

Communist Laos opens new stock exchange

AFP, Hanoi

Communist Laos launched its first stock exchange on Tuesday, an official said, in the latest capitalist step by the rural-based nation aimed at spurring development.

The Lao Securities Exchange (LSX) opened after a morning ceremony, said Khenhthong Nuanthasing, the Lao government spokesman.

Only two stocks are initially listed: EDL-Generation Public Company -- which was spun off in December from state-owned Electricite du Laos to handle power generation -- and state-run Banque Pour Le Commerce Exterieur Lao.

The exchange's chairman, Dethphouvang Moularat, is confident that the bourse's opening will be a milestone for the nation where the majority of people still live on less than two dollars a day.

"It will help the economy a lot," he told AFP in an earlier interview at the stock market's modern, glass-fronted headquarters in Vientiane.

He said the bourse would complement an existing foreign exchange market, giving firms access to vital capital for expansion.

To develop its exchange, Laos sought technical and financial support from South Korea -- whose own stock market operator has a 49-percent stake in the LSX -- as well as advice from neighbouring Thailand.

Laos, with about six million people, is one of Asia's poorest nations but has been growing at about seven percent annually in recent years, the government says.

Donors and non-governmental organisations have cautioned Laos over its growth strategy, which features large-scale foreign investment in resource sectors that potentially could have negative effects on socio-economic development.

Laos is working towards membership of the World Trade



A view of the Laos stock exchange building in Vientiane. Laos opened its stockmarket, which is expected to pull in foreign investors.

AFP

Indians growing richer and less healthy

AFP, New Delhi

Indians are growing richer, but they are also adopting unhealthy lifestyles that could take years off their lives and threaten economic growth, a major study said Tuesday.

In a wide-ranging review of India's under-resourced health system published in the British magazine The Lancet, studies by a clutch of top doctors flagged some particular medical downsides linked to economic progress.

"Rapidly improving socioeconomic status in India is associated with a reduction of physical activity and increased rates of obesity and diabetes," said a paper on chronic diseases and injuries led by Vikram Patel from the Sangath Centre in Goa.

With more money in their pockets, Indians are exercising less, indulging in fatty foods and risking injury by driving

more and faster on the country's notoriously dangerous roads, often under the influence of alcohol.

"The emerging pattern in India is characterised by an initial uptake of harmful health behaviours in the early phase of socio-economic development," Patel's papers said.

The scourges of the newly wealthy, whose ranks swell by millions each year, can only be tackled with education. The authors said bad habits decline once consumers become aware of risks to their health.

Overall in India, the poor remain the most susceptible to disease and are burdened by the effects of paying for care in a country whose health indicators lag behind its impressive economic growth figures.

The study also said it was vital that India, with its young and fast-growing 1.2 billion population, took steps to prevent injuries and illnesses such as heart or respiratory diseases, cancer and diabetes.

These problems, which suck up resources in hospitals and doctors' surgeries, can be reduced cost effectively through education, the use of drugs and patient screening, as well as higher taxation on tobacco and alcohol.

The study said India was in the early stage of a "chronic disease epidemic," with as many as one in five people suffering from a chronic illness, while one in 10 has more than one disease.

"Many chronic diseases can be treated with inexpensive generic drugs and lifestyle modifications," Patel's paper said. "And if action is not taken now, the avoidable suffering and deaths will have an adverse effect on economic development."

Other studies published in The Lancet urged India to do more to reduce inequality and to meet a target contained in the title of the series: "India: Towards a Universal Health-care System by 2020."

China's BYD looks to US market to boost profile

AFP, Detroit

China's BYD is looking to the launch of its electric vehicles in the US market as a way to boost its reputation with customers at home, a top executive said at the Detroit auto show.

"It's more branding - you want to be able to meet the US consumer's expectations," Mike Austin, vice president of BYD - or Build Your Dreams - America, said Monday.

"If you make it in the US, you make it anywhere. We definitely will sell more vehicles in China if the US brand is strong."

BYD recently introduced a test fleet of its F3DM plug-in hybrid and plans to begin sales to retail customers in the beginning of 2012.

That will likely make it the first Chinese automaker to sell cars in the United States, and Austin said BYD does not

underestimate the challenges it faces in winning over the "finicky" and highly competitive market.

"We're in no rush to launch bad vehicles in the US market," Austin told reporters on the sidelines of the auto show.

"We want to get it right."

BYD delayed the introduction of its E6 fully electric sedan after initial feedback showed it was not ready for the US market, Austin said.

One significant problem was that there was a higher step in the back seat - something which didn't bother Chinese consumers, but which BYD learned would annoy Americans.

The vehicle has been redesigned with a flat floor and is expected to be introduced to fleet customers next year and retail customers at the beginning of 2013.

Early feedback on the new F3DM -- which was unveiled in Detroit before it was shown in China -- is good, Austin said.

Samsung ordered to pay \$532m

AFP, Seoul

A South Korean appeal court ordered Samsung group companies Tuesday to pay creditors of its failed automaking unit \$532 million as a penalty for a delayed debt repayment and in accumulated interest.

The Seoul High Court, adjudicating on the country's largest-ever civil suit, ordered 28 group units to pay 600 billion won to 14 creditors of Samsung Motors.

The auto firm started selling cars in 1998 just before the East Asian financial crisis.

The loss-making company was sold to French automaker Renault after being put under court receivership in 1999 and became Renault Samsung Motors.

As collateral for the debt, creditors agreed to accept 3.5 million unlisted shares held by group chairman Lee Kun-Hee in Samsung Life Insurance and the rest of the money from group affiliates.

When Samsung Life's listing was delayed, the creditors sued.

In January 2008 a Seoul court ordered the group to pay 1.6 trillion won in principal and 680 billion in accumulated interest. Both sides appealed against the size of the interest payment.

The creditors recouped the 1.6 trillion principal in May last year when Samsung Life sold its shares in the country's largest

Japan to buy euro debt, Portugal resists bailout

REUTERS, Tokyo/Lisbon

Japan pledged on Tuesday to buy euro zone bonds this month in a show of support for Europe's struggle with a seething debt crisis as Portugal wrestled to fend off market and peer pressure to seek a bailout.

Portuguese Finance Minister Fernando Teixeira dos Santos said his country was doing everything it could to avoid a humiliating EU-IMF financial rescue, already granted to Greece and Ireland, and was still paying relatively low interest rates.

"We are seeking to avoid this possibility," Finance Minister Fernando Teixeira dos Santos told TSF radio. "We are doing our work. Clearly, Europe is not doing its work to guarantee the stability of the euro."

However, a Portuguese central bank board member, Teodora Cardoso, was quoted as saying Lisbon would do better to seek international financing, breaking ranks with political leaders.

"It would be easier if we had foreign help because this would mean that the adjustment would not be so abrupt, but if we do it alone, for the markets to believe in it, it has to be brutal," Cardoso said according to news agency Lusa.

Yields on Portuguese 10-year bonds remained above 7 percent on Tuesday, a level widely regarded as unsustainable, despite European Central Bank intervention to buy them reported by traders on Monday.

Japanese Finance Minister Yoshihiko Noda said Tokyo was considering using its euro reserves to buy about 20 percent of the AAA-rated bonds to be jointly issued by the euro zone to raise funds to support Ireland.

"I think it's appropriate for Japan



A demonstrator burns a five euro note during a protest in downtown Madrid against capitalism.

REUTERS

to purchase a certain amount of bonds to boost confidence in the European Financial Stability Facility (EFSF) and make a contribution as a major country," Noda said.

Japan's offer comes days after China renewed its commitment to buy Spanish debt and analysts said it reflected both Tokyo's concern about the impact of the crisis on its export-reliant economy and an effort to reassert itself on the global stage.

A senior adviser to China's central bank said in a Reuters interview that Beijing too should be buying safe, jointly guaranteed euro zone debt rather than riskier bonds issued by troubled member states such as Spain and Portugal.

"In principle we support the euro, but we also need to ensure that our investment is safe and generates returns," said Yu Yongding, an influential economist in the Chinese Academy of Social Sciences, a government think-tank.

"I think it's much safer if we buy

the fund as it has a triple-A rating," he added.

Unofficial estimates described by a senior EU official as credible suggest China holds more than seven percent of the 8.8 billion euros in outstanding euro zone public debt, mostly through its State Administration of Foreign Exchange (SAFE) and sovereign wealth funds.

The European Union set up the 440 billion euro EFSF as a safety net for heavily indebted euro zone nations, but it failed to deter investors from betting on more bailouts.

Breaking ranks with a chorus of European officials who have insisted that further rescues were by no means inevitable, Finnish Finance Minister Jyrki Katainen said on Tuesday that Ireland may not be the last country to seek financial aid.

Speaking to a local broadcaster, Katainen also said Lisbon needed to act decisively to calm markets, though he declined to say whether there were any talks about loans to Portugal.

India's 2010 auto sales up 31pc, seen slowing

REUTERS, Mumbai

Car sales in India grew nearly 29 percent in December, driven by a burgeoning middle class and easier access to loans in Asia's third-largest economy, but analysts cautioned a slowdown amid a likely hike in interest rates, rising fuel prices and higher costs of vehicles in 2011.

Automakers reported sharp jumps in December sales, with Mahindra & Mahindra reporting a 42-percent rise, market leader Maruti Suzuki posting a 26-percent jump and Tata Motors reporting a 31-percent rise in India.

Commercial vehicle sales, a key economic indicator, rose more than 27 percent in December in the world's second-fastest growing car market.

China, the fastest growing car market, saw car sales rise by a third in 2010, and is also expected to slow in 2011 due to rising gas prices, withdrawal of subsidies, and new, stringent laws governing registration and sales of new cars.

Auto sales in India grew nearly 31 percent in 2010, driven by ballooning spending power, easier financing and a wider choice of models in an economy growing at nearly 9 percent annually.

The Indian auto market saw seven new models launched in 2010: Ford Motor Co's Figo, Volkswagen AG's Polo, Nissan Motor's Micra, Toyota Motor's Etios, Volkswagen's Vento and Maruti Suzuki's Alto variant.

Tata started delivering the Nano -- the world's cheapest car -- in 2010 as well. Sales of the Nano sputtered to around 500 in November, sliding 85 percent from a year earlier to an all-time low, hurt by safety concerns following reports of some spontaneous fires and financing difficulties.

Nano sales picked up in December, reaching 5,784 units.

Coming off a high base comparison, Indian auto sales are expected to moderate in 2011, pegged at 12 to 15 percent by Fitch Ratings and other analysts.

While India's car market is growing apace with China's, it has a lot more room to grow with a population of nearly 1.2 billion. Chinese car sales reached 13.8 million units in 2010, while India sales reached 1.9 million units.

"Now with the higher base, they cannot repeat that performance for next year. But in absolute numbers, the demand will be higher," Kunal Dalal, automotive analyst at KR Choksey Shares & Securities in Mumbai, said.



Farmers carry sackloads of rice harvested in the village of Penarubia, Abra, in the northern Philippines. The Philippines plans to sharply cut its rice imports in 2011, the head of the state grains agency said yesterday. The Philippines was the world's biggest rice importer in 2010, and its trading plans thus impact global prices of the grain.

AFP