



AFP
Kimono clad Tokyo Stock Exchange employees smile under the share prices board at the Tokyo Stock Exchange yesterday at the first trading day of the year after the New Year's holidays. Japanese shares opened higher on the first trading day of 2011.

EasyJet buys 15 Airbus single-aisle planes

AFP, London

British no-frills airline easyJet on Tuesday said it had agreed to buy 15 Airbus A320 single-aisle planes worth 1.1 billion dollars (824 million euros) and secured an option to buy another 33.

easyJet plc today announced that it has reached agreement with Airbus to exercise existing options over 15 Airbus A320 aircraft for delivery between 2012 and 2014 and to secure new options over a further 33 A320 aircraft.

It added that "whilst the total list price for the 15 new A320 aircraft should be approximately 1.1 billion dollars... easyJet has been granted substantial confidential price concessions" from European planemaker Airbus.

"We are pleased to announce this agreement with Airbus," easyJet chief executive Carolyn McCall said in the group's statement.

"It will help deliver easyJet's strategy of continued profitable growth... whilst providing even more flight capacity for our passengers.

"A central feature of the agreement is the flexibility it gives easyJet to vary the growth rate in its capacity to reflect economic conditions and market opportunities," she added.

The aviation sector, and easyJet in particular, is enjoying a solid recovery following the financial crisis. The budget airline flying passengers across Europe unveiled soaring annual profits in late 2010 as well as plans for its first ever dividend.

Profit after tax jumped to 121.3 million pounds in the 12 months to September 30, up from 71.2 million pounds in 2008-09, as easyJet flew more passengers.

Profits would have been higher had the airline not been hit by costs of 27.3 million pounds linked to the Icelandic volcanic ash cloud disruption.

easyJet, which is 15 years old, also intends to pay its first dividend in January 2012 and drive revenue by attracting more business travellers.

McCall became chief executive in 2010 after months of boardroom turmoil at easyJet. She stepped down as head of the Guardian Media Group, replacing Andy Harrison.

Prior to her appointment, top easyJet executives had clashed with the airline's founder Stelios Haji-Ioannou over the carrier's growth strategy.

Stelios, who is also easyJet's biggest shareholder, had long called for a dividend, saying the airline's rapid growth strategy was flawed.

Under McCall, easyJet has settled a legal dispute with Stelios concerning use of the company's brand.

Stelios' company easyGroup IP Licensing (EGIP) had claimed that easyJet had breached the terms of a branding licence agreement, specifically by increasing its income from non-ticket revenues beyond an agreed 25 percent of total sales.

easyJet's right to the brand will last for 50 years, with a minimum commitment from the airline lasting 10 years, in return for an annual royalty payment to Stelios of 0.25 percent of the group's revenue.

China nuclear feat a step towards energy security

AFP, Beijing

By succeeding in reprocessing spent nuclear fuel in an experimental reactor, China has made an important technological step forward in ensuring its long-term energy security, experts say.

The feat by the China National Nuclear Corporation -- announced Monday with much fanfare on state television -- has already been achieved by other nations, and it remains to be seen whether it can be done on an industrial scale.

But the successful reuse of irradiated nuclear fuel, developed at a CNNC plant in the country's remote northwest, is likely to be key in China's efforts to diversify its energy mix, especially away from highly-polluting coal.

The work by CNNC "is a crucial step towards resolving the raw materials problem faced by the

nuclear industry (in China), one already tackled by the other main nuclear powers," Lin Boqiang, director of the China Centre for Energy Economics Research at Xiamen University, told AFP.

The report was scant on details about the so-called Chinese "breakthrough", but said it would help extend the lifespan of Beijing's proven uranium deposits to 3,000 years, from the current forecast of 50-70 years.

CNNC general manager Sun Qin said in the report that China had joined a "minority of countries" to have a complete nuclear fuel cycle. France and Russia are among the nations already reprocessing nuclear fuel.

A Beijing-based Western expert on nuclear technology, who asked not to be named, told AFP that while earlier tests involved non-radioactive products, China had "moved on to

active tests with fissile, radioactive material".

China currently has 13 nuclear reactors and has given the green light to plans for 34 others, 26 of which are already under construction, People's Daily -- the official mouthpiece of the ruling Communist party -- said Tuesday.

Beijing has stepped up investment in nuclear power in an effort to slash its world-leading carbon emissions and scale down the nation's heavy reliance on coal, which accounts for 70 percent of its energy needs.

China, which overtook Japan in mid-2010 to become the world's second-largest economy, is the world's biggest energy consumer, according to the International Energy Agency.

It aims to get 15 percent of its power from renewable sources by 2020.

It wants to increase nuclear

power capacity to 112 gigawatts by 2020, which would account for about seven percent of the country's total installed power capacity, state press reports have said.

The government said previously the target was 70 gigawatts.

China currently produces around 750 tonnes of uranium a year but annual demand could rise to 20,000 tonnes a year by 2020, according to state media.

CNNC is developing a uranium mine in the poor west African country of Niger, which produced its first barrel of ore last week.

In order for China to greatly increase the amount of power generated from its existing uranium stocks, it would have to develop the capability to use nearly all of the non-fissile uranium-238.

That can be achieved by rapid neutron reactors, which France

expects to see come on-stream in about 2040 -- and which one expert hinted was the path being taken by CNNC.

"China has made a concrete breakthrough in the development of fourth generation, rapid neutron nuclear technology," Ye Qizhen, an expert at the Chinese Academy of Engineering, told the China Business News after the announcement.

Lin said recycled nuclear fuel can be used by the third-generation reactors, such as the ones developed by France's Areva and US-based Westinghouse Electric, and being built in China.

But he noted that so far, nuclear fuel reprocessing in China is still in the experimental phase.

"For now, we don't know if new technical problems will crop up in the transition to (industrial) production," he said.

Our job is to govern, not bicker: Obama

AFP, Aboard Air Force One

President Barack Obama, heading back to Washington where a new divided Congress awaits, said Tuesday he expects Republicans will try to stall his reforms but ultimately will work with him to improve the battered US economy.

"You know, I think that there's going to be politics, that's what happens in Washington," Obama told reporters on Air Force One after departing the island state of Hawaii where he spent 10 days on holiday with his family.

He returns to the US capital a day before the new Republican-dominated House of Representatives convenes Wednesday, with the party's leaders announcing they will take early aim at health care reform, a signature legislation of Obama's presidency, and seek to rein in runaway government spending.

Obama appeared to acknowledge that a chilly reception by emboldened Republicans awaited him, as they pledged tough oversight of the administration.

"They are going to play to their base for a certain period of time, but I'm pretty confident that they're going to recognize that our job is to



AFP
US President Barack Obama waves alongside a white-handed gibbon (L) as he tours the Honolulu Zoo in Honolulu, Hawaii, Monday, with his daughters and family friends on the last day of his two-week vacation.

govern and make sure that we are delivering jobs for the American people and that we're creating a competitive economy for the 21st century -- not just for this generation, but the next one," Obama said.

The president did not respond to a question about Republican plans to repeal the health care bill, as the party aims to roll back key Obama gains in the 22 months before the next election.

"My expectation, my hope, is that

(incoming speaker of the house) John Boehner and (Senate minority leader) Mitch McConnell will realize that there'll be plenty of time to campaign for 2012 in 2012, and that our job this year is to make sure that we build on the recovery," he said.

"We've started to make good progress on that during the lame duck (congressional session following last November's elections), and I expect to build on that progress when I get back."

Sri Lanka expects 8.5pc growth in 2011

AFP, Colombo

Sri Lanka's Central Bank on Tuesday forecast the island's post-war recovery would accelerate this year with 8.5 percent economic growth on the back of a blistering expansion in tourism.

The country's economy grew 8.0 percent in 2010, up from 3.5 percent a year earlier when security forces were in the final stages of crushing Tamil Tiger rebels and ending decades of ethnic bloodshed.

"We expect growth to accelerate to 9 percent in 2012 and 9.5 percent in 2013," Central Bank governor Nivard Cabraal said in a statement outlining the bank's monetary policy for 2011.

Cabraal said business confidence and receipts from tourism had boomed since the end of the war in May 2009, while foreign investment and export earnings had also picked up.

Tourist visitors to Sri Lanka topped 600,000 in 2010, a near 50 percent jump on the previous year.

The island's foreign reserves hit a record high of 6.6 billion dollars by the end of 2010, helping the country to notch a 900 million dollar balance of payment surplus, Cabraal said.

Sri Lanka's foreign reserves slipped to less than a billion dollars during the final months of the conflict, forcing the government to secure a 2.6 billion-dollar bailout package from the IMF in July 2009.

Investments place value of Facebook at \$50b

AP, New York

An injection of cash that values Facebook at \$50 billion will help it delay going public for at least another year, giving the company breathing room to focus on long-term ambition rather than short-term profit.

The infusion - \$500 million from elite investment house Goldman Sachs and a Russian investor, according to a report by The New York Times - represents the most emphatic endorsement yet of Facebook's potential to make money in online social networking.

It places the company at twice the value of Internet giant Yahoo and about equal to what well-established names such as Boeing and Kraft Foods are worth on the open market.

More important, it buys time for Facebook to keep its books private and not have to cater to the demands of the market. And it gives 26-year-old founder Mark Zuckerberg room to grow into his role as the public face of a multinational company.

Zuckerberg is widely believed to be more comfortable operating behind the scenes, thinking about technology and business, than engaging in public discourse, says Standard & Poor's

equity analyst Scott Kessler, who follows large Internet companies.

"There is still some question whether he has the persona to be a public CEO and, if he doesn't, would he be willing to cede control to someone who does," says Mark Heeson, president of the National Venture Capital Association, a trade group that represents firms that invest in startups. "That is probably an issue that Facebook's board has been discussing for some time."

As it nears the seventh anniversary of its founding in a Harvard dorm room, Facebook is already slightly more mature than Google was when it went public, in 2004. At the time, investors placed Google's value at about \$24 billion.

By the time Google turned 7, in September 2005, its market value had ballooned to about \$90 billion, and the company wound up with \$6 billion in revenue that year.

Google, like Facebook, wanted to stay private as long as possible to avoid public scrutiny of its finances, investor complaints about its strategy and potential management distractions.

The \$50 billion is more than twice as much as the market's valuation of Yahoo.