

Dollar Tree store logos indicating that everything in the store is for \$1 are promoted on a storefront window on Feb. 25, 2021, in Jackson, Mississippi. (AP)



Dollar Tree makes it official: Items will now cost \$1.25

Faced with the rising cost of goods and freight, discount retail chain Dollar Tree said Tuesday it will be raising its prices to \$1.25 for the majority of its products.

Dollar Tree said the reason for raising its prices to \$1.25 was not due to "short-term or transitory market conditions" and said the price increases were permanent. The higher prices will also allow the com-

pany to cope with high merchandise cost increases as well as higher operating costs, such as wages, it said.

"(Dollar Tree) believes this is the appropriate time to shift away from the constraints of the \$1.00 price point in order to continue offering extreme value to customers," the company said in a statement.

Dollar Tree was one of the last true "dollar stores" after most of

its competition had moved away from that price point.

The company, which is based in Chesapeake, Virginia, said in September it was testing the higher prices at select stores. On Tuesday, it said it will introduce the new price point in more than 2,000 additional Dollar Tree stores in December and complete the rollout to all its stores by early next year. The company has

about 8,000 Dollar Tree stores. CEO Michael Witynski said he expects the Dollar Tree customers to remain loyal.

Its shoppers "believe that at \$1.25, it's still going to be an undeniable value because of what they're seeing out in the marketplace," Witynski said on a call with industry analysts. "And they know that Dollar Tree hasn't raised its price in 35 years, so they're giving us credit." (AP)

Market Movements

24-11-2021

	Change	Closing pts		Change	Closing pts			
SAUDI	-	Tadawul	+112.86	JAPAN	-	Nikkei	-471.45	29,302.66
UK	-	FTSE 100	+19.63	EUROPE	-	Euro Stoxx 50	-7.57	4,276.25
UAE	-	DFM	+12.46	EGYPT	-	EGX 30	-16.58	11,352.64
PHILIPPINES	-	PSEi	+17.94	INDIA	-	Sensex	-323.34	58,340.99
				PAKISTAN	-	KSE 100	-584.82	44,363.70
				SINGAPORE	-	Straits Times STI	-0.38	3,227.15

Business

JOBLESS CLAIMS DIP TO 199K, LOWEST IN 52 YEARS

US economy slows sharply in Q3

Big rebound expected in Q4

WASHINGTON, Nov 24, (AP): The US economy slowed to a modest annual rate of 2.1% in the October-December quarter according to the government's second read of the data, slightly better than its first estimate. But economists are predicting a solid rebound in the current quarter as long as rising inflation and a recent uptick in COVID cases do not derail activity.

The increase in the gross domestic product, the economy's total output of goods and services, is up from an initial estimate of 2% for the third quarter, the Commerce Department reported Wednesday. But the revision was still well below the solid gains of 6.3% in the first quarter this year and 6.7% in the second.

The small increase from the initial GDP estimate a month ago reflected a slightly better performance for consumer spending, which grew at a still lackluster 1.7% rate in the third quarter, compared to a 12% surge in the April-June quarter. The contribution to GDP from business inventory restocking was also revised up.

The economy's weak summer performance reflected a big slowdown in consumer spending as a spike in COVID-19 cases from the delta variant caused consumers to grow more cautious and snarled supply chains made items such as new cars hard to get and also contributed to a burst of inflation to levels not seen in three decades.

While COVID cases in recent weeks have started to rise again in many parts of the country, economists do not think the latest increase will be enough to dampen consumer spending, which accounts for 70% of economic activity.

The expectation is that the economy in the current October-December quarter could grow at the strongest pace this year, possibly topping 8%.

For the whole year, the expectation is that the economy will grow by around 5.5%, which would be the best showing since 1984 and a big improvement from last year, when the economy shrank by 3.4% as the country struggled with lockdowns.

So far, the improving economy this year has not boosted the approval ratings of President Joe Biden because the US, with one of the most rapidly recovering economies, is also caught up in a global supply chain

squeeze that is driving prices higher for everything from new cars and gasoline to the cost of food and airline tickets.

Biden this week nominated Federal Reserve Chairman Jerome Powell for a second four-year term to head the central bank. Powell and other Fed officials had earlier in the year insisted that the spike in prices was being caused by temporary factors, such as those snarled supply chains.

However, recently the central bank has stressed that if the price increase persist it will be ready to start raising interest rates sooner than expected to slow growth as a way of dampening inflation pressures.

Mark Zandi, chief economist at Moody's Analytics, said he now expected the Fed to boost its benchmark interest twice next year in September and December. Those rate increases will translate into higher borrowing costs for consumers and businesses.

But analysts don't believe the expected two quarter-point rate hikes will be enough to derail the recovery. They are also optimistic that the global pandemic will be less of a drag next year.

In a separate report, the number of Americans applying for unemployment benefits plummeted last week to the lowest level in more than half a century, another sign that the US job market is rebounding rapidly from last year's coronavirus recession.

Jobless claims dropped by 71,000 to 199,000, the lowest since mid-November 1969. The drop was much bigger than economists expected.

The four-week average of claims, which smooths out weekly ups and downs, also dropped - by 21,000 to just over 252,000, the lowest since mid-March 2020 when the pandemic slammed the economy.

Since topping 900,000 in early January, the applications have fallen steadily toward and now fallen below their prepandemic level of around 220,000 a week. Claims for jobless aid are a proxy for layoffs.

Overall, 2 million Americans were collecting traditional unemployment checks the week that ended Nov. 13, down slightly from the week before.

Until Sept. 6, the federal government had supplemented state unemployment insurance programs by paying an extra payment of \$300 a week and extending benefits to gig workers and to those who were out of work for six months or more. Including the federal programs, the number of Americans receiving some form of jobless aid peaked at more than 33 million in June 2020.

The job market has staged a remarkable comeback since the spring of 2020 when the coronavirus pandemic forced businesses to



Holiday hiring sign is displayed at a retail store in Vernon Hills, Ill., Saturday, Nov. 13, 2021. The number of Americans applying for unemployment benefits fell for the seventh straight week to a pandemic low 268,000. U.S. jobless claims dipped by 1,000 last week from the week before, the Labor Department reported Thursday, Nov. 18. (AP)

Survey cites supply-chain bottlenecks

German business confidence drops for '5th' straight month

BERLIN, Nov 24, (AP): German business confidence has dropped for the fifth consecutive month amid persistent supply-chain bottlenecks and a resurgence of coronavirus infections in Europe's biggest economy, a closely watched survey showed Wednesday.

The Ifo institute said its monthly confidence index dropped to 96.5 points in November from 97.7 last month. Companies' assessments of both their current situation and their outlook for the next six months worsened. It was the lowest figure since February.

"Supply bottlenecks and the fourth wave of the coronavirus are challenging German companies," Ifo said in a statement. It said that while manufacturers' future outlook brightened somewhat, that of firms in the service sector deteriorated,

with the steep rise in COVID-19 infections to a string of new records leading to a plunge in expectations in the tourism and hospitality industries.

The Ifo survey is based on responses from about 9,000 companies in various business sectors.

While the new wave of coronavirus infections has prompted increasing restrictions in Germany and looks likely to lead to more, the country's post-election political transition appears on course to end soon, removing another source of uncertainty.

The three parties that have been negotiating to form Germany's next government planned to present their coalition agreement later Wednesday, a key move toward a new administration under center-left leader Olaf Scholz taking office in the coming weeks.

close or cut hours and kept many Americans at home as a health precaution. In March and April last year, employers slashed more than 22 million jobs.

But government relief checks, super-low interest rates and the rollout of vaccines combined to give consumers the confidence

and financial wherewithal to start spending again. Employers, scrambling to meet an unexpected surge in demand, have made 18 million new hires since April 2020 and are expected to add another 575,000 this month. Still, the United States remains 4 million short of the jobs it had in February 2020.

Largest FDI in the state: Gov

Samsung says it will build \$17b chip factory in Texas

WASHINGTON, Nov 24, (AP): Samsung said it plans to build a \$17 billion semiconductor factory outside of Austin, Texas, amid a global shortage of chips used in phones, cars and other electronic devices.

"This is the largest foreign direct investment in the state of Texas, ever," Texas Gov. Greg Abbott said in announcing the project Tuesday.

Samsung said it will start building the Texas plant next year and hopes to begin operations in the second half of 2024. The South Korean electronics giant chose the site based on a number of factors, including government incentives and the "readiness and stability" of local infrastructure, said Samsung Vice Chairman Kinam Kim, speaking alongside the Republican governor.

The chip shortage has emerged as both a business obstacle and a serious US national-security concern. Short supplies of semiconductors kicked off by COVID-era shutdowns have hampered production of new vehicles and electronic devices for more than a year. New questions of economic and national security are also at stake since many US companies are dependent on chips produced overseas, particularly in Taiwan, which China has long claimed as its own territory.

"It's a concentration risk, a geopolitical risk" to be so reliant on Taiwan for much of the world's chip production, said Nina Turner, a research analyst at IDC. She said the current shortages will likely subside but there will be a long-term demand for chips as more and more everyday products rely on them.

Many chipmakers are spreading out their manufacturing operations in response to the shortages, which have taken a toll on sectors from automakers to the video game industry.

"It makes sense for the supply chain to be a bit more diversified geographically," said Angelo Zino, an analyst at CFRA. "You're clearly seeing some new foundry capacity plans being announced in the U.S. as well as Europe."

Zino said another factor is the expectation that Congress will approve federal subsidies for the semiconductor industry to build its factories in the US, in the hopes it will bring jobs, lessen future supply concerns and give the US more leverage over economic rivals like China.

Samsung had previously indicated it was exploring sites in Texas, Arizona and New York for a possible new US chip plant. It has had a chip fabrication plant in Austin, Texas, since the late 1990s. But most of its manufacturing centers are in Asia.

Samsung said it expects to spend \$17 billion on the Texas project, which will make it the company's largest investment in the US. It said the new facility will boost production of high-tech chips used for 5G mobile communications, advanced computing and artificial intelligence, and also improve supply chain resilience.

The US share of the worldwide chip manufacturing market has declined from 37% in 1990 to 12% today, according to the Semiconductor Industry Association, a trade group. The Biden administration has been pushing for Congress to pass the \$52 billion CHIPS Act to increase computer chip manufacturing and research. Separate legislation also under consideration would create a new tax credit for investment in semiconductor manufacturing facilities.

Administration officials effusively praised the deal. "We welcome Samsung's announcement today that it will build a new semiconductor facility in Texas, helping protect our supply chains, revitalizing our manufacturing base, and creating good jobs right here at home," National Economic Council Director Brian Deese and National Security Advisor Jake Sullivan said in a joint statement.

Samsung's Kim was effusive about Republican-led Texas in his comments Tuesday but also credited partnerships with the Biden administration and congressional leaders from both parties. Abbott said the project will benefit from "multi-tiered" incentives at the federal, state and local levels.

Several chipmakers have signaled an interest in expanding their American operations if the US government is able to make it easier to build chip plants. Micron Technology, based in Boise, Idaho, said it will invest \$150 billion globally over the next decade in developing its line of memory chips, with a potential US manufacturing expansion if tax credits can help make up for the higher costs of American manufacturing. Pat Gelsinger, the CEO of California-based chipmaker Intel, has urged the US to focus its semiconductor subsidies on American companies.

Intel earlier this year announced plans to invest \$20 billion in two new factories in Arizona. Taiwan Semiconductor Manufacturing Co., or TSMC, has been building its own plant in Arizona.

Samsung is the dominant player in the market for the memory chips that are key to smartphones and other gadgetry, but Zino said it's also expanding its role on the "foundry side," meaning the manufacture-for-hire of chips designed by other firms.

Other countries have made similar pushes to get chips made closer to where they are used. The European Commission earlier in November said it could approve aid to fund production of semiconductors in the 27-nation bloc.



The logo of Samsung Electronics is seen outside the Samsung Electronics Seocho building in Seoul, South Korea, on Oct 25, 2020. (AP)

MAZDA CX-30 WINS J.D. POWER ALG RESIDUAL VALUE AWARD



J.D. Power announced that the 2022 model year Mazda CX-30 won its 2022 U.S. ALG Residual Value award for the best residual value in the subcompact utility category.

The J.D. Power U.S. ALG Residual Value Awards recognize automakers' outstanding achievements for vehicles that are forecasted by ALG's proprietary model to hold the highest percentage of their Manufacturer's Suggested Retail Price (MSRP) after

three years. Residual values are a key indicator of an automaker's success and help determine the overall desirability of automotive brands and their vehicles.

Award winners are determined through careful analysis of used vehicle performance of prior year models, brand outlook, and competitiveness. The forecast model uses a wide variety of macros, industry, segment, and vehicle factors to arrive at the most accurate prediction of a vehicle's future value.

Ashish Tandon, General Manager of KAICO (Kuwait Automotive Imports Co WLL - Alshaya & Alsagar) stated, "It is a great honor for us that the CX-30 earned the 2022 U.S. ALG Residual Value award for subcompact utility vehicles. Mazda has a holistic approach to vehicle development that prioritizes safety, reliability, driving dynamics, and beautiful design"

Waleed Alqahtani, Mazda Brand Manager of KAICO stated, "The Mazda CX-30, is the perfect blend of sleek

styling, driving dynamics and superior craftsmanship. Our customers can be rest assured that they're investing in a car that'll be their partner for a long time to come."

Mohamed Abouelaun, Sr. Manager - After Sales of KAICO stated, "Great residual values are derived from after sales care. We offer best in class services to delight our customers, from service packages, extended warranties, quick service, valet services & even opening on Friday."