

# The economy grows faster than was expected

American economy fared slightly better than initially thought in the second quarter, but the pace of growth remained too slow to shut the door on further monetary easing from the Federal Reserve

Gross domestic product expanded at a 1.7 percent annual rate, the Commerce Department said, as stronger export growth offset a pull-back in restocking by businesses wary of sluggish domestic demand. While that was an improvement on the government's first estimate of 1.5 percent published last month and the composition of growth was fairly favourable, it was insufficient to cut into an unemployment rate that ticked up to 8.3 percent in July.

The lack of stronger job growth, along with the uncertainty stemming from Europe's debt crisis and fears of big US Government spending cuts and tax hikes in 2013, could compel the US Central Bank to offer additional stimulus by year end.

A growth pace of between 2 percent and 2.5 percent is generally seen as needed just to hold the jobless rate steady, and the sluggish recovery is proving to be a difficult hurdle for President Barack Obama in his quest to secure a second term in November's election. Growth in the third quarter is expected to show an improvement, but still remain below the economy's potential.

A second report showed contracts to buy previously owned homes hit their highest level in more than two years in July, suggesting the housing market's re-



People walk past a Best Buy store in New York

covery was gaining traction and offering a relative economic bright spot. The lackluster recovery has sparked a sharp debate among Fed officials over whether they should launch another round of bond purchases to spur stronger growth. Economists say the outcome of the central bank's next meeting on Sep-

tember 12-13 will be a close call. Jobs growth has picked up a bit and housing and retail sales have strengthened. However, business spending looks weak and inflation is slowing.

Fed Chairman Ben Bernanke could offer more clarity on the outlook for monetary policy when

he speaks at a gathering of central bankers in Jackson Hole, Wyoming, on Friday. Stocks on Wall Street were little changed for a third straight day as investors opted to wait for Bernanke's speech. Treasury debt prices fell, while the dollar eked out modest gains versus a basket of currencies.

## Huge wildfire reaches Marbella in southern Spain

**A huge wildfire is approaching the wealthy resort of Marbella on Spain's Costa del Sol, where the authorities have evacuated thousands of people**

Flames reached the Elviria area on the edge of Marbella. Overnight the fire spread rapidly through a 12km (eight-mile) coastal strip packed with holiday homes.

About 1,000 people have been evacuated from the edge of Marbella, about 3,300 from Ojen and others from a camp site at Alpujata. Two people have suffered serious burns and some homes have been engulfed by the fire.

The Costa del Sol is one of Spain's most popular holiday destinations and home to a large British expatriate community. Marbella is famous for its up-market hotels and villas. Much of Spain's countryside was left tinder-dry this summer by a prolonged heatwave. There have been major wildfires in northern Catalonia — near the Pyrenees — and on La Gomera, in the Canary Islands.

A change in wind direction has given fire fighters hope that the blaze can be contained soon. More than 250 fire fighters are battling the blaze, helped by 17 aircraft. The fire started in the Sierra Negra area of Coin, near Malaga and has now affected an area of some 1,000 hectares (2,471 acres). It cut part of the AP-7 highway and it is not yet clear how many homes have been damaged or destroyed.

## France pledges easier access to work for Roma immigrants

**The French Government is to make it easier for Roma immigrants to obtain work, without waiting for EU work restrictions to be lifted on people from Romania and Bulgaria next year**

It follows controversy

over a series of recent evictions from illegal sites that divided the new socialist government's supporters. The Interior Minister Manuel Valls who ordered those operations said he wanted a firm, humane, reasonable policy. He was one of several minis-

ters who met representatives from the Roma community in Paris. Under the change of policy, announced after the meeting, the list of jobs open to Roma people will be extended. There will also be moves to improve access to housing.

## Samsung steals march on Nokia with its first Windows phone

**Samsung Electronics became the first handset maker to announce a smartphone using Microsoft's latest mobile software, making its surprise, hurried announcement just days before the highly anticipated launch of Nokia's version**

The brief announcement on Wednesday at a Berlin electronics show comes amid expectations that smartphone makers may turn increasingly to Windows devices after a US jury decided many of Samsung's Google Android-based phones infringed Apple Inc patents.

Samsung's new phone called ATIV S — tacked onto the end of a long news conference in Berlin that focused on other products — may elevate expectations for the Lumia. Samsung's ATIV S Windows



phone sports a high-end 4.8-inch display, Corning 'Gorilla' glass, and an 8-megapixel rear camera and 1.9-megapixel front-facing camera, Microsoft posted on its official blog.

"Expectations for a 40 megapixel or possibly 20 megapixel camera model are running high. If Nokia does not unveil a monster camera handset, many will be disappointed," said Tero Kuitinen, analyst at mobile analytics firm Alekstra.

But 'this leaves Nokia plenty of room to draw a clear contrast with its upcoming announcement'.

## Sardinian miners willing to take 'extreme measures'



A miner during a protest at Carbosulcis mine

**Sardinian miners armed with hundreds of pounds of explosives have barricaded themselves over 1300ft (400m) underground in Italy's only coalmine, presumably threatening to blow themselves up unless the Government vows to protect their jobs**

Up to 100 desperate workers seized 771lbs (350kg) of company explosives and locked themselves inside the Carbosulcis di Nuraxi Figus.

A load of coal has been dumped at the entrance of

the mine, making access possible only by foot, according to Adnkronos International. "We are worried that the mine may close. We are afraid for our jobs," noted Sandro Mereu, a miner who has worked at the pit for 28 years. Mereu said that he and other workers are prepared to stay at the mine indefinitely, until the Government comes back with a positive response. The government is due to meet later this week to discuss whether the mine will

stay open.

Workers are nervous of the meeting's potential outcome, and are demanding a 200m Euro investment in a carbon-capture project, which would store polluting emissions underground to reduce global warming. Protesters are also asking for a plan to produce electricity at the mine. Miners are hoping that a commitment to provide carbon capturing and electricity will result in stronger job security for workers. Carbosulcis di Nuraxi Figus was believed to have 600m metric tonnes of coal reserves in 2006, but has struggled to remain productive.

Sardinia was once one of Italy's most active mining areas, but the region has felt an economic pinch after companies boarded up shafts and moved elsewhere to extract valuable minerals. It is not the first time this particular mine has seen protests. The pit was occupied in 1984, 1993 and 1995, when workers stayed in a tunnel for 100 days.

**Materials prepared with aid of information agencies**