Samsung chief appears for second round of questions in graft probe

REUTERS, Seoul

REUTERS

Lee Jae-yong (C), vice chairman of Samsung Electronics, arrives to be questioned as a suspect in a corruption scandal that led to the impeachment of President Park Geun-Hye, at the office of the independent counsel in Seoul yesterday.

SAMSUNG Group leader Jay Y Lee appeared at the South Korean special prosecutor's office for questioning on Monday as part of a wider investigation into an influence-peddling scandal that could topple President Park Geun-hye.

The special prosecutor has focused on South Korea's biggest conglomerate, accusing Lee in his capacity as Samsung chief of pledging 43 billion won ($37.31 million) to a business and organizations backed by Park's friend, Choi Soon-sil, in exchange for support for a 2015 merger of two Samsung companies.

The funding included sponsorship for the equestrian career of Choi's daughter, who is under arrest in Denmark after being sought by South Korean authorities.

Park, Lee, Choi, and Samsung Group have all denied bribery accusations.

Proving illicit dealings between Park or her confidantes and Samsung Group is critical for the special prosecutor's case that ultimately targets Park, analysts have said.

Park was impeached by parliament in December and South Korea's Constitutional Court will decide whether to uphold that decision. She has been stripped of her powers in the meantime.

Lee arrived at the prosecution office in southern Seoul early on Monday in a black sedan, dressed in a dark blue suit and tie and flanked by Samsung Group officials and his lawyer.

"I will once again tell the truth to the special prosecution," Samsung Group's third-generation leader told reporters before entering an elevator. He gave no details.

Outside the prosecutor's office, protesters held up signs calling for his arrest.

The special prosecution team said investigators were questioning two other Samsung executives as suspects. Both are officers of the Korea Equestrian Federation and have been questioned previously in the case.

One of those two, Samsung Electronics Co Ltd president Park Sang-jin, did not respond to reporters on his arrival at the special prosecution team's office.

Lee Kyu-chul, spokesman for the special prosecution office, told a news briefing the office would decide soon whether to make a second arrest warrant request for the Samsung Group chief. He did not comment on other details, including what Jay Y Lee, 48, during Monday's questioning.

Spokesman Lee said prosecutors would also consider whether to seek arrest warrants for four other Samsung Group executives identified as suspects. The prosecutor's office had previously said it would not seek arrests for any Samsung executives other than Jay Y. Lee.

In January, the special prosecution sought a warrant to arrest Samsung chief Lee after questioning him for more than 22 hours, accusing him of paying bribes to win the state pension fund's support for the controversial merger of Samsung C&T Corp and Cheil Industries Inc.

However, a Seoul court rejected that request.

Chang Choong-ki, deputy head of Samsung Group's corporate strategy office, known informally as its "control tower", was also questioned as a suspect on Sunday and returned home hours later.

Shares in Samsung Electronics were down 0.9 percent by 0600 GMT on Monday, compared with a flat wider market.

"The issue will have limited impact on share prices, except if the worst-case scenario happens, since political issues previously did not have a big influence on share prices or earnings," said Bae Sung-young, a stock analyst at Hyundai Securities.

Drivers' strike paralyses Uber, Ola services in Delhi

REUTERS, New Delhi

A strike in Delhi by thousands of Uber and Ola drivers demanding better pay has paralysed the ride-hailing services that have grabbed business from traditional taxi and rickshaw operators with their cheaper fares.

Commuters faced delays for a fourth day even as the city-state's government laid on extra buses to help them get to work, after drivers stopped taking bookings via the smartphone apps that connect them to nearby passengers. Some drivers reverted to only taking passengers from taxi stands or off the street.

It was the first big confrontation between the trade unions representing taxi drivers in the Delhi region of 25 million people and the two ride-hailing players, which have been ramping up services in India's $12 billion taxi market.

Strike leaders said they were demanding an increase in incentives, provision of adequate insurance policies and shorter working hours.

"These companies are cheating us. They do not pay us on time and expect us to work like slaves," said Jatindra Singh, a senior member of the New Delhi Taxi Union. Singh said 35 unions representing nearly 4,000 drivers were backing the strike.

Both Uber and Ola faced disruptions, with their apps showing 'No Cars Available' when attempts were made to book a ride near Connaught Place, in Delhi's city centre, around midday on Monday.

"We're sorry that our service has been disrupted and for any inconvenience this has caused," an Uber spokesperson said in a statement.

"Serving riders, drivers and cities is core to our mission and we are working hard to ensure that drivers are able to get back behind the wheel and riders can get from A to B conveniently, reliably and safely." Ola did not respond to requests for comment.

San Francisco-based Uber has focused on India as its most promising market outside the United States since it merged its Chinese operation into market leader Didi last year. It operates in 28 Indian cities and has 200,000 active drivers.

Homegrown rival Ola calls itself India's most popular mobile app for transportation. It is present in 102 cities and offers rides in 450,000 vehicles.

Opec delivering on agreed oil output cuts: Kuwait

AFP, Kuwait City

The Opec oil cartel has implemented more than 90 percent of its agreed output cuts aimed at curbing a glut on world markets, Kuwait's oil minister said on Monday.

Opec and non-Opec producers including Russia agreed late last year to reduce output by about 1.8 million barrels per day in a landmark deal that followed a sharp drop in oil prices.

"Opec compliance with the output cuts is excellent ... Compliance has reached 92 percent," said Kuwaiti oil minister Essam al-Marzouk, who chairs a committee tasked with monitoring the agreement.

Non-Opec producers had delivered on more than half of their pledged production reductions, he told reporters on the sidelines of a conference in Kuwait City.

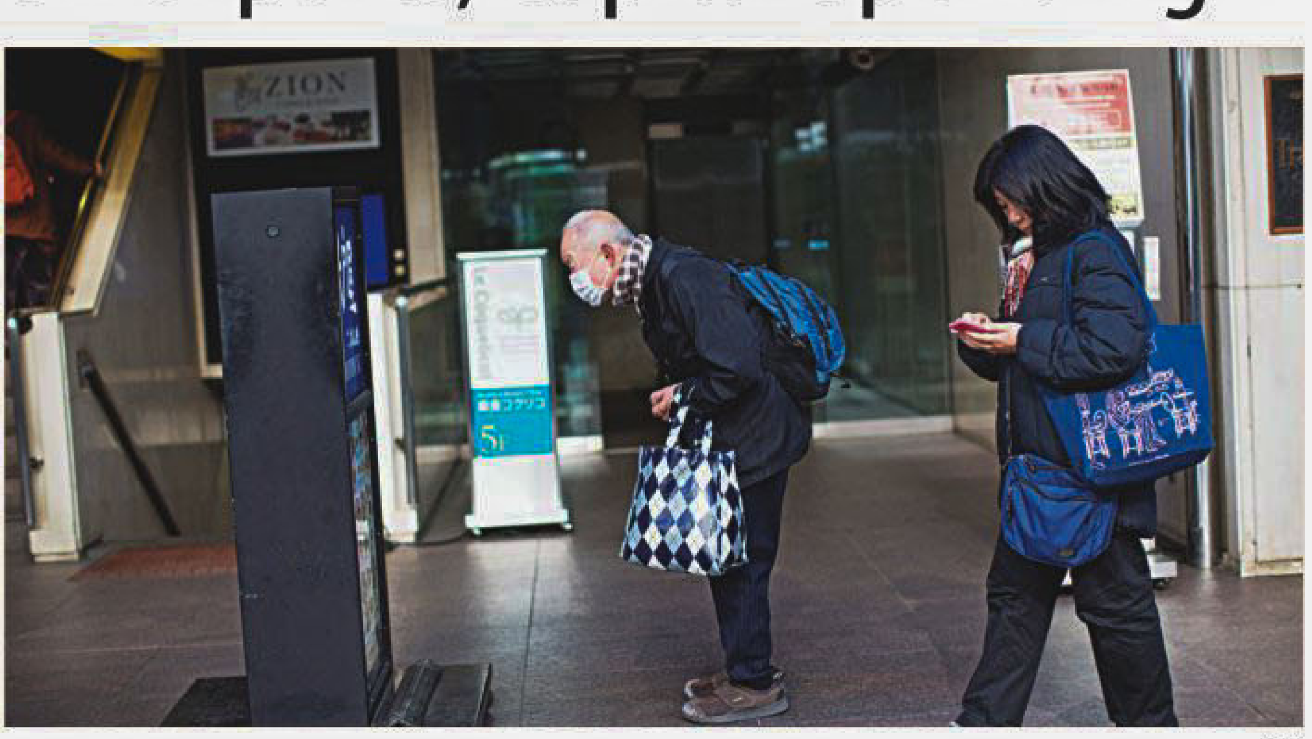
Marzouk attributed the relatively low non-Opec implementation rate to previously agreed export commitments.

"We understand that the compliance of non-Opec producers will be gradual through the months of April and May," said Marzouk. "We hope for full compliance from all producers," he added.

Global oil prices fell from more than $100 a barrel in June 2014 to near 13-year lows of less than $30 in early 2016, hitting the public finances of many oil producing nations.

They have since bounced back above $50 following the output cuts that took effect at the start of 2017.

Japan logs 1pc growth in 2016 on exports, capital spending



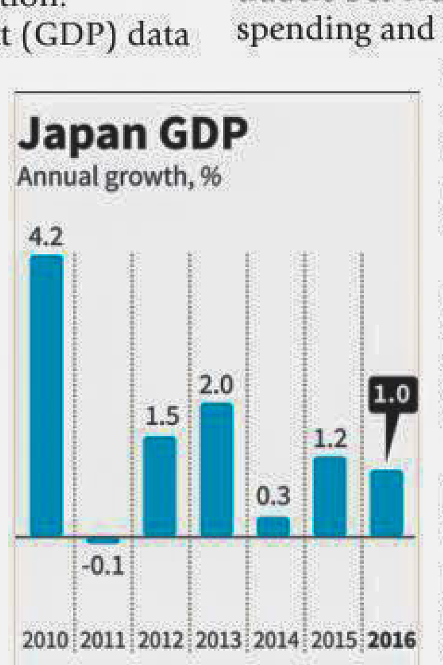
AFP

An elderly man looks at the menu of a restaurant in Tokyo yesterday.

AFP, Tokyo

JAPAN'S economy expanded 1.0 percent in 2016 as a bump in exports and capital investment offset weak spending at home, data showed Monday, although it was unlikely to erase concerns about Tokyo's faltering war on deflation.

The gross domestic product (GDP) data showed four consecutive quarters of growth -- the longest expansion since 2013 -- but the annual figure was lower than the 1.2 percent growth registered in 2015, according to the Cabinet Office.



Government spending measures and a drop in the yen were key growth drivers, even as Japanese consumers kept a tight lid on spending.

"This is really an export-driven recovery we're talking about," said Izumi Devalier, chief economist at Merrill Lynch Japan Securities.

"Private consumption has been pretty weak still, and unless we get private consumption fired up, it's hard to see growth accelerating very strongly from here."

Japan's once-booming economy has suffered from years of deflation, which can discourage spending by consumers as they postpone purchases until prices drop further or just save their money, creating further pressure on businesses.

Doubts have been growing over Japanese leader Shinzo Abe's "Abenomics" -- a mix of massive monetary easing, government spending and red-tape slashing -- with growth still fragile and inflation well below target.

But exporters have benefited from the fall of the yen -- which boosts their profitability -- since Donald Trump's November US presidential election victory.

The yen has lost about 10 percent of its value against the dollar since the poll as traders bet Trump's planned infrastructure spending and tax-cuts will drive growth in the world's top economy and perk up inflation, in turn pressuring the US central bank to ramp up interest rates.

During the fourth quarter, Japan's exports grew 2.6 percent, building on an expansion in the previous three months.

Businesses appeared to be feeling more confident as capital spending grew 0.9 percent, reversing a decline in the previous quarter. "In the latter half of 2017, the growth rate is likely to pick up pace," Takuji Aida, Tokyo-based chief economist at Societe Generale, said in a commentary.

But private spending, which accounts for more than a half of Japan's GDP, declined as the weaker yen boosts the cost of imports, which threatens to put a further squeeze on spending, said Marcel Thieliant at Capital Economics.

"We expect the yen to weaken further towards 130 by the end of this year, which will result in a surge in prices of imported goods and undermine households' purchasing power," he said.

The dollar was buying 113.91 yen in Asian trading on Monday morning.

China's steel capacity rises despite pledges to cut excess

AFP, Beijing

REUTERS/FILE

A worker inspects a roll of steel inside the China Steel Corporation factory in Kaohsiung, southern Taiwan.

CHINA increased its steelmaking capacity last year by more than twice Britain's annual output, a report said Monday, despite repeated pledges to cut huge excess in the sector.

China makes more than half the world's steel but a slowdown in its economy and sagging global demand has left the industry with massive excess capacity.

It has been accused of dumping its production on world markets, depressing prices and violating international trade agreements.

Throughout 2016, authorities vowed to tackle excess production through consolidation and shutting idle or inefficient factories.

But while some steel capacity was cut, this was more than offset by China's opening of new factories or restarting of idle plants, according to a report by steel consultancy Custeel and Greenpeace East Asia.

It said China's operating steelmaking capacity increased by 36.5 million tonnes in 2016 -- more than twice as much as the total production capacity of Britain.

Eighty percent of this increase occurred in three provinces bordering Beijing, causing air pollution to spike in the capital at the end of the year and early 2017, it added.

Steelmaking is the country's second largest emitter of air pollution, the report said.

Nearly three-quarters of plants affected by China's capacity cuts in 2016 were already idle.

Instead of shutting down firms, local officials manoeuvred to "shield zombie steel mills and minimise the impact of the policies" on cutting capacity, said Lauri Myllyvirta, Greenpeace global coal campaigner.

Despite an agreement for Beijing to address steel overcapacity reached at September's G20 meeting in Hangzhou, China's trade partners have accused it of dumping the metal on markets in violation of trade rules.

Earlier this month the US Department of Commerce imposed hefty tariffs on certain Chinese steel imports, with duties ranging from 63 percent to 190 percent on Chinese exporters accused of selling their products at below fair value or of being unfairly subsidised.

In January the European Union unveiled taxes of between 30.7 percent and 64.9 percent on certain Chinese steel products as it seeks to protect struggling steelmakers in Europe.

India needs 1.5m tonnes of sugar imports in 2017: trade group

REUTERS, Dubai

India, the world's biggest consumer of sugar, will likely need to import around 1.5 million tonnes of the sweetener this 2016/2017 season, the chairman of one of the country's sugar trade associations told Reuters on Monday.

"The timing of the imports will be settled by the government but I personally feel that around 1.5 million tonnes is enough," Praful Vithalani, the chairman of the All India Sugar Trade Association, said in an interview on the sidelines of the Dubai Sugar Conference.

Vithalani said the government could likely make a decision on imports by March but no later than April 15.

By that time, Vithalani expects the government to have a clearer forecast for production and consumption figures.

The government's production forecast of 22.5 million tonnes remains unchanged for now but the Food Ministry is expected to reassess the situation soon.

Vithalani forecasts production for the 2016/2017 season at around 20 million tonnes, plus or minus 2 percent, with opening stocks of 7.7 million tonnes and consumption of around 24.5 million.

"That would leave us with opening stocks of 3.2 million come October 2017 to last until Nov. 10 and this is not a good opening stock to open the season with," Vithalani said.

"That is too low, even sometimes dangerous," he said. Vithalani said should the government make a decision to import, the import tax would have to go.

New Delhi currently charges a 40 percent import tax. Since sugar is a politically sensitive commodity in India, the government often resorts to measures such as scrapping the import tax and banning futures trading on commodity exchanges.

When the decision is made to import, Vithalani said the sugar would most likely come from Thailand or Dubai.