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China's wealthy no longer putting on the Ritz

By FT Correspondents

BLOOMBERG

On a quiet afternoon last week, a female shopper was browsing through pricey handbags in Beijing's largely empty Shin Kong luxury mall. "I buy all sorts of brands - Louis Vuitton, Chanel, Prada, Gucci," she said. "Now the price of luxury products in China is much better than before but mostly, I buy them when I go abroad every year."

She may be willing to splash out on big brand names at home and abroad, but Chinese shoppers like her are becoming scarcer. The effects of a government crackdown on expensive gift-giving and the deceleration in the economy are being compounded by changing consumer tastes.

Luxury companies are also suffering from heady expansion based on what a report this week, from US think-tank The Demand Institute and its parent institution, the Conference Board, described as "overly optimistic growth and consumption projections" that have "misled foreign investors".

Luxury spending in mainland China fell last year for the first time, according to Bain & Co, to roughly USD15bn. The consultancy expects it to contract a further 2 per cent at constant currency rates, steeper than last year's 1 per cent fall.

That is a sharp reversal of a decade of remarkable growth, when Chinese luxury spending, at home and abroad, leapt tenfold - from 3 per cent of global luxury spending in 2004 to 30 per cent last year, according to Exane BNP Paribas.

Without its main motor for growth, it is no longer a life of luxury for the world's €250bn industry, which is having to work harder to adjust to the complexities of a more mature and fragmenting market. Luca Solca, analyst at Exane BNP Paribas, says the Chinese market "hasn't been great for anyone recently, but Prada and Burberry seem to be under greater pressure from China than their peers". Burberry warned in October that sales had been dented by an "increasingly challenging environment for luxury, particularly Chinese customers".

Many of China's wealthiest spenders have had their fill of the big names and are looking for something different, say analysts. Other, more price-conscious consumers, are buying online. Meanwhile, more Chinese citizens are travelling abroad, where they can see that prices are often 30 per cent cheaper than at home.

The devaluation of the renminbi in August reduced the price gap with Europe, though some luxury brands - notably Chanel - had already tried to address the problem by standardizing prices on some of its bags worldwide.

Angelica Cheung, editor-in-chief of Vogue China, says: "The market has changed so much in the past 12 months, not only because of the economy but also because of technology and travel. The companies haven't moved as quickly."

But luxury companies will have to move fast because their expectations of cohorts of new spenders from an emerging middle class are too bullish, as highlighted by The Demand Institute. "Most Chinese citizens have a long way to go before entering the middle class," it said.

Louise Keely, a co-author of the report, described as a "myth" the expectation of reaping benefits by opening luxury emporia in a host of smaller cities. Luxury companies were attracted by the cheap rents on offer from local mayors anxious to boast a shiny new mall and by the big populations of even tertiary cities. But these consumers do not necessarily have the money for a Gucci or Louis Vuitton handbag.

As a result of this rapid expansion, China has more luxury stores than any other country in the world, outpacing the US by a wide margin, according to Bernstein Research, and nearing saturation.

> **China has more luxury stores than any other country in the world, outpacing the US by a wide margin**

LVMH, the world's biggest luxury goods group by sales, has closed three Louis Vuitton shops in China, including the brand's first outlet in the southern city of Guangzhou, following closures in Harbin and Urumqi.

Jean-Jacques Guiony, the French company's finance director, had said last month that the group might close some shops in second-tier cities. "China, Hong Kong and Macau are suffering," he said. Sales of luxury goods are expected to contract 25 per cent in Hong Kong this year, according to Bain.

The UK's Burberry and Coach of the US have scaled back in Hong Kong, where rents are rising but the number of Chinese visitors is falling. Some brands are going against the trend with new openings. Hermès, a relatively late entrant to the Chinese market, has expanded slowly, partly due to production constraints. It opened two new shops last year, making a total of 23, which is less than half the size of the network of Kering's Gucci or Louis Vuitton.

As Christopher Bailey, Burberry chief executive, said last month: "The fundamentals of the luxury industry are changing. Growth in Chinese luxury spending is moderating."

Those fundamentals include a newfound confidence among Chinese consumers that makes them less willing to accept what western luxury brands say they should buy.

"There has been a real shift over the past two years in consumer perception about what the right product to buy should be," says Benjamin Cavender of China Market Research in Shanghai. "It used to be about making a safe big brand purchase to show off. That's shifted towards making purchases depending on the individual's interests and lifestyle."

Beneficiaries of this shift include North Face, an outdoor brand, and sports companies such as Nike and Adidas, reflecting a growing emphasis on healthier lifestyles.

Consumers also want to differentiate themselves by spending money on experiences, such as travel, fine dining and the home, instead of buying another designer product, says Emmanuel Hemmerle, managing partner at Emmanuel Hemmerle, a leadership consultancy.

Consumers are also showing more of an interest in homegrown brands, he says, which could favour a nascent domestic luxury industry. Luxury goods companies are reacting to these changes. Coach, the US leather goods group, is reaping the benefits within China of being more affordable than many of its upscale competitors, but says that spending by Chinese tourists is also growing.

"The Chinese tourist is an increasingly large part of our business globally - notably in Japan and Europe. We are staffing into this trend, increasing the number of Mandarin-speaking store associates in these geographies," it says.

The UK's Burberry is focusing on digital marketing and shifting away from stores, cutting the number of retail staff in Hong Kong by 25 per cent. The upside of shutting underperforming stores, and focusing on the more dynamic locations, is that China could become a more profitable country for luxury companies. Erwan Rambourg, luxury goods analyst at HSBC in Hong Kong, says: "Staff costs and rents remain reasonable relative to the rest of the world. We think profit margins will improve because the brands already have enough shops, so can rein in the capex for retail expansion that has weighed on profit margins."

There are already some tantalizing signs of improvement. Cartier-owner, Richemont said this month that growth had resumed in mainland China, lifted by retail sales through its own boutiques. Gary Saage, finance director of the Swiss group, last month told analysts that in Hong Kong "it's getting a little less worse… but I'm not going to be popping champagne on that".

SHOPPERS ON TOUR

Chinese travellers are spreading their horizons

Chinese tourism has taken off spectacularly in recent years, even though only 6 per cent of the population has a passport. Almost 120m Chinese travelled abroad last year, more than double the number five years ago.

These tourists are important for the luxury goods industry because two-thirds of the €65bn of Chinese luxury spending last year took place outside China, some of it by middlemen used by consumers to bypass the high taxes on luxury imports that make it cheaper to buy abroad.

Wealthy travellers are tightening their purse strings, however. Per capita spending on shopping fell 8 per cent in 2014, year on year, according to FT Confidential Research, a Financial Times' investment research service, because of the economic slowdown and the clampdown on gift-giving.

Total spending increased, however, because the number of overseas trips grew 20 per cent. Yet the traditional destinations of Hong Kong for shopping and Macau for gambling, are not reaping the benefits of this rise because increasingly Chinese tourists prefer to travel to new destinations.

South Korea and Japan are instead growing in popularity. A quarter of Chinese tourists chose South Korea for their first trip this year - double the number last year, according to FT Confidential. France tops the list of destinations.

FT BIG READ

Emerging markets - Deeper into the red

By Jonathan Wheatley and James Kynge

When China Shanshui Cement embarked on a borrowing spree in 2011, its managers could not have known that they had set in motion a chain of events that would lead to the company's default last week on Rmb2bn (USD315m) of short-term bonds, in all likelihood setting off a cross-default affecting debts totaling $3bn.

With hindsight it seems inevitable. Shanshui's borrowing had been encouraged by a massive stimulus that Beijing unleashed after the global financial crisis of 2008-09. But borrowing in China and around the emerging world was also turbocharged by funds that were born in the US Federal Reserve's quantitative easing program.

Currency symbols are illuminated at a currency exchange store at night in the Mong Kok district of Hong Kong

Those funds, designed to stimulate a recovery in the US, were also leveraged into many multiples of their original value and invested in businesses producing goods the world would soon have too much of: cement factories in China, steel mills in China, Russia or Brazil or iron ore mines in Australia.

Now the Fed has called an end to ultra-loose money, pushing companies such as Shanshui into a credit crunch and forcing them to postpone or cancel investments. The result is a world economy dicing with deflation and recession.

By some estimates, $7tn of QE dollars have flowed into emerging markets since the Fed began buying bonds in 2008. Now, a year after the Fed brought QE to an end, companies in emerging markets from Brazil to China are finding it increasingly hard to repay their debts.

The excess capacity these companies created became apparent just as China's slowing economy triggered a collapse in global commodity prices, hurting companies across the emerging world and sending Brazil's economy into deep recession. Some experts say QE policies by the Fed and other central banks have left a legacy of oversupply from which it will take years to recover.

They also warn that the leveraging of QE money has resulted in piles of debt around the emerging world that are very hard to measure or even detect. As Carmen Reinhart, a Harvard University economist, said recently, it is often only after things go wrong that the size and destructive power of hidden debts become apparent.

How did this happen? For an answer, we must look at the mechanisms that turned the ambitious project of QE into a driver of global oversupply. It begins with the creation of money under QE, the post-crisis stimulus program led by the Fed and joined by the Bank of England, the European Central Bank, the Bank of Japan and others. The Fed has run four QE programs, printing money under the last one at a rate of $85bn a month. Western central banks have created about $8tn since 2008.

There are two main routes by which QE money reached emerging markets. One involved the Fed buying US Treasury bonds from savers such as pension funds, which hold them as long-term, super-safe investments with unexciting but reliable yields. By doing so, the Fed drove bond prices up and yields down, sending savers in search of higher yields - such as in mutual funds buying corporate and emerging market debt. "This is the route most people think of," says Andrew Hunt of consultancy Andrew Hunt Economics. "I suspect it is the smaller channel."

Another route involved the Fed buying Treasuries from commercial banks, which - again, to replace the yield they lost by swapping Treasuries for cash - loaned the proceeds to hedge funds and other investors. Hedge funds and so-called leveraged funds often used these loans to buy money-market instruments in the Singapore dollar, Philippine peso or Brazilian real, for example, earning a higher yield.

On this route, which Mr Hunt believes is more widely used, some QE money would be multiplied before leaving the donor country: a leveraged fund might take $10 in cash, borrow another $30 and invest $40 in an emerging currency. Some of it would not be leveraged, but all the money on this route is taking part in the "carry trade": borrowing in currencies where interest rates are low and investing the proceeds where they are high. This works while exchange rates are favorable - but can go wrong when they change.

Between 2009 and 2014, when the Fed generated some $4tn in QE, credit provided overseas in US dollars through bank loans and bonds hit $9tn, according to the Bank for International Settlements. Mr Hunt estimates that the $4tn or so created by the Fed became $7tn by the time it reached emerging markets. And once it arrived, the money was leveraged yet again.

> **The role of 'shadow banking' has grown strongly since the crisis**

When floods of cash wash ashore in Brazil, Malaysia or Singapore, local central bankers start to worry. If they leave the inflows unchecked, their currency will appreciate strongly. This makes their economies less competitive than those of their trade rivals. So central bankers intervene, buying the incoming dollars, sterling or euros.

In taking these foreign assets on to their balance sheets, they must also create liabilities. So they print money, which makes its way into the local banking system. Flush with new cash, local banks can lend more. In fact, with their cash deposits parked at the central bank, they can lend multiples of those amounts - about four times in Brazil, eight times in Malaysia and 10 times in Chile, for example.

Banks are not the only lenders. The role of "shadow banking" has grown strongly since the crisis, as new regulations have reined in banks. Some shadow banking is provided by hedge funds and other financial institutions that are lightly regulated. Some is provided by companies lending to other companies, such as within a supply chain, and may be impossible to detect.

A recent study by the BIS found evidence that big EM companies were issuing foreign currency bonds expressly to take part in the carry trade. Big issuers of bonds tended to be cash-rich, and they were most likely to issue when the difference between interest rates in their own country and the country where they issued was at its greatest.

Foreign direct investment is another likely route. Total FDI to Brazil in 2014, for example, was $97bn, according to its central bank, of which $39bn was intracompany loans. In China, FDI last year was $289bn, of which $105bn was "other capital flows", including intra-company loans and payments. Some of this would be used to fund productive activities, but it is likely that some of it ended up in the carry trade or shadow banking.

It is impossible to say how much. "We have no way of knowing just what the resulting leverage ratio for a dollar that left the US in 2010 was by the time it became the basis for a loan made in Singapore, Hong Kong, Brazil or elsewhere, but we suspect that the answer would be well into double figures," Mr Hunt says.

What is clear is that debt has risen to alarming levels. As a percentage of gross domestic product, private sector debt (households and companies) is now greater in emerging markets than it was in developed markets on the eve of the financial crisis.

Taking on more debt for productive investment may well be a good idea, but it is not what has happened. Philip Turner and colleagues at the BIS looked at leverage and profitability at 280 big EM corporate bond issuers. They found that while leverage at those companies was up, profitability was sharply down.

And while foreign currency bond issuance at EM corporates has risen enormously since the crisis, it represents only a small part of the build-up in EM corporate debt. The vast majority - about 90 per cent by most estimates - is in plain old lending by local banks. This may be cause for some reassurance - after all, local bank lending is unaffected by the currency mismatches that can upend the carry trade. Or is it?

As Mr Turner at the BIS points out, some of the money borrowed by big EM companies was deposited at local banks, encouraging them to lend. And as big companies have turned to foreign capital markets to raise debt, local banks have had to find new companies to lend to. Were big companies to find it harder to refinance their foreign currency bonds as they fall due - because their earnings are down, or exchange rates have moved against them, or both - a withdrawal of liquidity would spread through local banking systems.

Lending conditions worsen

Trouble can also spread through mismatches in liquidity. Savers and other lenders in developed markets often believe the assets they are buying - a fund or a bond - can easily be sold if times change. But the final borrowers, who have used the funds to build a factory or provide a mortgage, cannot take their money back so quickly. As investors in developed markets withdraw their money, indebted EM companies are forced to pare activities and costs to the bone. The capital outflows weaken the local currency, pushing up foreign borrowing costs and tightening local lending conditions.

This is already happening. Recently, the Institute of International Finance said bank lending conditions in emerging markets - a broad measure that includes credit demand, availability and non-performing loans - had deteriorated sharply, with some measures at their worst levels since the IIF began monitoring conditions in 2009.

Hung Tran, the IIF's managing director, says EM companies are finding it harder to repay their debts and raise new money for investment, putting further downward pressure on growth. And he does not buy the argument that currency mismatches - especially in the overseas debts of EM governments - no longer present the danger they did in the crises of the 1990s.

"People say, this time there is no currency mismatch," he says. "They are not wrong. But the problem now is much deeper and much more general than a currency mismatch. This is a pure and simple problem of over-indebtedness and of slowing economic growth."

EM companies are suffering from the same problems as Shanshui: too much borrowing invested in too much capacity, coming to market as demand is falling. This misallocation of capital is blowing the ill winds of deflation to the developed world. The process is not over yet: as the Fed pulls back, the ECB and BoJ are in full QE mode.

Mr Hunt believes emerging markets, especially China, have already driven global growth below 3 per cent a year. He says the developed world is heading for a recession similar to the one that followed the turn of the century; if no action is taken, he expects the impact to be worse than the Asian financial crisis of the late 1990s.

"QE has made this possible," says Luis Oganes, head of EM research at JPMorgan. "Our concern is not of a full-blown EM crisis but of the heavily indebted companies and the banks exposed to them, as they fall into a vicious circle of low profitability, higher non-performing loans and tighter credit conditions. We should not expect an investment-led recovery anytime soon."

Chinese companies may have more immediate help. Beijing has reined in credit over the past two years to curtail overcapacity, mainly through restrictions on shadow banking. But this year, official lending has again been on the rise. For Shanshui and thousands of others, though, the party is over.

BLOOMBERG


The Artspace Loveland arts campus stands in Loveland, Colorado, USA


Resident Mary M. Waters stands for a photograph in her home/studio at the Artspace Loveland arts campus

Dream US apartments for USD582 a month only for starving artists

By Jennifer Oldham

MARY Waters's application for her dream apartment included lots of the usual stuff: a couple years of tax returns, her passport and proof she has a Social Security number. Oh, and several necklaces strung with Tibetan turquoise and Ugandan paper beads. She had to prove she was a struggling artist, and the struggling part was easy. Waters makes less than USD28,000 a year from sales to a handful of customers and part-time work as a massage therapist. But to score a USD 582-a-month studio in the Artspace Loveland Lofts, she also had to answer questions about her devotion to jewelry making and fostering the arts. It's a screening process that sculptors, writers and musicians across the U.S. are going through in a new spin on affordable housing.

Cities from Seattle to New York are tapping tax dollars to give rent discounts to artists - sometimes broadly defined to include chefs and welders - in bids to keep creative types from being priced out of gentrifying neighborhoods or to give boosts to depressed ones. As a rural community, Loveland, 51 miles northwest of Denver, is on a new frontier of the trend. Low-income housing-tax credits covered about 60 percent of the $8 million cost of its live/work arts building, where Waters's neighbors include a silversmith and a concert pianist. The subsidize-artists movement isn't without some controversy, attracting critics of so-called planned gentrification as widening income inequality puts rents in some places out of even middle-class reach.

New York Mayor Bill de Blasio envisions 1,500 affordable spaces for artists

"It is disturbing to see city governments choosing who has access to low-income housing based on a factor unrelated to actual household income," said Nancy Kwak, an associate history professor at the University of California at San Diego who studies the evolution of cities. Waters has a response to that, which is that her hardship is no less real just because of her profession. "The last question in the art committee interview was, 'What makes you seek affordable housing?'" said Waters, who had been sleeping on friends' couches. "I plastered a smile on my face and said, 'Because I'm homeless right now.'"

Civic leaders like the concept: Poets and painters supply cachet that's bankable, with studies showing low-income creative-space in cities like Reno, Nevada, has raised property values in surrounding blocks and lifted property and sales taxes. "By targeting artists, you create a community that has a broader impact on a city. Not every affordable housing project has that," said Jim Kelly, executive director of 4Culture, a King County cultural facilities agency that works to preserve buildings in cities including Seattle, where the 50-unit low-income Tashiro Kaplan Artists Lofts opened 11 years ago. Competition for such spaces is fierce.

In New York, more than 52,000 people applied for 89 units in a 19th-century renovated school house in East Harlem in July 2014. The $53.4 million El Barrio's Artspace PS109 - in a Manhattan neighborhood where rents have gone up as much as 60 percent since 2002 - was funded with federal and state tax credits, grants and private donations. Tenants pay according to guidelines set by the U.S. Department of Housing and Urban Development; the project's backed by El Barrio's Operation Fightback, a community group, and Artspace, a 36-year-old Minneapolis-based nonprofit real- estate developer that pioneered the use of tax incentives for artist housing, and has helped develop 1,390 units in 16 states and the District of Columbia.

Congress created the federal low-income housing credits that are crucial to the projects in 1986, and developers can sell them to investors to generate financing. In 2008, Congress specified that low-income complexes can set some preferences, including for renters "involved in artistic or literary activities." Only 5,000 of the applicants for PS109 were qualifying artists, according to Artspace. A panel of East Harlem residents and an Artspace representative interviewed more than 200, to determine if they could show bodies of work over time and were willing to give back to the community through teaching or volunteering. A weaver, dancers and visual and graphic artists were among those who made the cut. So did Sybille Bruun, 38, a mother of 18-month-old twins who with her husband runs the Shakespeare Forum, which provides free after-school programs and workshops. The family moved into the building in March, paying $1,022 for a two-bedroom and using office space in the basement; Brunn said they left an apartment with lead paint, mold and a landlord threatening to raise the rent to $2,650. "Without this space we would need two full-time careers and have to put the kids in full-time care," Bruun said.

Cities from Seattle to New York are tapping tax dollars to give rent discounts to artists

New York Mayor Bill de Blasio envisions 1,500 affordable spaces for artists, not even a ripple in a city where 270,201 families are on a waiting list for subsidized apartments. "Low-income housing specifically for artists - that's never happened before," said City Council Speaker Melissa Mark-Viverito, who represents East Harlem. "A lot of artists are being displaced. If we don't deal with this we could have a large sector of our city's cultural economy disappearing." In Colorado, Artspace is working with state and city officials and private foundations to build complexes in rapidly expanding Denver. Colorado's also the testing ground for rural areas, such as Loveland and Trinidad, a former mining town that has the state's highest concentration of historic buildings. A collaboration among Artspace, the Colorado Office of Economic Development, the Boettcher Foundation and nonprofit History Colorado is searching for space in Trinidad and reaching out to artists – including salsa makers.

Downtown Loveland got a boost from the lofts that went up next to an abandoned 123-year-o ld grain mill, which is now being rehabbed. The new construction spurred $14.5 million in other residential and commercial projects and a rise in sales-tax collections. "Creativity breeds creativity," said Loveland Mayor Cecil Gutierrez, a retired high-school band director. "We've seen additional arts-related businesses move downtown. It brings people down there, and that's the key." **Bloomberg**

UN official: Over 120 leaders to attend Paris climate summit

By Edith M. Lederer

THE attacks in Paris are affecting crucial climate change talks in the French capital starting later this month, but more than 120 world leaders strongly support the conference and have confirmed they will attend, a senior U.N. official said Friday.

Janos Pasztor, the U.N. assistant secretary-general for climate change, told a news conference that preparations and some activities are affected, including a huge march on Nov. 29 by supporters of an agreement to reduce carbon emissions that has been cancelled by the French government.

However, Pasztor said dozens of leaders still plan to attend. "They think this is an important event," he said. "So they are putting their travel plans where their mouth is and they will be there to support the climate negotiations."

Pasztor expressed hope that leaders will still heed the voices of the supporters who will now be holding marches in over 2,000 cities and towns around the world during the weekend of Nov. 29.

At the same time, he said, a huge number of climate-related events are being organized in Paris outside the center where the conference will take place.

"Inevitably, where there's a situation where there's a state of emergency, there will be some impacts on those — but still the events are going ahead and there's been a very strong sense both from Paris itself and the eventual participants that people intend to go to those meetings and intend to show solidarity with France and participate," Pasztor said.

"So the conference is going ahead and all the related events are going ahead," he said. "That's the bottom line."

World governments are meeting to craft a new U.N. pact to rein in greenhouse gas emissions.

While it's inevitable that leaders will discuss the coordinated attacks in Paris last Friday claimed by the Islamic State extremist group that killed 130 people, Pasztor said he expects their main focus to be on reaching an agreement, which all governments want.

Pasztor said 171 countries that collectively account for more than 90 percent of emissions — including top polluters China, the United States, the European Union and India — have submitted national climate plans with targets.

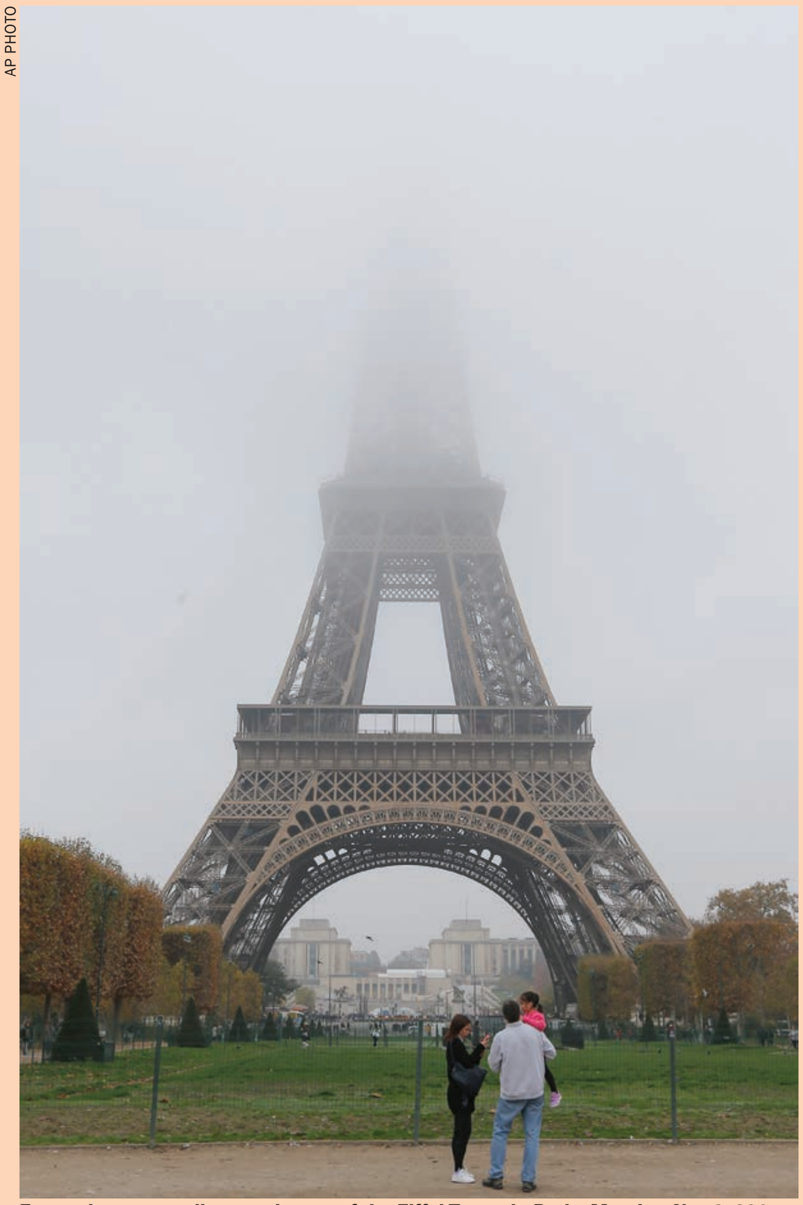
"If successfully implemented, these national plans bend the emission curve down to a projected global temperature rise of approximately 2 degrees Celsius by the end of the century," he said. "While this is significant progress, it is still not enough."

"The challenge now is to move much further and faster to reduce global emissions so we can keep the global temperature rise to below 2 degrees Celsius," Pasztor said.

He stressed that the Paris conference "must mark the floor, not the ceiling of our ambition."

Pasztor said U.N. Secretary-General Ban Ki-moon met with leaders from the Group of 20 rich and developing nations last weekend, will meet Southeast Asian leaders this week and heads of state and government from the Commonwealth next week "to help unblock progress on several sticking points" in the hoped-for agreement. **AP**

AP PHOTO



Fog and smog swallow up the top of the Eiffel Tower in Paris. Monday, Nov.2, 2015

ASK THE VET

by Dr Ruan Du Toit Bester

Three Differences Between Dog and Cat Flea Products

THERE are many differences between dog and cat flea products. It is important to be aware of these differences before making a purchase for your pet. Being uninformed about what you use on your animal can result in purchasing the wrong product and even causing harm to your pet. Below are the most common differences between dog and cat flea products.

1. INGREDIENTS

The main difference between dog and cat flea prevention medications and shampoos is the main ingredient. Permethrin is a common insecticide that is found in dog flea prevention products. It can easily be confused with pyrethrin which is in most flea prevention products for cats. Permethrin is a stronger form of pyrethrin and can be toxic to cats because of its high levels. Flea products that contain permethrin are labeled "for dogs only" and should never be used on a cat. If you have a cat and a dog, it is important that direct contact between the two be limited after the dog is treated.

Ingredients that are recommended for effective flea treatment in cats are safe levels of insecticide to eliminate adult fleas. Insect Growth Regulators (commonly labeled as "IGRs") or Insect Development Inhibitors ("IDIs") prevent young fleas from developing into mature, biting insects. These ingredients are only effective on insects and are not harmful to mammals. Be cautious when it comes to flea prevention on senior or pregnant pets. Consult your veterinarian for non-insecticidal products.

2. WEIGHT

The dosage in flea prevention products is based on weight. Purchase a product that is suitable for your pet's current weight. If you are unsure of your pet's weight, have them weighed at the veterinarian or groomer. If your pet is small enough, you can get an approximate weight on a home scale by first weighing yourself, then weighing yourself holding your pet and deducting to find the difference. Weight is another reason why it is unsafe to use a dog flea product on a cat. Most cats will weigh significantly less than a dog. Combined with their sensitive metabolism, using the wrong product can make your cat extremely ill.

3. ENVIRONMENT

Purchase a flea product based on your location. Flea prevention products may also include ingredients that repel mosquitoes, ticks and other insects. A cat who only lives indoors will need a less potent flea product than a dog who goes outdoors to eliminate. Research the most common insects in your area to determine the best product for your pet.

When it comes to purchasing a flea product for your dog or cat, remember the following:

- Read the label. Ingredients found in flea products will determine what insects are targeted.
- Never apply a dog flea product on a cat. Cats have a sensitive metabolism that is greatly affected by the high levels of insecticide found in dog flea prevention products.
- Weigh your animal before making your purchase to find the correct dosage.
- Research your local insect population to determine what your animal needs protection against.
- Be cautious when using flea prevention on senior or pregnant animals. Consult your veterinarian for methods of flea control that don't use insecticides.

Hope this helps
Till next week
Dr Ruan

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