EU offers Greece more money but demands reforms

AFP, *Brussels*

The European Union offered Greece funds Friday to deal with what it called a "humanitarian crisis" after Prime Minister Alexis Tsipras vowed to clarify reform pledges demanded by the country's creditors.

After crisis talks between Tsipras and European leaders, EU Commission chief Jean-Claude Juncker said he was making available two billion euros ($2.16 billion) in unused EU development funds to Greece.

Tension has mounted between Athens and Brussels since radical leftist Tsipras was elected in January promising to cut back on five years of austerity and renegotiate Greece's debt arrangements.

Greece has been lobbying for Brussels to release the last tranche of its EU-IMF bailout to help it make payments to creditors and avoid bankruptcy and a possible exit from the euro.

"Greece confronts a serious social problem, a humanitarian crisis," Juncker told a press conference after a European summit at which other agenda items were largely eclipsed by the Greek crisis.

"This will not be used to fill Greece's coffers, but to support efforts to create growth and social cohesion in Greece."

Tsipras promised on Thursday to speed up reforms and provide a new list of measures to Greece's creditors in coming days, following late night talks with leaders of Germany, France and the EU institutions.

"As soon as this procedure is in place, a gradual disbursement of funds will be possible," Tsipras told reporters in Brussels.

European finance ministers may meet as soon as next Friday to discuss Greece's new list of reforms.

Tsipras sought to play down fears that Greece could run out of cash to pay debts and government employees within days, insisting that Greece had "no problem with liquidity in the short term."

On Friday, Athens paid out some 2.5 billion euros to the International Monetary Fund and treasury bill holders, a source with knowledge of the transaction said.

On Monday Tsipras will visit Berlin for talks with German Chancellor Angela Merkel, where the pair will discuss their clashing positions on austerity and debt crisis management, and reaffirm their mutual goal of maintaining Greece in the eurozone.

AFP

EU Commission President Jean-Claude Juncker gives a joint press conference with the EU Council president on Friday during a European Council summit at EU headquarters in Brussels.

Brussels in February gave the Greek government until April to reach agreement with its creditors to unlock the final seven-billion-euro tranche of its 240-billion-euro ($255 billion) bailout.

But frustrations have grown on both sides over what Brussels sees as Athens dragging its feet. Athens, meantime, says its creditors are trying to force it into abandoning its radical programme.

"Greece will not be forced into recessive measures," Tsipras added.

Merkel has led European efforts to keep up the pressure on Athens, which has been locked in a war of words with pro-austerity Berlin since Tsipras came to power.

She said however it was possible for Greece to get some funds before the end of the bailout. "If they finish earlier then of course after fulfullment of all obligations it is possible to pay earlier," she said.

Rows over Tsipras's demands for German reparations for World War II have also added to the bitterness of the dispute over Greece's debts.

Technical talks in Athens and Brussels in recent weeks meanwhile stalled amid reports that the Greek officials were being uncooperative in handing over budget data.

Greece has pushed ahead with measures that Brussels disapproves of, with parliament on Wednesday approving a "humanitarian crisis bill" to help the poorest in society.

Another controversial bill that grants partial debt forgiveness to people and businesses owing money to the state was voted through by the Greek parliament late Friday.

Finance Minister Yanis Varoufakis argued that with so many people owing back taxes poverty-stricken, the state was only likely to get the money by allowing then to pay off their debts slowly.

But Greece still faces critical funding needs in the coming months. Overall, Greece must repay some 15.5 billion euros in bonds and loans by August, the debt management agency told parliament this week.

Five years of debt crisis have seen Greece receive two international bailouts and implement tough austerity measures, only to see its economy collapse and unemployment and poverty soar.

The latest talks with its creditors have dragged since September, interrupted in December as the country headed into an early election that was won by the hard-left Syriza party in January.

HSBC announces board-level reshuffle

BBC NEWS

The UK's largest bank HSBC is rejigging responsibilities at board level.

Sir Simon Robertson is stepping down as senior independent director and remuneration committee chairman.

Former Bank of England deputy governor Rachel Lomax will become the senior independent director and the former Centrica boss Sam Laidlaw will chair the remuneration committee.

In February, the BBC reported HSBC's Swiss private banking business helped customers evade taxes between 2005-07.

Lomax and Laidlaw have been on the board since 2008.

Sir Simon, who has been on the board for nine years has agreed to stay on as deputy chairman for another year.

India expects to raise $3.6b from share sale in four companies

REUTERS, *New Delhi*

India could raise 225.74 billion rupees ($3.6 billion) from the sale of stakes in four state-run firms including Oil and Natural Gas Corp (ONGC) and National Aluminium Co Ltd (NALCO), India's Junior Finance Minister Jayant Sinha said on Friday.

The cabinet has already approved the sale of 5 percent stakes in ONGC and Bharat Heavy Electricals Ltd, and 10 percent each in NALCO and NMDC Ltd, Sinha told lawmakers in a written reply in the lower house of parliament.

The expected receipts were based on share prices of these companies on March 16, taking into account a possible discount for retail investors. He did not disclose when the government planned to sell shares in these companies.

The government expects to raise 132.2 billion rupees ($2.1 billion) from stake sale in ONGC, lower than earlier estimate of near $3 billion, and about 50.4 billion rupees ($806 million) from NMDC, India's biggest iron ore producer, Sinha said.

In his first full-year budget last month, Finance Minister Arun Jaitley set an ambitious target of 695 billion rupees ($11.1 billion) from share sales in the fiscal year beginning April 1.

During the current fiscal year, the government had to revise down the stake-sale target in state-run and private companies by more than half against an earlier estimate of about $10 billion.

REUTERS/FILE

A technician works inside the Oil and Natural Gas Corp group gathering station on the outskirts of the western Indian city of Ahmedabad.

Argentina warns Citibank 'must obey law' amid debt row

AFP, *Buenos Aires*

Argentine President Cristina Kirchner warned Friday that banks operating in Argentina must obey its laws, amid a row over Citibank's refusal to defy a US court order blocking Buenos Aires from repaying its restructured debt.

Banks operating in Argentina "must obey Argentine laws, just like in every country. We're no different," Kirchner said.

She did not mention Citibank by name, but the comment was widely seen as a veiled reference to the US bank.

Citibank has been drawn into a bitter court battle between Argentina and two hedge funds that refuse to accept the country's bid to restructure the debt it defaulted on during its 2001 economic crisis.

US District Judge Thomas Griesa has blocked Citibank from processing payments to other creditors who agreed to take heavy losses on the face value of their Argentine bonds until the country settles its $1.3-billion dispute with what it calls the "vulture funds."

Kirchner's government, which has been forced into a new default by the ruling, has threatened to revoke Citibank's Argentine banking license if it does not process the payments.

Citibank pleaded with Griesa to let it handle payments on bonds issued under Argentine law, but he rejected the bank's request last week, threatening to hold it in contempt of court if it failed to comply.

Argentina's 2001 default on $100 billion in debt was the largest in history at the time.

In 2005 and 2010, the majority of the country's creditors agreed to take "exchange bonds" at a steep write-down. But the two US hedge funds, NML Capital and Aurelius Capital Management, sued for full payment and won.

India owes Iran $8.8b for oil

REUTERS, *New Delhi*

India owes about $8.8 billion for oil imports from Iran, India's trade minister said on Friday, as economic sanctions imposed over Tehran's nuclear programme have cut its access to the global banking system and hit its oil revenue.

Iran and Western powers are in talks to reach a framework agreement ahead of an end-March deadline to curb Tehran's most sensitive nuclear activities in exchange for a gradual end to sanctions on the OPEC member.

India refiners settle 45 percent of Iranian oil payments by depositing rupees in Tehran's commercial banks' account with UCO Bank, and withhold the remaining 55 percent. Iran taps funds in the rupee account to import goods from India.

The balance in Iranian commercial banks' accounts with UCO Bank was 178.955 billion rupees.

Luxury brands hedge their bets with smartwatches

REUTERS, *Paris*

The flurry of technology deals luxury watchmakers announced this week is more a way to hedge their bets in case the smartwatch market takes off than a strategic U-turn.

The costs of development of these hybrid watches, combining elements of traditional watchmaking with digital know-how and wireless connectivity, will be mostly financed by the technology providers, industry specialists predicted.

Therefore, the partnerships unveiled at the Baselworld fair actually involve little investment for luxury brands - aside from their marketing efforts - but represent potentially high returns in terms of image and sales.

On Thursday, LVMH's Tag Heuer and Bulgari, and Kering's Gucci were among the more than dozen or so watch brands that announced partnerships with technology companies.

Regarding Tag Heuer's alliance with US chip maker Intel and Google unveiled on Thursday, independent financial analyst Richard Windsor said: "I strongly suspect that Intel and Google will be putting up the majority of the development costs of the product, which is expected to be launched before the end of the year."

Few details of the watch were provided such as its functions or price, and Tag Heuer Chief Executive Jean-Claude Biver acknowledged it was not yet clear whether gaining the "Intel Inside" also meant losing the precious "Swiss Made" label.

"Swiss brands like TAG are hedging their bets – just in case 'wrist computers' become popular and they are totally out of the game," said Exane BNP Paribas analyst Luca Solca.

But while the announcement helped Tag Heuer make headlines and project the image of a brand in tune with its times, the project has many limitations, and could, in fact, fail to ever yield a product, Windsor said.

Many luxury watchmakers, including Patek Philippe and Breguet, said this week smartwatches were incompatible with their brands' values and the timelessness of their products.

REUTERS/FILE

The Tag Heuer logo is seen at the entrance of their new watch manufactory in Chevenez, Switzerland.

The industry is divided on whether there will be strong demand for smartwatches whether they are made by Apple, Samsung, Pebble or luxury brands.

The Apple Watch is due to go on sale on April 24 and will range in price from $350 to $17,000 for an 18-karat gold model, making the company's first foray in the personal luxury goods market.

But Apple has been taking more leaves out of luxury books than luxury brands have been using consumer electronics recipes.

The Californian computer company provided the first glimpse of its watch during Paris fashion week and photos were taken of designer Karl Lagerfeld and US Vogue editor Anna Wintour admiring it in the trendy Parisian shop Colette.

Apple has joined forces with model Christy Turlington, poached top executives from luxury brands such as Burberry, Yves Saint Laurent and Tag Heuer and used architects from Foster & Partners who worked for luxury brands such as Louis Vuitton, to design some of its boutiques.

Yet, for many people, the Apple watch is the antithesis of a luxury product. A Cartier and a Rolex watch usually retains value or gains value in the second-hand market while Apple devices very quickly depreciate.

Bernstein luxury analyst Mario Ortelli said the tech industry "seems to be endeavouring to shape the world into an egalitarian utopia, with themes such as shared economy (AirBNB, Uber), and democratization of information until it is universally accessible (Google)".

Luxury goods companies, however, "are inherently exclusive and most of the desirability and value of their products is derived from the fact that not everyone can have it…or even afford it".

Windsor also noted it was not the first time Tag Heuer experimented with electronics as it introduced a mobile phone called Meridiist in 2008 which "eventually sank without a trace".

REUTERS

Amazon.com Inc has won approval from US federal regulators to test a delivery drone outdoors, as the e-commerce company pursues its goal of sending packages to customers by air, even as it faces public concern about safety and privacy. The Federal Aviation Administration said on Thursday it issued an experimental airworthiness certificate to an Amazon business unit and its prototype drone, allowing test flights over private, rural land in Washington state.

Tesco regains ownership of 21 UK superstores

REUTERS, *London*

Britain's biggest retailer Tesco said on Friday it has regained sole ownership of 21 superstores in a deal with British Land that forms part of a plan to strengthen its core UK business.

Tesco said the 21 superstores and associated debt were part of a joint venture between Tesco and property company British Land and were all subject to retail price index (RPI)-indexed rent increases.

In exchange for the superstores, British Land will take over Tesco's stake in three shopping centres, three retail parks and three standalone stores which are held in two other joint ventures between the two firms.

Tesco will continue to lease the stores at these sites at market rents which are not subject to RPI-indexed increases.

As part of the deal Tesco will also receive 96 million pounds ($142 million) from British Land.