

BUSINESS BRIEFS

Mass.-Putnam

Putnam Investments was hired by the Massachusetts state pension a year after being fired over accusations that it allowed improper trading of mutual funds. The \$32.4 billion fund's board, one of the first public funds to fire Putnam last year, voted to let it manage \$250 million of stocks.

Diller plans

IAC/InterActiveCorp. CEO Barry Diller said yesterday he would not rule out taking the Internet conglomerate private, but has no immediate plans to do so.

Enron case

Former Enron Corp. Assistant Treasurer Timothy Despain was charged by U.S. prosecutors in Houston federal court with conspiracy to commit securities fraud by misstating Enron's financial position to boost its credit rating.

Schwab denies

Charles Schwab Corp. said it has no plans to sell U.S. Trust, the money management unit for wealthy clients that some analysts said has distracted the firm from its discount brokerage business.

US Air pact

US Airways Group Inc. workers who train flight crews approved \$16 million in annual concessions.

M'soft passes

Microsoft Corp. isn't interested in bidding for PeopleSoft Inc., which has been fending off a hostile bid, Microsoft CEO Ballmer said.

Tumi sale

Doughty Hanson & Co. agreed to acquire luggage maker Tumi for \$276 million. As The Post first reported, Doughty Hanson, a private-equity firm, is acquiring a majority stake in Tumi from Oaktree Capital Management. Deutsche Bank advised Tumi on its sale.

Sources: Bloomberg, AP, Reuters, N.Y. Post

WEATHER BEATEN

Hurricanes, \$51 oil create energy squeeze

By PAUL THARP

The combination of an early frost and hurricane-shuttered refineries pushed energy prices through the roof yesterday, straining the economy's recovery.

Crude and home heating oil hit new highs yesterday after the season's first chilly weather hit upstate New York and New England, while natural gas and unleaded gasoline climbed towards records.

Crude oil here hit a new high of \$51.29 before settling at \$51.05 a barrel. Crude is up 68 percent from a year ago.

Analysts say that oil and natural gas production in the Gulf of Mexico remains shut down from Hurricane Ivan, and could stay closed for as long as another week.

"It's taking a lot longer to get the natural gas and crude refining going again," said energy analyst Peter Beutel of Cameron Hanover.

The squeeze on energy supplies also hit Wall Street, sending the Dow Jones industrial average down 38.86 to 10,177.68. The Standard & Poor's 500 Index slipped 0.69 to 1,134.48. The Nasdaq edged higher 3.10 to 1,955.50.

Economists are worried that a prolonged rise in energy prices could cause consumers to curb their spending and slow the economy's momentum.

"This definitely is going to slow the economy at this rate if it doesn't let

Black gold

Oil prices roared toward a record \$52 a barrel, with no signs of subsiding.

The main drivers:

- Hurricane-hampered wells in Gulf of Mexico may have trouble meeting winter-fuel needs
- Fears of a collapse in the Nigerian cease-fire
- Energy Department report on shaky oil inventories

Oil price per barrel



An oil worker in Russia

up," said economist Edward Harrison of Lion Strategy Advisors. "I'm very concerned how it's going to impact jobs."

Oil companies usually shut down refineries each autumn for routine annual maintenance, but were caught off guard by having

to close operations during Hurricane Ivan.

"Refineries usually shut down slowly for maintenance, one by one, without causing much disruption. But since they had to close down for Ivan, they decided we might as well close everything for main-

tenance and get it over with," said Beutel.

The shutdown has sapped large supplies out of the system, as much as 15 million barrels of light sweet crude and more than 65 billion cubic feet of natural gas.

Light sweet crude is fa-

vored here because it yields more distilled products, such as jet fuel, than the heavier, sour crude from Saudi Arabia.

Beutel said the dependence on sour crude could result in a shortage of jet fuels and surging prices.

Southwest Airlines says it will pay \$100 million more in jet fuel costs than it expected.

"This is one of the ways we've got to consider the impact of oil inflation," said economist Edwards.

Energy users are awaiting today's government report on how much refinery capacity remains out of service for the maintenance.

Since the hurricanes, the Gulf has pumped 27 percent less crude.

Heating oil for November delivery hit a record of \$1.4068 a gallon, up 2.12 cents, or 1.5 percent.

Unleaded gasoline soared 2.2 percent to \$1.366 a gallon, the highest since May 28.

The Department of Energy says the heating season this winter could be one of the most expensive on record, due to the higher costs of oil and natural gas.

Natural gas for November delivery rose here 43.9 cents, or 6.5 percent, to close at \$7.264 per million British thermal units (BTUs). Prices have surged 53 percent in the past month but remain below the all-time high two years ago of \$11.98 per million BTUs.



OFFSHORED Jobs in Vietnam.

'Outsourcing Jobs' Expo hits NYC

By RICHARD WILNER

Businesses from the Czech Republic, Argentina, Romania and Dubai flooded the TechXNY show at the Javits Center this week to lure U.S. jobs overseas.

The show, formerly the PC Expo, has ridden the headline-grabbing gizmos that were commonly introduced in those days. Instead, countries look-

ing for outsourcing dollars are encamped at some of the largest exhibit spaces, armed with laptops and statistics to pitch businesses.

"Our labor costs are about \$1 an hour compared to \$10 an hour in the U.S., [and] we offer the same quality and can offer businesses here a chance to cut costs," said Laurence Springthorpe, who owns Secomp Inc., the largest printing operation in the Philippines.

Pointing to facts about cheaper labor and equal

quality, Springthorpe pitched New York employers to shift their business away from the dozens of commercial printers that dot Manhattan's West Side to his offshore operation.

What's more, he said, his employees speak American English, which helps ease the transition to outsourcing.

Printers contacted by The Post — many concentrated along Ninth Avenue — were reluctant to talk about the issue, although an industry economist said printing outsourcing was a

small but growing problem.

While technology advances have long allowed lower-wage countries to shift tens of thousands to labor-intensive jobs like call centers and software development, formerly unaffected business areas are now feeling the pinch.

Springthorpe said it's cheaper for companies to zap their jobs to Southeast Asia and for Secomp to overnight the job back to the U.S. "For \$1 an hour, you can't go wrong," he said.

LATE CITY FINAL