

Financial Journalism and Economics

Fundamentals
of Business
and Financial
Journalism



FINANCIAL JOURNALISM

- **Business Journalism / Financial Journalism** is the branch of journalism that tracks, records, analyzes and interprets the economic changes that take place in a society. It could include anything from personal finance, to business at the local market and shopping malls, to the performance of well-known and not-so-well-known companies.

RESPONSIBLE FOR FINANCIAL JOURNALISM

- Government
- Private sector
- Academia
- Media itself
- Journalists
- Media gatekeepers
policy makers
- Politicians

A Crisis for Financial Journalism?

- The current crisis in global banking, markets and economies has reminded us all of the importance of financial and business journalism.
- Why didn't we know this was coming?
- Did the journalists fail to put the financial system under proper scrutiny?
- Are they equipped to deal with the continuing complex story?

CONTT----

- Is this representative of a wider problem with the news media?
- we should targeted at journalists, financiers, policy-makers and the public.
- The current global financial and economic crisis is the not the fault of journalism.
- The financial facts and systems are themselves much more complex

CONTT—

- There are the ethical challenges for journalists who have access to information and an ability to either influence markets or gain personally.
- Financial journalism has not been immune from the pressure on resources.
- The pressures of commercial interest.

DIFFERENCE BETWEEN FINANCIAL REPORT AND POLITICAL REPORT

- **Political Report**

- Budget reports are documents that present a single company's various budgets at any given time. Examples of budgets include operations, production, sales and marketing. The goal of a budget report is to determine how much each area is given in funds and how well the departments use their given funds to reach the goals of the business. A budget report only shows the company's incoming and outgoing cash flow and expenses, so the report does not reveal how well the company is doing -- only how it spends its available money.

- **Financial Report/ Economic Report:**

- A financial report is an in-depth report and analysis of how well a company is doing. This type of report includes all of the budgets listed in a budget report, but it also includes a breakdown of assets and liabilities to reveal the company's net worth. This net figure is a representation of how much the business is worth, which is appealing to outside sources. In addition, this report includes an analysis of the figures and predictions of how the company will do in upcoming years based on internal financial planning.

ABC-----of Economic Reporting

- *A for Economic Reporting.*

- A = Assessment

- A = Analysis

- A = Action

- ***B for Economic Reporting.***

- B = Blame

- B= Boosterism

- B= Bubbles

- B =Busting Bubbles

- ***C for Economic Reporting.***

- C = Crisis
- C = Consumer Panic
- C = Collapse & Confident
- C = condemnation
- C = care & Caution

Above motioned are the ABC----- of Economic reporting

IMPORTANT THING TO REMEMBER

- ***IT IS DIFFICULT THING TO COVER BECAUSE YOU DON'T REPORT ON RUMORS UNLESS YOU CAN STAND UP THEM.***

What is the difference between the on spot reporting and analytical reporting

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??????

The Privilege of Being a Financial Journalist

- Business reporting highlighted the Macro Issues and neglected the micro issues
- Rights of Financial Journalists:
It include access, financial resources and also a legal and ethical framework of protection of sources, certain immunities and public interest defenses in relation to defamation and invasion of privacy.

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- ◉ Duties of financial journalists, and definitions of ethical journalism are more disputed.
 - ◉ Codes of conduct for financial journalists tend to focus on the micro aspect of conflicts of interest relating to single companies, and neglect broader issues such as the role of business reporting in relation to market sentiment in general.

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- Financial journalism faces a number of challenges currently; including pressure of speed due to 24hour news cycle; increasing complexity; PR strategies; sustainability; and the challenges of globalisation. Journalists have begun to respond, but the profession lacks a clear sense of purpose

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- Financial journalists like all journalists do enjoy some privileges, such as access to sources, protection of sources and certain rights to immunities in relation to defamation and privacy law if what they are doing is deemed to be 'in the public interest'

International macro-economics

- Employment
- Savings
- Trade balances
- Price levels of money

Alternative: microeconomics – from the bottom up. Look at particular businesses and consumers. If we have time, direct conversation in that direction.

Economic Sense

***Economic Sense is driven by the balance
Economic Reporting***

There was a lot I didn't know

What were the economic forces at work, and how I could understand and use them as a journalist? Was international competition a factor?

It's difficult to identify what you don't know.

Forming your questions

Let's identify what you are unsure about, elements of international trade and currency that you would like to better understand.

Terms, connections, concepts, sources of information, aspects of trade economy or currency, even specific businesses.

Trends, events, things happening in your cities that you would like to better understand through the lens of economics?

The journalist and economics



Events

Decisions,

Accountability of decision makers.

The public's understanding of events and issues.

Economic literacy.

and business.

Where does international economics fit into your work?

Issues?

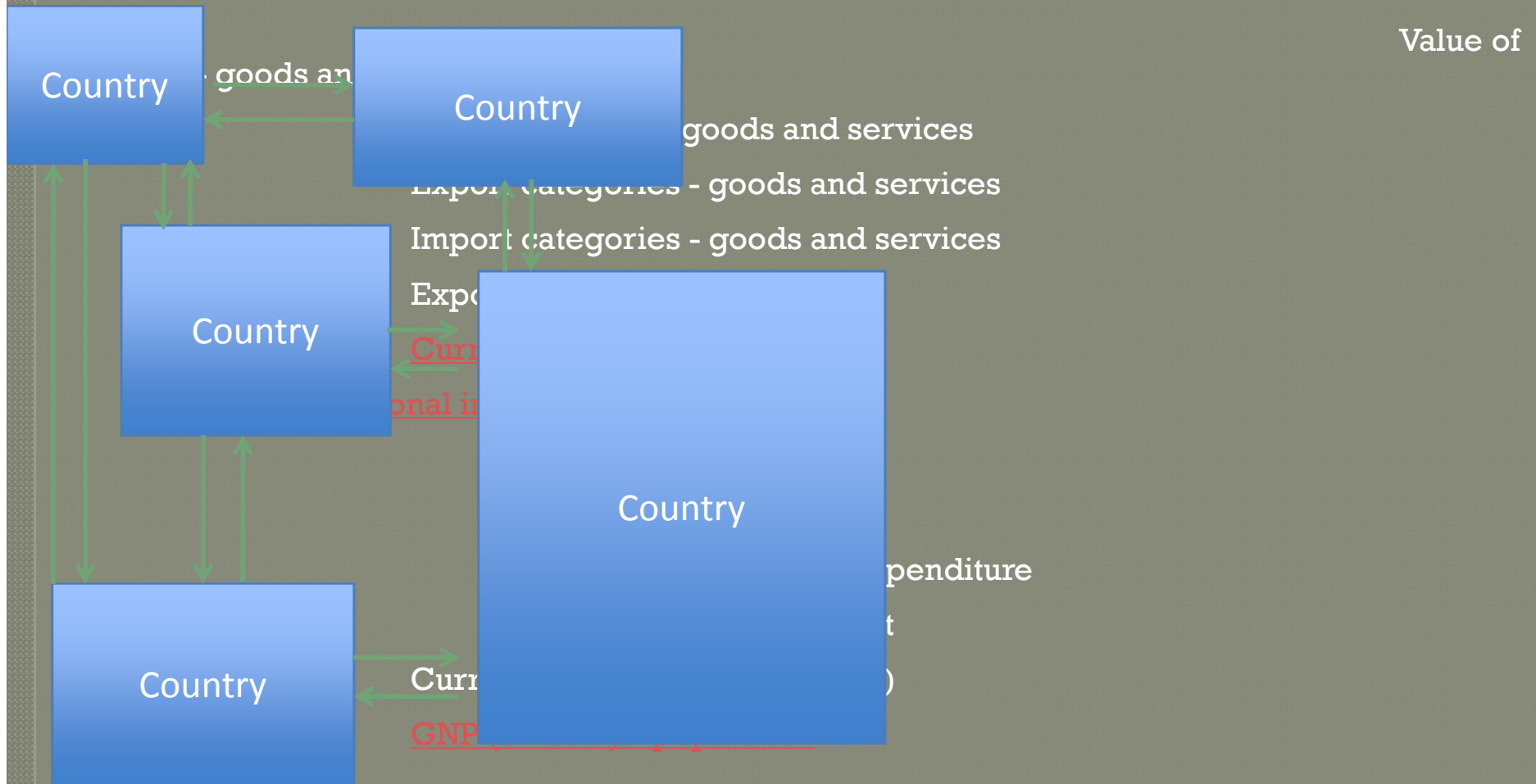
Articles?

People?

Industries?

Lives of readers?

International trade



Connecting trade and national wealth

Gross National Product: The value of all final goods and services produced in a country by its factors of production and sold on the market in a given time period.”

GNP = National income (more or less) The value of the output (GNP) is arrived at by adding up all the expenditures on final output.

NATIONAL INCOME =
Consumption +
Investment (set aside for future production including
inventories) +
Government spending +
Exports – minus imports

<Income, by this definition, equals output.)

GNP, GDP

Gross Domestic Product (GDP) is similar to GNP but not exactly the same. They tend to track one another, so the distinction for our purposes here is not that important.

GDP: The value of production within a country's borders. It does not capture some income generated in another country.

Characteristics of developing countries

- Extensive government control of economy
- History of high inflation
- Weak credit institutions
- Currency rates are managed by the government
- High proportion of natural resource sales or farm commodities
- Gray economies – tax evasion, corruption.

Where does international economics fit into your work?

Issues?

Articles?

People?

Industries?

Lives of readers?

Factors affecting imports and exports

- ◉ Consumer tastes
- ◉ Prices
- ◉ Exchange rates
- ◉ Consumer incomes
- ◉ Transportation costs
- ◉ Government policies

Journalism

- Business and Financial Journalism is an important part of the service offered by most media outlets. The sector also supports an extensive array of specialist offerings, ranging from small financial newsletters to 24-hour business news cable channels. Business journalism is particularly important in Hong Kong. Much attention is devoted to business matters and many businesses are engaged in activities like trading, logistics and financial services which entail a need for a continuous and dependable flow of international news.