on the company's behalf.

**Monday, 1 March 2010:** The Treasury announces it has commenced a secondary public offering of 150,375,940 warrants to purchase the common stock of Bank of America Corporation and a secondary public offering of 121,792,790 warrants to purchase the common stock of the company. The proceeds of these sales will provide an additional return from Treasury's investment in the company beyond the dividend payments it received on the related preferred stock. The offerings are expected to price through a modified Dutch auction. Deutsche Bank Securities Inc., in its capacity as auction agent, has specified that the auctions will commence at 8 a.m., Eastern Time, on March 3, 2010, and will close at 6:30 p.m., Eastern Time.

**Thursday, 4 March 2010:** The Treasury announces it has priced a secondary public offering of 150,375,940 warrants to purchase common stock of Bank of America Corporation at \$8.35 per warrant and a secondary public offering of 121,792,790 warrants to purchase common stock at \$2.55 per warrant. The aggregate net proceeds to the Treasury from the offerings are expected to be approximately \$1,542,717,552.79. These proceeds provide an additional return from the



Treasury's investment beyond the dividend payments it received on the related preferred stock. The closings are expected to occur on or about March 9, 2010, subject to customary closing conditions.

**Tuesday, 30 March 2010:** The International Monetary Fund has cut its 2010 growth projection for the German economy.

**Wednesday, 31 March 2010:** Federal Reserve Bank of New York releases additional information on the three Maiden Lane limited liability companies that were formed to facilitate the merger between JPMorgan Chase and Bear Stearns (Maiden Lane I) and to facilitate the government's financial support of American International Group (Maiden Lane II and III).

**Thursday, 15 April 2010:** Debt-laden Greece has asked for more talks about a financial rescue plan put together by eurozone countries and the International Monetary Fund.

**Tuesday, 20 April 2010:** The Reserve Bank of India has raised key interest rates by a quarter of a percentage point in an attempt to curb near double-digit inflation.

**Wednesday, 21 April 2010:** The global economy will grow a faster than expected 4.2% this year, says the International Monetary Fund.

**Thursday, 22 April 2010:** Greece had a far larger budget deficit than expected last year and the figures may yet get worse, according to the European Union's statistics office.

Russia has raised \$5.5bn (€4bn; £3.5bn) in its first international debt sale since it defaulted in 1998.

**Friday, 23 April 2010:** The UK economy continued to recover from recession in the first three months of the year, according to official estimates.

**Sunday, 25 April 2010:** Dominique Strauss-Kahn, the managing director of the International Monetary Fund, says the Greek people should not fear the IMF.

**Wednesday, 5 May 2010:** Freddie Mac reports a net loss of \$6.7 billion in the first quarter of 2010, compared with a \$6.5 billion net loss in the fourth quarter of 2009. The fourth quarter loss resulted in a net worth deficit of \$10.5 billion as of March 31, 2010. In response, the Federal Housing Finance Agency, which is Freddie Mac's conservator, will submit a request for \$10.6 billion from the US Treasury on the company's behalf.

**Sunday, 9 May 2010:** The Federal Reserve re-establishes temporary reciprocal currency arrangements (swap lines) with the Bank of Canada, the Bank of England, the European Central Bank and the Swiss National Bank in response to the re-emergence of strains in US dollar short-term funding markets in Europe.

Separately, the Economy and Finance Council of the European Union announces a loan package

to cover the needs of members with solvency problems and to defend the euro, and the European Central Bank announces a series of measures to contribute to the stabilization of the eurozone.

**Monday, 10 May 2010:** Fannie Mae reports a net loss of \$11.5 billion in the first quarter of 2010, compared with a net loss of \$15.2 billion in the fourth quarter of 2009. The Federal Housing Finance Agency, Fannie Mae's conservator, has requested the Treasury to provide Fannie Mae with \$8.4 billion on or prior to June 30, 2010.

**Tuesday, 11 May 2010:** The Federal Reserve publicly releases the text of three agreements with foreign central banks to re-establish temporary dollar swap facilities and announces that it would disclose information weekly on use of the swap lines by each of the counterparty central banks.

**Wednesday, 26 May 2010:** The US Treasury Department announces the sale of 1.5 billion shares of its holdings of Citigroup common stock. The Treasury Department had received 7.7 billion shares of Citigroup common stock in 2009 in exchange for \$25 billion in preferred stock it received in connection with Citigroup's participation in the Capital Purchase Program.

**Friday, 28 May 2010:** The Congressional Budget Office releases a study describing the various actions by the Federal Reserve to stabilize financial markets since 2007 and how those actions are likely to affect the federal budget in coming years. The report also presents estimates of the risk-adjusted (or fair value) subsidies that the Federal Reserve provided to financial institutions through its emergency programs.

**Wednesday, 16 June 2010:** US home loan giants Fannie Mae and Freddie Mac are to cease trading on the New York Stock Exchange.

**Friday, 3 September 2010:** The US economy shed another 54,000 jobs in August, the third month in a row that jobs have been lost, Labor Department figures have shown.

**Monday, 21 September 2010:** The US central bank has decided to not take further action to rejuvenate the country's economy for now - but hinted it may do more later if needed.

**Thursday, 30 September 2010:** The US economy grew at an annualised rate of 1.7% between April and June, up from a previous estimate of 1.6%, the US Commerce Department has said.

**Wednesday, 6 October 2010:** Manipulating their currencies has become governments' new weapon in the battle for economic recovery.

**Thursday, 14 October 2010:** The US dollar has reached another fresh 15-year low against the Japanese yen at the end of trading in Tokyo.

The US trade deficit was wider than expected in August, figures have shown, in the wake of record imports from China.

US Federal Reserve Chairman Ben Bernanke has opened the way to a new round of quantitative easing.

**Friday, 15 October 2010:** Ben Bernanke declared war today - not on China, but on the possibility of deflation. He knows that a vicious cycle of slow growth, stagnant or falling prices and high unemployment poses a much greater threat to America's way of life than China's silly exchange rate.

Comment [jriggs5]: Citation? Opinion piece?

**Monday, 18 October 2010:** Shares in Citigroup jumped more than 5% after the third largest US bank posted strong profits for the third quarter.

**Tuesday, 19 October 2010:** A one-off charge has left Bank of America - the US' biggest bank - with a loss of \$7.3bn (£4.8bn) for the third quarter of the year.

The Japanese economy is at a standstill, Japan's government has said, as concerns about the strong yen continue to grow.

**Wednesday, 20 October 2010:** The growth in French industrial orders slowed down in August after a bumper month in July, figures have shown.

US Wall Street bank Morgan Stanley has reported a surprise loss for the third quarter of the year.

A new austerity drive has been sweeping across Europe, as governments struggle to trim huge budget deficits and the 16-nation eurozone races to reassure sceptical markets.

The People's Bank of China, China's central bank, surprised markets by announcing it was raising interest rates for the first time in nearly three years. This took one-year deposit rates to 2.5% and one-year lending rates to 5.56%.

**Thursday, 21 October 2010:** UK retail sales fell again September, the second month in succession they have declined, official data has shown.

The ultimate cost of rescuing Freddie Mac and Fannie Mae may double, their government regulator has said.

Credit Suisse's profits fell 74% in the third quarter, thanks to choppy stock markets hitting its investment bank.

Chinese economic growth slows to 9.6% in third quarter and inflation rises but outlook is positive for sustainable progress.

**Friday, 22 October 2010:** US proposals to set targets to reduce trade imbalances look to be running into opposition at the meeting of G20 finance ministers.

**Saturday, 23 October 2010:** Finance ministers from the G20 leading economies have agreed reforms of the International Monetary Fund, giving major developing nations more of a say.

**Monday, 25 October 2010:** The US dollar has hit a 15-year low against the yen after the G20 nations agreed to avoid a currency war.

**Tuesday, 26 October 2010:** UK economy grows a faster-than-expected 0.8%.

**Thursday, 28 October 2010:** The foreclosure crisis in the US has spread across a wider area of the country, according to RealtyTrac, which monitors repossession activity.

**Friday, 29 October 2010:** German retail sales fell in September at their biggest rate in more than two years.

Spain's quarterly unemployment rate has fallen for the first time in more than three years, but remains the highest in Europe.

The US economy grew at an annualised rate of 2% in the July-to-September period, an acceleration on the previous quarter, official figures have shown.

EU leaders say tough new budget rules agreed at their summit in Brussels will protect the euro from a future Greek-style debt crisis.

**Monday, 1 November 2010:** China's sovereign wealth fund has urged the Obama administration to spend \$1tn (£624bn) on infrastructure over the next five years, to create jobs and improve American competitiveness.

China's manufacturing sector picked up more speed in October, despite exports remaining subdued.

The price of oil has hit a six-month high after encouraging manufacturing data in the US and China boosted confidence in the global recovery.

**Tuesday, 2 November 2010:** The central bank of Australia put up rates from 4.5% to 4.75%, surprising markets with the first rise since May.

India's rise, the sixth this year, was less unexpected. The Reserve Bank raised the repo rate, the rate at which it lends to banks, to 6.25% from 6%.

**Friday, 12 November 2010** : A clarification by finance ministers from Germany, France, Italy, Spain and the U.K. at the G-20 Summit says that bonds issued before mid-2013 would be unaffected by changes to the EU's bailout program.

**Sunday, 21 November 2010** : The Irish government says it has applied for tens of billions of euros in aid from the European Union and the International Monetary Fund. The EU and the IMF indicate the money will be forthcoming, pending negotiations on the steps to restructure Ireland's debts and cut its budget deficit.

**Monday, 22 November 2010**: Prime Minister Brian Cowen pledges to call an election next year if a crucial budget package is approved. Mr. Cowen's concession on early elections was triggered by moves earlier that undercut the stability of the shaky coalition led by his Fianna Fail party.

**Wednesday, 24 November 2010** : Ireland's government outlines €15 billion (\$20.55 billion) in spending cuts and tax hikes over four years that are intended to reduce the budget deficit to 9.1% of gross domestic product in 2011.

**Sunday, 28 November 2010** ; Europe seals a €7.5 billion bailout of Ireland and for the first time crafts a blueprint for rescues from 2013 on that could have private-sector creditors bearing **Monday, 29 November 2010**: The euro was steady against the dollar as markets opened a day after European ministers agreed a bail-out for the Irish Republic.

Ireland's bailout was formally announced Sunday at 85 billion euros (113 billion dollars), 10 billion of which is for "immediate recapitalisation" and 25 billion for contingency support to its banking sector, the head of the Eurogroup said.

The euro has fallen against the dollar as markets opened a day after European ministers agreed a bail-out for the Irish Republic.

A strategy to wind down Anglo Irish Bank's loan book should be ready by the end of January, the Republic of Ireland's central bank has said.

**Tuesday, 30 November 2010**: The cost of borrowing for Spain, Italy and Belgium has continued to increase as worries over the eurozone debt crisis have continued.

The eurozone's unemployment rate hit 10.1% in October as jobless rates rose in Italy, inched down in France and Germany, and remained stable in Spain.

India's economy grew faster than expected in the second quarter of its financial year, figures show.

General Motors and Chrysler, the US carmakers saved from collapse by government bail-outs, have announced plans to each hire about 1,000 staff.

President Obama has proposed a two-year pay freeze for federal government workers as part of efforts to reduce the US budget deficit.

Asian shares have fallen after the Chinese financial system was hit by a funding squeeze.

**Wednesday, 1 December 2010:** Portugal's government has reiterated that it will not need financial support from the European Union.

China's manufacturing production rose strongly last month

Australia's rate of economic growth slowed between July and September as the high value of the Australian dollar ate into export earnings.

European Union states have underwritten their financial sectors with 4.5 trillion euros (\$5.9tn; £3.8tn) of aid since the banking crisis hit.

Spain has announced plans to sell off stakes in the country's airport authority and national lottery as part of moves to improve public finances.

**Thursday, 2 December 2010:** Share indexes have risen on hopes the European Central Bank will step up its purchase of European government bonds.

**Friday, 3 December 2010:** Angela Merkel warned that Germany could abandon the euro

**Monday, 6 December 2010:** Greece seeks longer to repay €110bn IMF bailout loan as austerity bites

IMF team flies in to Athens amid fears over economic recovery and reforms as EU predicts public debt at 160% of GDP by 2013

**Tuesday, 7 December 2010:** Tesco has reported a rise in third-quarter sales, saying it is "continuing to see evidence of a steady consumer recovery" in the UK.

#### Iceland exits recession

Decision to force bondholders to pay for banking system's collapse appears to pay off as economy grows 1.2% in third quarter

Citigroup stake sale makes \$12bn profit for US taxpayers

**Wednesday, 8 December 2010:** The Central Bank of Iceland has cut its key interest rate to 4.5% from 5.5% to help revive the country's struggling economy.

European commission welcomes Ireland's drastic budget cuts but accountants warn that the poorest will pay the price

The bosses of failed banks could face having two years' pay clawed back from them, the chairman of the Financial Services Authority (FSA) has said.

German exports show surprise drop

**Thursday, 9 December 2010:** Japan's economy expanded faster than initially estimated between July and September thanks to higher corporate spending, official figures have shown.

**Friday, 10 December 2010:** French and German leaders have passionately defended the troubled single currency at talks ahead of an EU summit on the eurozone debt crisis.

**Sunday, 12 December 2010:** European regulators have confirmed tough restrictions on the bonuses that banks can pay their staff.

The EU plans to make private lenders cover the losses of any future eurozone debt crisis, the BBC has learned.

**Monday, 13 December 2010:** Economic activity in the eurozone has picked up but the recovery is likely to be muted, the Organisation for Economic Co-operation and Development has said.

World stock markets have risen after China kept interest rates on hold over the weekend despite inflation reaching a 28-month high.

**Tuesday, 14 December 2010:** The US economic recovery is still too slow to bring down the country's high level of unemployment, the Federal Reserve has warned.

US retail sales rose in November for the fifth consecutive month, driven by holiday season demand, official figures have suggested.

India's wholesale prices inflation rate fell to 7.48% in November from 8.58% the month before, figures show, in line with analysts' expectations.

The Spanish government has had to offer investors higher returns in the latest auction of government debt.

Industrial production in the 16 countries that use the euro increased by 0.7% in October, less than expected.

The UK Consumer Prices Index (CPI) annual inflation rate rose to 3.3% in November, up from 3.2% in October.

**Wednesday, 15 December 2010:** The euro has fallen against key currencies after a credit rating agency said it may downgrade Spain's debt.

Confidence among Japanese companies has fallen for the first time in almost two years, an influential report suggests.

The Irish parliament is to vote on Wednesday as TDs debate the 85 billion euro (£72bn) EU bail-out package.

Unemployment in the UK increased by 35,000 in the three months to October to 2.5 million, the Office for National Statistics (ONS) has said.

**Thursday, 16 December 2010:** The International Monetary Fund (IMF) has approved a three-year loan of 22.5bn euros (\$30.1bn; £19.2bn) for the Republic of Ireland.

**Friday, 17 December 2010:** EU leaders say they are looking at ways to narrow the economic performance gaps that threaten the eurozone's stability.

EU leaders have agreed to set up a permanent mechanism to bail out any member state whose debt problems threaten the 16-nation eurozone.



The UK has joined forces with France and Germany to demand a freeze in the EU budget until the end of the decade, David Cameron has announced.

Credit rating agency Moody's has sharply cut the Irish Republic's debt rating and warned more downgrades could follow.

German business confidence has hit a fresh post-reunification high as strong exports continue to drive the country's strong economic recovery.

**Monday, 20 December 2010:** The European Central Bank has expressed concerns that the Irish Republic's 85bn euro (\$112bn; £72bn) bail-out package could affect its ability to provide further support to eurozone members.

**Tuesday, 4 January 2011:** The standard rate of VAT has risen from 17.5% to 20% as the government looks to boost tax revenues to cut its deficit.

UK manufacturing expanded at its fastest pace for 16 years in December, according to a survey.

US economy and international stock markets start year with optimism

**Friday, 7 January 2011:** US economy adds 103,000 jobs – far below forecasts of 175,000 – but the unemployment rate still falls to lowest for 18 months

**Monday, 10 January 2011:** Euro falls to four-month low amid concern that Portugal will be next to seek emergency funds

**Tuesday, 11 January 2011:** UK economic growth slowed in the fourth quarter of 2010, "raising concerns about a sustainable recovery", the British Chambers of Commerce (BCC) has said.

UK retail sales fell last month as snow and concerns about job security hit consumer spending, the British Retail Consortium (BRC) has said.

Japan is to buy bonds from a eurozone rescue fund to help pay for the Irish Republic's bail-out.

China failed to remain within its bank loan and money growth targets during 2010, the central bank has said.

Food prices in Australia could rise by as much as 30% in the coming months as a result of the Queensland floods, it has been warned.

**Wednesday, 12 January 2011:** The German economy rebounded strongly in 2010, growing by 3.6%, according to provisional figures from the national statistics office.

Portugal will go to the markets for up to 1.25bn euros (£1.04bn; \$1.62bn) with a sale of four and 10-year bonds.

**Friday, 14 January 2011:** Increasing the size of a eurozone bail-out fund is "one option" being considered by governments, France's economy minister, Christine Lagarde, has said.

Rising fuel prices helped push annual eurozone inflation up to 2.2% in December, from 1.9% in November, according to official figures.

**Monday, 17 January 2011:** Chinese President Hu Jintao has said the international currency system dominated by the US dollar is a "product of the past".

**Tuesday, 18 January 2011:** Brazil's central bank has raised its key interest rate to 11.25% in a bid to cool inflation in one of the world's fastest growing economies.

UK inflation jumped in December with the Consumer Prices Index (CPI) rising to 3.7%, up from 3.3% in November.

**Wednesday, 19 January 2011:** UK unemployment rose by 49,000 to almost 2.5 million in the three months to the end of November, the Office for National Statistics (ONS) has said.

Germany has raised its growth forecast for 2011 to 2.3%, with the previously sluggish domestic demand expected to pick up.

Chinese consumer prices rose by 4.6% in the year to December, according to a report from Hong Kong-based Phoenix TV.

**Thursday, 20 January 2011:** China's gross domestic product (GDP) grew a faster-than-expected 10.3% in 2010, official statistics show.

**Friday, 4 February 2011:** Germany and France call for "pact for competitiveness," with specific economic reforms to improve growth in euro zone. Proposal gets frosty reception at EU summit.

**Wednesday, 2 March 2011:** Standard & Poor's keeps Portugal and Greece on watch for possible downgrade

**Monday 7 March 2011 :** Moody's cuts Greece's credit rating to B1 from Ba1.

**Friday, 11 March 2011 :** EU leaders agree on rules for a permanent, €500 billion bailout fund from 2013.

**Monday 23 March 2011:** Standard & Poor's cut Portugal's rating to triple-B-minus triple B.

**Thursday, 24 March 2011 :** EU leaders agree on "Euro Plus Pact," a watered-down version of the "pact for competitiveness."

**Tuesday 29 March 2011 :** Standard & Poor's cut Portugal's rating to triple-B-minus triple B.

**Friday, 1 April 2011 :** Fitch Ratings cut Portugal's rating to BBB- from A-.

**Wednesday, 6 April 2011 :** Portugal asks for a financial bailout from the European Union.

**Friday, 8 April 2011:** Eurogroup Chairman Jean-Claude Juncker warns Greece of the importance of controlling spending, a day after news that the 2010 budget deficit overshoot forecasts at more than 10 percent of GDP.

**Friday, 15 April 2011:** Greece presents new fiscal and privatisation plans to convince investors it can meet the terms of an EU/IMF bailout and avoid restructuring its debt.

**Monday, 2 May 2011:** Finance Minister George Papaconstantinou again rules out a debt restructuring, adding that he has just "expressed the hope" that the EU and IMF will agree to extend bailout loan repayments.

**Saturday, 16 May 2011:** On 16 May 2011 the Eurozone leaders officially approved a €78 billion bailout package for Portugal. The bailout loan will be equally split between the European Financial Stabilisation Mechanism, the European Financial Stability Facility, and the International Monetary Fund.[87] According to the Portuguese finance minister, the average interest rate on the bailout loan is expected to be 5.1% As part of the bailout, Portugal agreed to

eliminate its golden share in Portugal Telecom to pave the way for privatization. Portugal became the third Eurozone country, after Ireland and Greece, to receive a bailout package.

**Monday, 9 May 2011:** Standard and Poor's cuts Greece's credit rating further into junk territory to B, one notch above Pakistan's.

**Wednesday, 11 May 2011:** EU and IMF inspectors arrive in Athens to press Greece to shore up its finances and determine if the debt-choked country will get a fifth aid tranche of 12 billion euros.

-- About 20,000 protesters march to parliament to mark a nationwide strike against wage cuts and tax hikes, a number smaller than previous protests.

**Saturday, 21 May 2011:** Greece must avoid debt restructuring and push on with budget cuts and privatisations to overcome its debt crisis, Papandreou and senior ECB officials say.

**Monday, 23 May 2011:** Greece unveils a series of privatisations, part of a goal to raise 50 billion euros by 2015 to pay down its debt.

**Saturday, 29 May 2011:** Thousands of protesters denounce Greece's ruling class and vent their anger at the IMF and its demands for yet more belt-tightening.

**Wednesday, 1 June 2011:** Moody's slashes Greece's credit rating by three notches to deep into junk territory.

**Friday, 3 June 2011:** Greece is likely to get a vital slice of aid in July to avoid default, international lenders say, as they end a month-long review of their 110 billion euro bailout programme.

**Wednesday, 8 June 2011:** Greece agrees to 6.48 billion euros of extra austerity measures for 2011 and savings up to 2015 to cut deficits and keep getting aid, an official document shows.

**Thursday, 9 June 2011:** The Greek government approves and submits to parliament the mid-term fiscal and privatisation plan required by the EU and the IMF to restore the country's finances.

-- GDP tumbles 5.5 percent in Q1 official data shows, far more than a earlier of flash estimate of 4.8 percent, signalling a second wave of austerity measures demanded by the EU and IMF.

-- The new bailout being put together for Greece may now total around 120 billion euros (\$175.3 billion), euro zone official sources say.

**Saturday, 11 June 2011:** Jean-Claude Juncker, head of the eurozone finance ministers, backed Germany's proposal for a "soft restructuring" of Greek debt, but said any contribution from private sector creditors should be "voluntary".

**Sunday, 12 June 2011:** More than 20,000 Greeks protest against austerity measures in Athens and workers at state-owned utility PPC announce strikes to oppose government plans to sell the company.

**Monday, 13 June 2011:** Greece becomes the country with the lowest credit rating in the world after S&P downgrades it by three notches, to CCC, just four steps away from default, from B. The short-term rating is affirmed at C and all the ratings are removed from credit watch.

**Tuesday, 14 June 2011:** Greek protesters vow to cordon off parliament to prevent deputies from debating new austerity measures, and unions say they would bring the country to a halt in a national strike on June 15.

**Friday, 17 June 2011:** The French President, Nicolas Sarkozy and the German Chancellor, Angela Merkel agreed to a voluntary Greece bondholder role, backing down from earlier demands that bondholders be forced to shoulder a "substantial" share of a Greek rescue

**Saturday, 18 June 2011:** Angela Merkel changes her position and confirms she will work with the European Central Bank to resolve the Mediterranean nation's sovereign debt crisis

**Thursday, 21 July 2011:** The Council of the European Union reached an agreement on measures aimed at solving the Greek debt crisis

**Thursday, 18 August 2011:** The European stock markets suffered further heavy falls due to persistent fears about the world economic outlook

**Wednesday, 24 August 2011:** The French government unveiled a €12 billion deficit cutting package that raised taxes on the rich and closed some tax loopholes

**Tuesday, 13 September 2011:** An international alarm over a Eurozone crisis grows.

**Wednesday, 21 September 2011:** S&P have downgraded seven Italian banks after they've dropped Italy's sovereign rating two days ago

**Thursday, 22 September 2011:** Greeks reacted with anger and disbelief at a new wave of austerity cuts enacted to keep the country in the eurozone

**Saturday, 24 September 2011:** The IMF urged EU leaders to act decisively on Greece to stem the debt crisis.

**Monday, 26 September 2011:** The US president, Barack Obama, says the debt crisis in Europe is "scaring the world" and that leaders in the eurozone are not dealing with the issue quickly enough.

**Saturday, 29 September 2011:** The Bundestag approved expanded EU bailout fund, reducing market concerns.

**Tuesday, 4 October 2011:** European shares declined for a second day on fears that Franco-Belgian bank Dexia may need to be rescued due to its exposure to Greek debt. Concern increased that the Eurozone sovereign debt crisis is spreading to the banking sector.

**Friday, 7 October 2011:** - Credit ratings agency Fitch cut Italy's credit rating by one notch to A+ from AA- and cut Spain's rating to AA- from AA+.

**Sunday, 9 October 2011:** British PM David Cameron exhorted EU leaders to act more quickly as French and German leaders promised new crisis plan as pressure builds.

**Monday, 10 October 2011:** Belgium nationalised Dexia Bank Belgium, stricken with Greek debt.

**Thursday, 13 October 2011:** S&P cut Spain's long-term credit rating by one notch from AA to AA- with a negative outlook.

**Wednesday, 26 October 2011:** Leaders of the 17 Eurozone countries met in Brussels to discuss a package aimed at addressing the crisis. After ten hours of discussions, a package was announced by the President of the European Commission, Jose Manuel Barroso, which proposed a 50% write-off of Greek sovereign debt held by banks, a fourfold increase (to about €1 trillion) in bail-out funds held under the European Financial Stability Facility, an increased mandatory level of 9% for bank capitalisation within the EU and a set of commitments from Italy to take measures to reduce its national debt. Also pledged was €35 billion in "credit enhancement" to mitigate losses likely to be suffered by European banks. He characterised the package as a set of "exceptional measures for exceptional times".

The deal was welcomed by Greek Prime Minister George Papandreou, who said that "a new day" had come "not only for Greece but also for Europe". French President Nicolas Sarkozy said it represented a "credible, ambitious and comprehensive response" to the debt crisis.[182] Christine Lagarde, head of the International Monetary Fund, said she was "encouraged by the substantial progress made on a number of fronts" Financial markets worldwide responded positively to news of an agreement being reached.

Italy's commitments to its Eurozone partners, presented by Silvio Berlusconi in the form of a letter, included reforms to pensions, €15bn in asset sales and liberalisation of employment law. However, Italian opposition leaders objected to these proposals and suggested that Berlusconi's political position was too weak for them to be taken seriously.

Commentators suggested that the package agreed in Brussels might not be enough to ensure the long-term survival of the Euro without additional political integration within the Eurozone. It was also noted that the means by which the overall package would be funded were unclear.

**Tuesday, 1 November 2011:** European markets have fallen following Monday's announcement of a Greek referendum on the latest aid package to solve its debt crisis.

Swiss bank Credit Suisse has announced plans to cut another 1,500 jobs from its global workforce of 50,700.

The Reserve Bank of Australia (RBA) has cut interest rates in a bid to boost growth amid fears of a slowdown in the global economy.

The UK economy grew by 0.5% in the third quarter of 2011, according to the Office for National Statistics (ONS).

**Wednesday, 2 November 2011:** Global stock markets have risen, despite continued concerns about Greece's decision to hold a referendum on the eurozone bailout deal.

**Thursday, 10 November 2011:** Former European Central Bank vice-president Lucas Papademos has been named as Greece's interim prime minister, following days of negotiations.

**Saturday, 12 November 2011:** The lower house of Italy's parliament is due to vote on a package of austerity measures demanded by the EU and designed to restore markets' confidence in the country's economy.

**Sunday, 13 November 2011:** Silvio Berlusconi has resigned as prime minister of Italy, after dominating the country's politics for 17 years.

Mario Monti has been announced as Italy's new interim prime minister, following the resignation of Silvio Berlusconi on Saturday.

**Thursday, 17 November 2011:** Italy's new PM Mario Monti has outlined plans to tackle the country's economic problems and cut its debt, amid student protests in several cities.

**Thursday, 24 November 2011:** A 24-hour strike in Portugal has grounded flights and halted public transportation in protest against proposed austerity measures.

**Friday, 25 November 2011:** Italy has been forced to pay record interest rates in a 10bn euro (\$13bn; £9bn) auction of treasury bills.

Moody's has cut its rating of Hungarian government debt to junk status.

Belgium has had its credit rating downgraded by ratings agency Standard & Poor's.

**Monday, 28 November 2011:** The OECD has warned that the eurozone and UK could be entering a recession, and has cut its global growth forecast.

**Tuesday, 29 November 2011:** Chancellor George Osborne will outline plans to boost the UK's sluggish economy later, against expected gloomy forecasts for growth.

Eurozone finance ministers will meet in Brussels later to discuss ways to expand the region's bailout fund, seen as key to preventing more countries being sucked into the debt crisis.



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