

ByteDance’s bid to keep most of TikTok faces major hurdles

REUTERS, New York

China’s ByteDance faces an uphill struggle to convince the White House to allow it to keep majority ownership of its popular short video app TikTok in the United States, according to former national security officials and regulatory lawyers.

Trump ordered ByteDance last month to divest TikTok amid US concerns that the personal data of as many as 100 million Americans that use the app could be passed on to China’s Communist Party government. He has threatened to ban TikTok in the United States as early as Sept. 20 if ByteDance does not comply.

ByteDance has submitted a plan to US officials for it to keep a majority stake in TikTok’s global business and create headquarters for TikTok in the United States, Reuters reported on Tuesday. The proposal is being reviewed by the Committee on Foreign Investment in the United States (CFIUS), a US government panel chaired by the US Treasury Department.

“Conceptually I can tell you I don’t like that (ByteDance keeping a majority ownership of TikTok). That has been reported, but it has not been told to me yet. If that is the case, I’m not going to be happy with that,” Trump told reporters at the White House on Wednesday. He added that would be briefed on the deal and consider it on Thursday.

Were Trump to approve the deal,

he would have to amend an executive order he signed on Aug. 14 directing ByteDance to divest TikTok in the United States, something that no US President has ever done in the history of national security reviews, CFIUS experts said.

“After CFIUS made a recommendation to the President and the President issued an executive order requiring divestment, it would be unprecedented for the parties to negotiate a solution short of a divestment, though it would clearly be within the authority of the President to modify his order” said Aimen Mir, who oversaw CFIUS reviews between 2014 and 2018 as Deputy Assistant Secretary for Investment Security at the US Department of the Treasury, and is now a partner at law firm Freshfields Bruckhaus Deringer LLP.

ByteDance, the White House and the Treasury did not respond to requests for comment. To be sure, CFIUS has allowed foreign firms to keep sensitive US assets on several occasions, by imposing oversight and restrictions on how they are operated.

China’s Lenovo acquired IBM’s personal computer business in 2005 and Japan’s SoftBank Group Corp acquired US wireless carrier Sprint in 2013 by agreeing to CFIUS conditions such as giving the US government a say on board directors and vendor relationships. ByteDance has proposed similar measures to CFIUS, sources have said.



REUTERS/FILE

TikTok logos are seen on smartphones in front of a displayed ByteDance logo in this illustration.

“Even if a company’s affiliate is concerning to CFIUS, as long as that affiliate is isolated to CFIUS’s satisfaction, then the transaction can work. CFIUS has requested and has been satisfied with isolating mitigation measures in the past,” said Nevena Simidijyska, a regulatory lawyer at Fox Rothschild LLP.

ByteDance has also explored divesting a majority stake in the US business of TikTok, and in July it

signed a letter of intent with Microsoft Corp that contemplated the sale of that business to the Redmond, Washington-based company.

However, Microsoft said on Sunday that ByteDance had turned down its offer, and it remains unclear whether the Chinese firm would shed most of its ownership of TikTok to clinch a deal with the White House.

Another hurdle for ByteDance, CFIUS experts said, is that it is

discussing offering a minority stake in TikTok to Oracle Corp, while also having the technology giant take over the management of its user data and ensuring it is ringfenced from China.

CFIUS typically calls for parties responsible for security arrangements to be independent of the companies they oversee. For example, when CFIUS allowed China Oceanwide Holdings Group Co Ltd to acquire of US insurer Genworth Financial Inc two years ago, it negotiated installing a US-based, third-party service provider to manage Genworth’s US policyholder data. That provider had no stake in Genworth’s business.

“For CFIUS to get comfortable with a third party having both an ownership stake and a security responsibility, they would have to have a firm basis for trusting the US business partner, conclude that the security measures would be technically effective, and be convinced that it is possible for the business to be commercially successful even while strictly adhering to the security measures,” Mir said.

ByteDance is referring to Oracle as a “trusted technology partner”. CFIUS previously rejected the use of trusted technology partners when considering whether ByteDance should divest TikTok, the video app disclosed in an Aug. 24 lawsuit against the United States challenging Trump’s order to ban it.

Oracle did not respond to a request for comment.

Australian unemployment falls, raising recovery hopes

AFP, Sydney

Australia’s unemployment rate fell slightly to 6.8 per cent in August, spurring hopes that the worst of a coronavirus-fuelled recession may have passed.

The country’s statistical agency said Thursday that unemployment had fallen 0.7 points from the 7.5-percent rate posted in July, with the economy adding 111,000 more jobs.

Australia is experiencing its first recession in almost 30 years, prompting the government and central bank to embark on a vast stimulus spending programme to avert a full-blown depression. Around a million people have lost their jobs and many more have been forced to take pay cuts or seen hours slashed. Thursday’s figures smashed economists’ forecasts of a rise in the unemployment rate to around 8 percent. But beyond the headline figure -- which is seasonally adjusted -- there was some cause for concern.

The number of people present in the job market, hours worked and underemployment remained largely unchanged -- pointing to an economy still in serious pain.

GM faces unexpected bills as India-China tensions delay sale of India plant

REUTERS, New Delhi/Detroit

Delays to General Motors’ sale of its Indian plant to Great Wall Motor due to tensions between India and China are likely to result in hefty unplanned costs for the US automaker, people familiar with the matter said.

Gaining Indian government approval for China-related deals is now expected to take quite some time and although the sale should still happen at some point, GM has not changed its plan to begin winding down the plant’s operations next month, they said.

“By next year, it will either be a closed GM site or it will be an operating site with Great Wall,” said one source.

GM had planned to use the expected sale proceeds of \$250 million-\$300 million to pay off liabilities incurred with its exit from manufacturing in India in what a second source said would have been a “no gain-no loss” situation.



REUTERS/FILE

Models pose next to Great Wall Motor’s GWM R1 electric car at its pavilion at the India Auto Expo 2020 in Greater Noida, India.

Although money will come through once the deal is done, it will now have to pay out of pocket for severance pay, some of which would never have occurred had the deal proceeded smoothly, as well as other costs - which could amount to a couple hundred million dollars, according to the second source.

Sources also said severance pay

costs could be much higher than usual due to lack of clarity about the deal’s prospects and workers’ demands for greater relief given the low chances of finding new jobs amid the coronavirus pandemic.

The sources were not authorised to discuss the deal and spoke on condition of anonymity.

GM stopped selling in the world’s

second most populous nation at the end of 2017 after years of low sales but the factory continues to build vehicles for export. Located in the western state of Maharashtra, the plant employs about 4,000.

If workers don’t agree to the severance offered, GM will need local government clearance to lay off staff. That is often a long, bureaucratic process which could help stoke worker protests or political opposition, the sources said. GM said in a statement it continues to work toward ending production at the plant and closing the deal with Great Wall. Great Wall did not respond to a request for comment.

The sale was announced in January and had been slated to close in the second half of 2020. Just when it might proceed remains highly uncertain. In April, India introduced stricter rules for investments from China and other neighbouring countries aimed at preventing pandemic-hit Indian companies being taken over at bargain prices.

Fed’s Powell sees a long road to ‘maximum employment’

REUTERS

The way Federal Reserve Chair Jerome Powell sees it, the US labor market has a long way to go to meet the central bank’s maximum employment goal and a lot of boxes to tick along the way.



Jerome Powell

In his most extensive effort to explain how the Fed will measure progress toward a goal prioritized last month under the Fed’s new framework, Powell was clear on Wednesday that he and other policymakers were not focused on any single number, such as the unemployment rate.

“Maximum employment is not something that can be reduced to a number the way inflation can,” Powell told a news conference after the Fed announced its commitment

to keep interest rates low until they are convinced of the job market’s strength and that inflation is on track to run above the Fed’s 2 per cent goal for some time.

“It’s a range of factors,” he said. “We’re not looking at a rule. We’re looking at a judgmental assessment.”

Powell laid out a menu of factors - including wage growth, workforce participation and disparities in minority joblessness relative to whites - that must be satisfied before the Fed would view the economy at maximum employment, and thus even consider raising interest rates.

But the Fed chief also said the central bank was limited in how much it could do to help close some of those gaps, suggesting it may be up to Congress to roll out policies that can help disadvantaged workers land jobs or help to address income inequality.

“We would like to get back to a strong labor market where wages are moving up, where people can find work, where labor force participation is holding up nicely,” Powell said. “That’s what we’d really love to get back to.” Nonetheless, the labor market is starting to improve, as seen by the drop in the unemployment rate to 8.4 per cent from a coronavirus pandemic high of 14.7 per cent, Powell said.

The Musk Method: Learn from partners then go it alone

REUTERS

Elon Musk is hailed as an innovator and disruptor who went from knowing next to nothing about building cars to running the world’s most valuable automaker in the space of 16 years.

But his record shows he is more of a fast learner who forged alliances with firms that had technology Tesla lacked, hired some of their most talented people, and then powered through the boundaries that limited more risk-averse partners.

Now, Musk and his team are preparing to outline new steps in Tesla’s drive to become a more self-sufficient company less reliant on suppliers at its “Battery Day” event on Sept. 22.

Musk has been dropping hints for months that significant advances in technology will be announced as Tesla strives to produce the low-cost, long-lasting batteries that could put its electric cars on a more equal footing with cheaper gasoline vehicles.

New battery cell designs, chemistries and manufacturing processes are just some of the developments that would allow Tesla to reduce its reliance on its long-time battery partner, Japan’s Panasonic, people familiar with the situation said.

“Elon doesn’t want any part of his business to be dependent on someone else,” said one former senior executive at Tesla who declined to be named. “And for better or worse - sometimes better, sometimes worse - he thinks he can do it better, faster and cheaper.”

Tesla has battery production partnerships with Panasonic, South Korea’s LG Chem and China’s Contemporary Amperex Technology Co Ltd (CATL) that are expected to continue.

But at the same time, Tesla is moving to control production of cells - the basic component of electric vehicle battery packs - at highly automated factories, including one being built near Berlin, Germany and another in Fremont, California where Tesla is hiring dozens of experts in battery cell engineering and manufacturing.

“There has been no change in our relationship with Tesla,” Panasonic said in a statement provided by a company spokeswoman.

“Our relationship, both past and present has been sound. Panasonic is not a supplier to Tesla; we are partners. There’s no doubt our partnership will continue to innovate and contribute to the betterment of society.”

Tesla did not respond immediately to a request for comment.

Since he took over the fledgling company in 2004, Musk’s goal has been to learn enough - from partnerships, acquisitions and talent recruitment - to bring key technologies under Tesla’s control, people familiar with Tesla’s strategy said.

They said the aim was to build a heavily vertically integrated company, or a digital version of Ford Motor Co’s iron-ore-to-Model-A production system of the late 1920s.

“Elon thought he could improve on everything the suppliers did - everything,” said former Tesla supply chain executive Tom Wessner, who is now head of industry consultancy Imprint Advisors. “He wanted to make everything.”



Elon Musk

Batteries, a big chunk of the cost of an electric car, are central to the Musk method. While subordinates have argued for years against developing proprietary Tesla battery cells, Musk continues to drive toward that goal.

“Tell him ‘No’, and then he really wants to do it,” said a third former Tesla veteran.

The changes in battery design, chemistry and production processes Tesla expects to reveal next week are aimed at reworking the math that until now has made electric cars more expensive than carbon-emitting vehicles with combustion engines.

Reuters reported in May that Tesla is planning to unveil low-cost batteries designed to last for a million miles. Tesla is also working to secure direct supplies of key battery materials, such as nickel, while developing cell chemistries that would no longer need expensive cobalt as well as highly automated manufacturing processes to speed up production.

Panasonic is partnered with Tesla at the \$5

billion Nevada “Gigafactory”, while CATL and LG Chem supply cells to Tesla’s Shanghai factory, where battery modules and packs are assembled for its Model 3 sedan.

Panasonic recently said it is planning to expand its production lines in Nevada, which supply the cells that then go into the battery modules assembled next door by Tesla.

But the Nevada Gigafactory partnership almost didn’t happen, according to two former Tesla executives. Musk ordered a team to study battery manufacturing in 2011, according to one former executive, but eventually partnered with Panasonic in 2013.

Now, Tesla is testing a battery cell pilot manufacturing line in Fremont and is building its own vast automated cell manufacturing facility in Gruenheide in Germany.

The roller-coaster relationship with Panasonic mirrors other Tesla alliances.

During its development alliance with Germany’s Daimler, which was an early investor in Tesla, Musk became interested in sensors that would help keep cars within traffic lanes.

Until then the Tesla Model S, which Mercedes-Benz engineers helped refine, lacked cameras or sophisticated driver assistance sensors and software such as those used in the Mercedes S-Class.

“He learned about that and took it a step further. We asked our engineers to shoot for the moon. He went straight for Mars,” said a senior Daimler engineer said.

Meanwhile, an association with Japan’s Toyota, another early investor, taught him about quality management.

Eventually, executives from Daimler and Toyota joined Tesla in key roles, along with talent from Alphabet Inc’s Google, Apple, Amazon, Microsoft, as well as rival carmakers Ford, BMW and Audi.

Some relationships did not end well, however.

Tesla hooked up with Israeli sensor maker Mobileye in 2014, in part to learn how to design a self-driving system that evolved into Tesla’s Autopilot.

“Mobileye was the driving force behind the original Autopilot,” said a former Mobileye executive, who declined to be named.

Mobileye, which is now owned by Intel, also recognized the risk of sharing technology with a fast-moving startup like Tesla, which was on the brink of collapse at the end of 2008 and now has a market value of \$420 billion.


গণপ্রজাতন্ত্রী বাংলাদেশ সরকার

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সড়ক বিভাগ, নবাবগঞ্জ

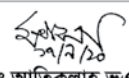
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সেতুর ইজারা কোটেশন আহ্বান বিজ্ঞপ্তি (২য় আহ্বান)

০১।	ইজারা কোটেশন নং	:	০৩-এন,জে,আর,ডি/২০২০-২০২১ই।
০২।	ইজারার বিবরণ	:	সওজ, নবাবগঞ্জ সড়ক বিভাগাধীন রহনপুর - ভোলাহাট - বিডিআর ক্যাম্প সড়কের ৩য় কিমিতে অবস্থিত “সৈয়দ সুলতান সেতুর (মকরমপুর সেতুর)” উপর দিয়ে পারাপারকারী যানবাহন হতে টোল আদায়ের নিমিত্তে ইজারা প্রদানের বন্দোবস্ত।
০৩।	ইজারা চুক্তির মেয়াদ	:	৩ (তিন) অর্থ বৎসর (০১/০৭/২০২১ হতে ০৩/০৬/২০২৪খ্রিঃ পর্যন্ত ১০৯৬ দিন)।
০৪।	ইজারা কোটেশনের সিডিউল মূল্য	:	টঃ ৫০০০.০০ (পাঁচ হাজার টাকা মাত্র)।
০৫।	বায়নার টাকার পরিমাণ	:	উদ্ধৃত মূল্যের ১০% (শতকরা দশ ভাগ) ব্যাংক ড্রাফট/পে-অর্ডার আকারে।
০৬।	ইজারা কোটেশন বিক্রয়ের শেষ তারিখ ও সময়	:	০৪/১০/২০২০ খ্রীষ্টাব্দ তারিখ বিকাল ৫.০০ পর্যন্ত।
০৭।	মুখবন্ধ অবস্থায় ইজারা কোটেশন গ্রহণের শেষ তারিখ ও সময়	:	০৫/১০/২০২০ খ্রীষ্টাব্দ তারিখ দুপুর ১২.৩০ পর্যন্ত।
০৮।	ইজারা ডাকে অংশগ্রহণের যোগ্যতা	:	ভাট ও আয়কর সনদধারী প্রতিষ্ঠান/নাগরিক, সরকারি/বেসরকারি/স্বায়ত্তশাসিত সকল প্রতিষ্ঠানের ঠিকাদার।
০৯।	যে সকল কার্যালয়ে ইজারা কোটেশন ক্রয়ের জন্য পাওয়া যাবে	:	জেলা প্রশাসক, চাঁপাইনবাবগঞ্জ/নির্বাহী প্রকৌশলী, সওজ, সড়ক বিভাগ, নবাবগঞ্জ/রাজশাহী/নওগাঁ/পরিষ্কলনা বিভাগ-১/সেতু ডিজাইন বিভাগ-১, পূর্বাঞ্চল, সড়ক ভবন, তেজগাঁও, ঢাকা/উপ-বিভাগীয় প্রকৌশলী, সওজ, সড়ক উপ-বিভাগ, নবাবগঞ্জ/শিবগঞ্জ/বিভাগীয় কমিশনার, রাজশাহী।
১০।	যে সকল কার্যালয়ে ইজারা কোটেশন মুখবন্ধ অবস্থায় গ্রহণ করা হবে	:	(ক) নির্বাহী প্রকৌশলী, সওজ, সড়ক বিভাগ, নবাবগঞ্জ। (খ) বিভাগীয় কমিশনার, রাজশাহী (গ) জেলা প্রশাসক, চাঁপাইনবাবগঞ্জ।
১১।	ইজারা কোটেশন খোলার স্থান, তারিখ ও সময়	:	স্থানঃ নির্বাহী প্রকৌশলীর কার্যালয়, সড়ক ও জনপথ অধিদপ্তর, সড়ক বিভাগ, নবাবগঞ্জ। তারিখঃ ০৫/১০/২০২০ খ্রীষ্টাব্দ। সময়ঃ ৩.০০ ঘটিকা।
১২।	ইজারা আহ্বানকারী যে কোন সময় যে কোন	:	কোটেশন/সকল কোটেশন বাতিলের ক্ষমতা সংরক্ষণ করেন।



মোঃ আতিকুল্লাহ হুঞা
পরিচিতি নং-৬০২২৩৩
নির্বাহী প্রকৌশলী (চঃ দাঃ), সওজ সড়ক বিভাগ, নবাবগঞ্জ

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