

**THE GOVERNMENT OF EL SALVADOR
INVITES**

**PARTICIPANTS IN THE PROCESS TO SELECT
AN INTERNATIONAL BANK TO ADVISE THE
REPUBLIC IN THE UPCOMING BOND ISSUE FOR
AN AMOUNT UP TO**

US\$800,000,000.00

If your institution is interested in presenting a proposal for advisory and underwriting services for this issue, you are invited to request the Terms for the Selection Process at the International Division of the Central Reserve Bank of El Salvador, up to August 21, 2009.

The Terms and other information related with the selection process are available at www.bcr.gob.sv, or

call
(503) 2281-8069, 2281-8070
or fax (503) 2281-8072



Banco Central de Reserva
de El Salvador

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**To participate in the selection process of the
international law firm that will represent
El Salvador in its upcoming bond
issue up to the amount of**

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Russian Ripples I

Sharp Slowdown in Consumer Spending Is I

BY ANJALI GONDEIRO

The Russian economy has turned into a soft spot for U.S. consumer manufacturers and multinationals, a contrast with other major developing markets that have helped shore up the results of these companies during the global economic downturn.

Between January and June, Russia's economy contracted around 10% from a year earlier amid falling commodity prices and tight credit conditions. The effects of that contraction have trickled down to U.S. companies, which in recent years have sought to cash in on a boom in consumer spending in the region.

Companies including toothpaste maker Colgate-Palmolive Co. and cigarette seller Philip Morris International Inc. have in their recent quarters felt the effects of Russian consumers cutting back. Philip Morris saw shipments of its flagship high-end Marlboro brand slip 19% in Russia as more smokers traded down to cheaper cigarettes. Colgate saw second-quarter sales fall 4.5% in its Greater Asia and Africa operations as volume gains in India and China failed to offset declines in such markets as Russia and Ukraine. These companies don't disclose profit numbers for Russia.

Consumer companies aren't

the only ones feeling the pressure. Xerox Corp. said its second-quarter sales were hurt in part by weakness in its Russia operations as tight credit conditions weighed on business spending there.

Most multinationals don't publicly disclose sales from Russia and the region accounts for just one slice of their interna-

The Russian consumer market is tied to the price of oil and gas.

tional earnings. But in recent years, the fast-growing market has become increasingly important owing to strong consumer spending.

"The pressure to buy is there and there is a lot of money sloshing around. It's an important market," says Marvin Zonis, a professor at the University of Chicago Booth School of Business.

As the U.S. plunged into recession, some of the largest American companies have relied on international growth to shore up their profits, but not all developing markets have held up equally. The contraction in the Russian economy is at odds with

Restaurants Team Up fo

BY JENNIFER WATERS

The restaurant industry, walloped by the recession, is going beyond the traditional two-for-one deal or free beverage in an effort to attract diners. These days, restaurants are partnering with entertainment venues, hair salons and even education companies to offer customers discounts.

McCormick & Schmick's, the seafood-restaurant chain, is offering \$5 movie tickets to customers who order entrees. Subway is doling out \$5 Live Nation tickets for lawn seats at some concerts.

Tropical Smoothie Cafes is

Angeles, including a VIP tour of Warner Bros. Studios and three-night hotel accommodations as part of a cross-promotion for the movie "Shorts."

"I can't ever recall these kinds of incentives to get traffic through the door," said Bonnie Riggs, an analyst for NPD Group and a 28-year veteran of the restaurant industry.

That's because the \$56 billion industry, across all 70 distinct segments, hasn't seen this kind of consumer-spending pull-back in nearly three decades. "We would have to go back to the early 1980s to see this magnitude of weakness in the restaurant industry," Ms. Riggs said.

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