

## **U.S. economy expands modestly on holiday spending: Fed**

WASHINGTON, Jan. 16 (Xinhua) -- The U.S. Federal Reserve said on Wednesday that its latest survey showed the U.S. economy was expanding at a "modest or moderate" pace in recent months boosted by holiday season consumer spending.

As of early January, economic activity in New York and Philadelphia areas rebounded from the immediate impacts of Hurricane Sandy. Growth in the Boston, Richmond and Atlanta districts appeared to have increased slightly, the Fed noted in its latest survey report, also known as the Beige Book.

All 12 districts reported some growth in consumer spending. Overall, holiday sales were reported as being modestly higher than in 2011, though sales were below expectations in many districts due to fiscal policy uncertainty, said the central bank.

Personal consumption accounted for about 70 percent of U.S. overall economic activity, the main engine of the nation's economic growth.

Tourism activity was reported to have increased across much of the nation due to strong business and international travel, early snowfall in some ski areas and a rebound in areas disrupted by Hurricane Sandy, added the Fed.

Six districts reported growing manufacturing activity, while real estate activity continued to pick up momentum across the country, said the central bank.

The Beige Book was based on economic information supplied by the Fed's 12 regional banks and was released eight times a year to provide a snapshot of the local economy.