



Outlook San Diego

June 24th

Dear Readers,

*This newsletter is created by the Consular Assistant for Technology and Trade, Consulate of Sweden and the staff of Business Law Inc. The purpose of the newsletter is to stimulate interest in research, technological breakthroughs and investment trends in clean-, information- and high technology as well as within the political and life science areas of Southern California. **The views expressed in this newsletter are not the official views of the Swedish Government.** The newsletter is published every other week. It will be revised continuously to fit the interests and needs of the subscribers. If you have any suggestions or comments or do not wish to receive this newsletter, please do not hesitate to contact me at sandiego@consulateofsweden.org*

Kind regards

*Wilhelm Hörberg
Consular Assistant for Technology and Trade*

Editorial

Dear Readers,

The purpose of this newsletter is to spread information about local San Diego events and related information that may lead to long-term trends. Having lived in California for the last 20 years, I have seen trends, good and bad, start here and spread to the rest of the nation and the world in a year or two. Spotting trends early and being able to act on this information is beneficial to individuals and organizations. The newsletter will cover areas such as science, technology, media, economy, markets, politics, legislation and organizations, from a San Diego perspective. Sometimes, we will try to identify trends, but most of the time we will leave the trend spotting to our readers. As always, we welcome comments and suggestions from our readers, not only on the topics we have covered, but also on anything you would like for us to cover in greater detail. I hope that you find our newsletter useful and I look forward to receiving your comments and feedback.

*Erik Nowacki
Consul for Sweden, San Diego
Managing Attorney, Business Law Inc.*

The Consulate of Sweden in San Diego works to promote Sweden in the greater San Diego area. San Diego is the 8th largest city in the U.S. and has one of the country's highest concentrations of high-tech and life science research facilities, universities, companies and venture capitalists. The Consulate works to simplify and increase Swedish-American contacts in these and related areas.



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Economy and politics

Voters rejected Governor Schwarzenegger's budget ballot

On May 19th voters rejected California Governor Schwarzenegger's propositions to increase and extend taxes to reduce the state's large budget deficit. Most voters ignored the election entirely, confused and bored by the tangled wording on the ballot. The election consisted of six measures to reduce the budget deficit. Voters rejected all measures except one which denies elected officials pay raises in deficit years. As a result of California's election, the state now faces a \$21.3 billion gap between revenues and spending. It must be noted though, even if the voters had approved the measures on the ballot California would still have faced a \$15.4 billion deficit.

There have already been two rounds of budget cuts since last fall and a third one must now follow. Governor Schwarzenegger has already hinted at the cuts he will put forward to the legislature. One of the obvious savings is to release prisoners earlier. California's 33 prisons are greatly overcrowded with its 168,000 inmates. The Governor is thinking about releasing 38,000 prisoners, with half of them being undocumented immigrants to be transferred into federal custody.

Other measures that Schwarzenegger proposes are cutting funding to health and education programs. Medi-Cal, the state's program for medical care for the poor, may see a reduction in funding. Other programs, for example programs dealing with birth control, HIV-prevention, counseling against drug abuse and domestic violence, will be made smaller or eliminated altogether. Child-welfare programs will be cut by 10%. In the education budget, cuts may shorten the school year by a week and the University of California, consisting of ten campuses, will face cuts around 50,000 fewer students from a total of 222,000 and a staff force possibly decreased by 5,000 people.

State properties may also be auctioned off to decrease the state's budget deficit. State properties that may be auctioned off range from the Coliseum arena in Los Angeles to concert halls and fairgrounds. Even the maximum security prison San Quentin may go on the block.

The recession has hit the California economy so hard that the level of state revenue today is down to the same level as it was a decade ago. Hopefully swift and sound decisions will be made in Sacramento to reduce spending to eliminate the budget deficit.

The Economist
<http://www.economist.com/>

The San Diego Union-Tribune
<http://www.signonsandiego.com/>



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Technology

California based Fisker Automotive is a company to be reckoned with in the hybrid car-market

In times when the American auto industry is hurting, it might take innovative companies like Fisker to revitalize the important auto industry. Fisker is a two year old company founded by Henrik Fisker, the renowned Danish designer, with its headquarters located in Irvine, California. The company will begin production of the Fisker Karma, an \$88,000 plug-in hybrid sports sedan, this November. The car will achieve 100mpg and can go 50 miles on electricity alone. When the batteries are depleted a generator linked to a gasoline engine kicks in to recharge the batteries which power the motor, increasing the driving range with a further 300 miles. The gasoline engine does not propel the car though, it is merely used to generate electricity. Fisker has so far presold 1,300 Karmas and expects to sell 15,000 a year, including a convertible due in 2011.

Fisker has chosen to outsource almost everything – engineering, components, the electric power train and manufacturing. Only design and marketing remain in-house. Fisker gets its inspiration from companies like Apple and Nike, companies that focus on branding and design instead of running factories. A total of 750 people are working on the Karma, but fewer than 100 are on Fisker's staff. The company focused on capital efficiency from the very beginning. Fisker claims it can develop a car in two and a half years, half the time it takes a large company, for one-third of the \$1 billion it costs a traditional carmaker. The company managed to avoid some \$300 million in capital outlays by outsourcing assembly of the Karma to Finnish Valmet Automotive. Valmet Automotive assembles Porsche's Boxter and Cayman in the same facilities as the Karma will be built. Furthermore, Fisker saved millions on engineering and tooling by partnering with other carmakers to buy already proved components from their suppliers.

In times when people are increasingly environmentally aware, combined with a \$7,500 tax break offered as a credit for buyers of electric cars and increasing gas prices, the Fisker may very well succeed with its ambitious plan to start producing higher-volume models and sell 100,000 vehicles a year worldwide. First though, we have to see how the Karma fares.

Forbes
<http://www.forbes.com/>

Fisker Automotive
<http://www.fiskerautomotive.com/>



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Business News

Daimler has bought almost a 10% stake in Tesla Motors. Tesla Motors is a Silicon Valley based firm that makes high performance electric cars. The vehicles use lithium-ion batteries which can be recharged by plugging them in overnight. Tesla had already agreed to provide 1,000 battery packs for an electric version of Daimler's small city car Smart.

The Economist
<http://www.economist.com/>

Tesla Motors
<http://www.teslamotors.com/>

A partnership between San Diego Gas & Electric and Google is planned by the end of this year to provide SDG&E customers with daily energy usage information with the help of Google's new PowerMeter gadget. Data will be taken from customers' new smart electrical meters and show the data on the customer's web page. SDG&E will install the smart meters all over its service territory, with a goal of finishing by 2011. The Google service will roll out gradually with the first customers getting the web service in late 2009.

San Diego Business Journal
<http://www.sdbj.com/>

San Diego Daily Transcript
<http://www.sddt.com/>

San Diego Gas & Electric
<http://www.sdge.com/>

Google
<http://www.google.com/>



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Events

San Diego Convention Center - <http://www.visitsandiego.com/>

ESRI / ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE http://www.esri.com/events/uc/	07/11/2009 – 07/17/2009
SAN DIEGO COMIC CON 2009 http://www.comic-con.org/cci/	07/23/2009 – 07/26/2009
HOME DESIGN & REMODELING SHOW / GREEN SAN DIEGO EXPO	07/31/2009 – 08/02/2009
ASR FALL TRADE EXPO 2009 http://www.asrbiz.com/	09/10/2009 – 09/12/2009
CELLULAR TELECOMM INDUSTRY ASSN WIRELESS IT http://www.wirelessit.com/	10/07/2009 – 10/09/2009
GREEN TECH 2009	10/17/2009 – 10/18/2009
SAN DIEGO INTERNATIONAL AUTO SHOW http://www.sdauto show.com/	12/30/2009 – 01/03/2010

Los Angeles Convention Center - <http://www.lacclink.com/>

CALIFORNIA CONSTRUCTION EXPO 2009 http://www.calconexpo.com/	08/13/2009
L.A. AUTO SHOW 2009 http://www.laautoshow.com/	12/04/2009 – 12/13/2009

Las Vegas Convention Center - <http://www.lvcva.com/index.jsp>

SEMA SHOW http://www.semashow.com/	11/03/2009 – 11/06/2009
INTERNATIONAL CONSUMER ELECTRONICS SHOW 2010 http://www.cesweb.org/	01/07/2010 – 01/10/2010



Business Law Inc. is a law firm specializing in business, corporate and real estate transactions.

It is our ongoing mission to advise our clients how to prevent, confront and solve legal problems. We have a strong grasp of the law combined with a keen awareness of the problems associated with conducting business in an increasingly litigious world. At Business Law Inc., we provide our clients with the legal tools necessary to build a successful business.

For more information regarding our legal services, please call us at +1 858 695 9900, or send an e-mail to erik@businesslawinc.net.