

IN BRIEF

Survey: China factory activity at 6-month low

HONG KONG (AP) -- Manufacturing activity in China fell to a six-month low in November, reflecting sluggishness in the world No. 2 economy and weakness abroad, according to an early survey of factory conditions released on Thursday. HSBC's preliminary purchasing managers' index fell to 50.0 this month from 50.4 in October. The index uses a 100-point scale on which numbers below 50 indicate contraction while numbers above show expansion. The latest reading indicates there's no change in overall conditions from the previous month. It's the latest sign that China's economy continues to struggle after growth in the third quarter slowed to a five-year low of 7.3 percent. China's slowdown also compounds challenges faced by the global economy as it struggles to mount a convincing recovery.

90 percent of Nepal's market wrongdoers defying court summons

Kathmandu (The Kathmandu Post, ANN) -- Around 90 percent of the firms that were found involved in anomalies in the market have been defying the summons of the Department of Commerce and Supply Management (DoCSM). In the first quarter, the department summoned 333 businesses, but only 41 turned up to furnish their clarification. The regulator had inspected 908 businesses over the review period. Among those summoned included big stores like Bhatbhateni Supermarket, Saleways Department Store, Blue Moon Stores of Lazimpat, Manik Store of Ason and Bhatta Sweets of Balaju.

Australian supermarket chain probe prompts call to protect New Zealand suppliers

WELLINGTON (Xinhua) -- New Zealand's commerce watchdog has cleared an Australian supermarket chain of using anti-competitive and intimidating behaviour against suppliers in allegations that were first raised in the New Zealand Parliament earlier this year. The Commerce Commission said on Thursday that the allegations against Progressive Enterprises Ltd., which operates the Countdown supermarket chain, were serious, but it did not believe Progressive had breached any trading laws.

Fed sees solid US economy, despite new threats



House Speaker John Boehner speaks during a news conference on Capitol Hill in Washington. --Photo AP

WASHINGTON (AP) -- Federal Reserve policy-makers discussed a variety of economic threats at their October meeting — from turbulent financial markets to overseas weakness — but decided to move forward with plans to end their landmark bond buying programme.

Minutes of the Fed's October 28-29 meeting released on Wednesday showed that Fed officials grappled with a number of developments, from sharp moves in US stock prices to increased signs of weakness in such key regions as Europe and Asia. They also expressed concern that inflation, which has been running below the Fed's target of 2 percent, could drift lower because of falling energy prices and a strengthening US dollar.

A number of Fed officials noted that economic growth might be slower over the medium term than currently expected if foreign economic conditions or financial markets deteriorated significantly, the minutes said. But the officials also expressed confidence that the US economy was on solid footing and expected to keep improving.

The minutes cited the "somewhat weaker economic outlook and increased downsides risks in Europe, China and Japan." But it said that Fed officials believed the impact would likely be "quite limited" on the US economy, in part because they expected that the slowdown in overseas demand would likely be less severe than initially feared.

Wall Street staged a big rally after release of the September meeting minutes as investors

assumed that the Fed would delay a rate hike because of concerns about weakness overseas. However, the release of the October minutes had little market impact. Economists said the comments did not alter their expectation that the first rate hike would probably take place around June of next year.

"The timing will depend on the data ... nothing very definitive," said Jim O'Sullivan, chief US economist at High Frequency Economics.

The minutes showed that for a second meeting there was a debate over the language outlining the pace of interest rate hikes. Board members debated whether or not to remove language Fed officials have used since the spring that they expected to keep a key short-term interest rate low for a "considerable time" after halting monthly bond purchases.

The Fed decided to keep the "considerable time" wording because officials worried that its removal could be misinterpreted and cause markets to drive interest rates higher and harm the recovery.

Private economists do not expect the Fed to begin raising interest rates until mid-2015 and nothing revealed by the discussion in the minutes was likely to alter their view.

The minutes of the October 28-29 meeting were released with the customary three-week delay. At the October meeting the Fed announced that it was ending its bond buying programme, which it had been gradually reducing since last December. That program was aimed at keeping long-term interest rates low.

The statement did drop a reference it had been making to a "significant underutilisation" of labor market resources. Instead, it said that improving labor market indicators suggested that the "underutilisation" of labor market resources was "gradually diminishing." The change was viewed as a sign that the Fed's concerns about weakness in the labour markets had lessened somewhat.



Mr Han Rui (left) and Dr Bounthavy Sisouphanthong shake hands after the signing of the hydropower agreement.

Govt, Chinese firm ink deal on Nam Tha dam

Somxay Sengdara

The government has given the green light for Chinese investors to build a 168MW hydropower project on the Nam Tha river in Luang Namtha and Bokeo provinces.

The 30-year concession agreement was signed in Vientiane on Tuesday by Deputy Minister of Planning and Investment, Dr Bounthavy Sisouphanthong, and President of Nam Tha 1 Lao Power Company, Mr Han Rui.

Among those present at the signing ceremony were Deputy Director General of the Ministry of Energy and Mines' Department of Energy Business, Mr Sichath Boudsakittilath, Deputy Directors of the Luang Namtha and Bokeo provincial Departments of Planning and Investment respectively, Mr Bountham Inthapaseuth and Ms Phuangphanh Phoumsav; and General Manager of the Nam Tha 1 Lao Power Company, Mr Sun Peng.

Deputy Prime Minister Somsavady Lengsavad also witnessed the signing of the

concession agreement.

Nam Tha 1 Lao Power Co., Ltd., which was created by CSG International, began work on the project late last year. A 40-km access road has been built from Road No. R3 to the project site in Pha-oudom district, Bokeo province, and some communities have been relocated.

The project includes the construction of a 115-kV transmission line with a length of 82km from the powerhouse to the substation in Huayxai district and another 115-kV transmission line 40km in length from the powerhouse to another substation, in Luang Namtha province.

It will take four years to build the 3.1 trillion kip (US\$340 million) dam.

The dam will create a reservoir of 64 square kilometres to store about 17.55 billion cubic metres of water, and will flood 34 villages.

In his remarks at the signing ceremony, China Southern Power Grid Company (CSG) Vice President Wang Jiuling said the concession agreement symbolised the deepening

cooperation in electricity generation between China and Laos.

Mr Wang pledged that the company would strictly follow the conditions of the concession agreement in implementing the project, and would comply with safety measures and project quality standards.

He also promised that the dam would be finished within the set timeframe so that commercial operations could begin in the near future. The company would source construction materials locally whenever possible, and employ local people to work on the project.

Mr Wang explained that CSG was the parent company of CSG International, which had in turn set up the Nam Tha 1 Lao Power Co., Ltd.

CSG is a major power company in China, and financed and built power grids in the provinces of Guangxi, Yunnan, Guizhou and Hainan. The total area covered by the grid is 1 million sq km and 230 million people are supplied with power from the network.

L.A. becomes stage for high-speed luxury cars

DETROIT (AP) -- Few people need an SUV with 567 horsepower that can scream around a racetrack and go from zero to 60 in four seconds.

A small but growing number want one.

These drivers aren't satisfied any longer with an ordinary luxury car. They crave speed and

handling, and they're willing to pay for it. That's why BMW, Mercedes, Cadillac and Porsche are introducing six new high-performance versions of existing vehicles at the Los Angeles Auto Show, which opens to the public on Friday.

Although these super-fast models make up only around 3

percent of luxury automakers' sales, the cars and SUVs bring big profits and give brands an aura of race-car performance that boosts their image with many buyers. Buyers of these cars still want all the accoutrements that luxury brands have to offer, but a cushy ride is a secondary concern. Dealers and industry analysts say two kinds of people desire ultra-high-performance cars. One seeks the speed and handling. The second simply wants to be different from others who can afford luxury brands.

"It's the 'when they don't make very many of them, everybody wants one' concept," says Steve Late, president of BMW of Austin, Texas, who can't keep the German automaker's limited-production, high-performance "M" models in stock.

BMW will introduce two updated high-performance SUVs at the L.A. show, the X5 M and the X6 M, both with a twin-

turbo V8 that puts out the 567 horsepower — 267 more than a standard X5. Suspensions also are beefed up on the M SUVs, with technology borrowed from the racetrack. But the speed and handling come with a price. The X5 M starts at nearly US\$100,000, over US\$46,000 above the current base X5. Both new 2015 M SUVs hit showrooms in the spring.

The higher prices mean big gains for automakers, even with the relatively small sales numbers, says Stephanie Brinley, senior analyst for the Americas for IHS Automotive. "Porsche and Mercedes and Cadillac can add those in with comparatively low investment to all new cars and get a good, healthy profit out of it," she said.

In Austin, where a Formula One racetrack is often rented for a day by car clubs, demand for M versions is high, Late says.

The automakers picked Los Angeles for the introductions

because residents have money to buy such cars, and because the metro area often sets automotive trends, Brinley says.

Other high-performance luxury cars slated for introduction this week include:

— Two Mercedes AMG high-performance cars, the C63 sedan and GT sports car. There are two versions of each, regular and the higher-performing S. All have a hand-built 4-litre V8 engine that makes 469 horsepower for the AMG and 503 for the S version. All go from zero to 60 in four seconds or less. Mercedes has 19 AMG models, and the AMG line has seen 58 percent growth so far this year, the company said.

— Sedan and coupe "V" high-performance versions of the Cadillac ATS compact car. Both have a twin-turbo 3.6-litre V6 that puts out 455 horsepower. The cars will go from zero to 60 in 3.9 seconds with a top speed of 189 mph.



A 2015 BMW X5 M is revealed during the Los Angeles Auto Show on Wednesday. --Photo AP