

Apple, IBM chiefs call for more data oversight after Facebook breach

REUTERS, Beijing

Executives from Apple Inc and IBM Corp have called for more oversight on how personal data is used following the Facebook Inc breach that saw roughly 50 million users' data misused by consultancy Cambridge Analytica.

Speaking at the three-day China Development Forum in Beijing, Apple chief Tim Cook said "well-crafted" regulation was required, while IBM Corp chief Virginia Rometty said users should have more oversight over their own data.

"It's clear to me that something, some large profound change is needed," said Apple chief Tim Cook on Saturday.

"I'm personally not a big fan of regulation because sometimes regulation can have unexpected consequences to it, however I think this certain situation is so dire, and has become so large, that probably some well-crafted regulation is necessary," said Cook, who co-chaired the event this year.

Facebook has come under intense scrutiny from users, lawmakers and investors following allegations from a whistleblower that it allowed British political consultancy Cambridge Analytica to improperly use data and build voter profiles that were later used to help elect US President Donald Trump in 2016.

US lawmakers on Friday officially requested that Facebook's Mark Zuckerberg explain at a congressional hearing how user's data was released to the consultancy.



REUTERS

Apple CEO Tim Cook attends the annual session of China Development Forum 2018 at the Diaoyutai State Guesthouse in Beijing yesterday.

The breach has sparked intense debate over the responsibility of large tech firms to properly inform users of how their data is used.

"If you're going to use these technologies, you have to tell people you're doing that, and they should never be surprised," IBM chief executive Rometty said on Monday.

"(We have to let) people opt in and opt out, and be clear that ownership of the data does belong to the creator," said Rometty.

It comes as China, where the forum was held, is also looking to bolster personal privacy regulations following a series of missteps by leading tech firms including search firm Baidu Inc

and Alibaba Group Holding Ltd payment affiliate Ant Financial.

"China has become increasingly more aware of this problem and have been enforcing the relevant laws more definitely and strongly," said Baidu chief Robin Li at the same event on Monday.

"I think the Chinese people are more open, or less sensitive about the privacy issue. If they are able to trade (privacy) for convenience, safety or efficiency - in a lot of cases they are willing to do that," said Li.

In January a consumer group from Jiangsu in east China filed a lawsuit against Baidu claiming the firm was illegally collecting personal data.

Americans less likely to trust Facebook than rivals on personal data

REUTERS, San Francisco/London

Opinion polls published on Sunday in the United States and Germany cast doubt over the level of trust people have in Facebook over privacy, as the firm ran advertisements in British and US newspapers apologizing to users.

Fewer than half of Americans trust Facebook to obey US privacy laws, according to a Reuters/Ipsos poll released on Sunday, while a survey published by Bild am Sonntag, Germany's largest-selling Sunday paper, found 60 percent of Germans fear that Facebook and other social networks are having a negative impact on democracy.

Facebook founder and chief executive Mark Zuckerberg apologized for "a breach of trust" in advertisements placed in papers including the Observer in Britain and the New York Times, Washington Post and Wall Street Journal.

"We have a responsibility to protect your information. If we can't, we don't deserve it," said the advertisement, which appeared in plain text on a white background with a tiny Facebook logo.

The world's largest social media network is coming under growing government scrutiny in Europe and the United States, and is trying to repair its reputation among users, advertisers, lawmakers and investors.

This follows allegations that the

British consultancy Cambridge Analytica improperly gained access to users' information to build profiles of American voters that were later used to help elect US President Donald Trump in 2016.

US Senator Mark Warner, the top Democrat on the Senate Intelligence Committee, said in an interview on NBC's Meet the Press on Sunday that Facebook had not been "fully forthcoming" over how Cambridge Analytica had used Facebook data.

Warner repeated calls for Zuckerberg to testify in person before US lawmakers, saying Facebook and other internet companies had been reluctant to confront "the dark underbelly of social media" and how it can be manipulated.

Zuckerberg acknowledged that an app built by a university researcher had "leaked Facebook data of millions of people in 2014".

"This was a breach of trust, and I'm sorry we didn't do more at the time," Zuckerberg said, reiterating an apology first made last week in US television interviews. Facebook shares tumbled 14 percent last week, while the hashtag #DeleteFacebook gained traction online.

The Reuters/Ipsos online poll found that 41 percent of Americans trust Facebook to obey laws that protect their personal information, compared with 66 percent who said they trust Amazon.com Inc, 62 per-

cent who trust Alphabet Inc's Google, 60 percent for Microsoft Corp.

The poll was conducted from Wednesday through Friday and had 2,237 responses.

The German poll published by Bild was conducted by Kantar EMNID, a unit of global advertising holding company WPP, using representative polling methods, the firm said. Overall, only 33 percent found social media had a positive effect on democracy, against 60 percent who believed the opposite.

It is too early to say if distrust will cause people to step back from Facebook, eMarketer analyst Debra Williamson said in an interview. Customers of banks or other industries do not necessarily quit after losing faith, she said.

"It's psychologically harder to let go of a platform like Facebook that's become pretty well ingrained into people's lives," she said.

Data supplied to Reuters by the Israeli firm SimilarWeb, which measures global online audiences, indicated that Facebook usage in major markets and worldwide remained steady over the past week.

"Desktop, mobile and app usage has remained steady and well within the expected range," said Giti Greenberg, SimilarWeb's director of market insights. "It is important to separate frustration from actual tangible impacts to Facebook usage."

Gunmaker Remington files for bankruptcy

AFP, Washington

US gunmaker Remington filed for bankruptcy on Sunday, as the more than 200-year-old firearms manufacturer vies to restructure its massive debts.

"Directors have determined that it is advisable and in the best interests of the Company that the Company file, or cause to be filed, a Voluntary Petition commencing the Chapter 11 Case," the bankruptcy filing says.

Remington had announced it would file for bankruptcy in February, just two days before a shooting at a Parkland, Florida high school killed 17 people and reignited a national debate on gun control. The restructuring agreement will allow Remington to reduce some \$700 million of its consolidated debt, according to the company, as well as inject a contri-

bution of \$145 million of new capital into its operating subsidiaries.

In February Remington said its "business operations will continue to operate in the normal course and will not be disrupted by the restructuring process."

Remington's financial woes illustrate a paradox of the Trump era: weapon manufacturers ramped up production in anticipation of a Hillary Clinton presidency that would drive sales of those fearing increased gun control.

Instead, they got a period of political dominance for the powerful National Rifle Association gun lobby -- with Republicans controlling Congress and the White house -- that was nonetheless accompanied by financial fragility for gunmakers.

The company has also been hit with lawsuits by families of victims of the Sandy Hook school shooting that killed 20 small

Rubaiyat Jamil, CEO of Rangs Industries Ltd, launches the company's "Free Service er Sadhinota" campaign in Dhaka on Sunday marking Independence Day. The 15-day campaign started yesterday offering free servicing for all of the company's products.



RANGS INDUSTRIES

IMF head tells euro zone time right to set up rainy day fund

REUTERS, Berlin

International Monetary Fund (IMF) head Christine Lagarde said on Monday euro zone leaders should set up a "rainy day fund" to help cushion member states in economic downturns.

Officials in the bloc have been discussing such a fund since last year as one option for setting up a euro zone budget or boosting fiscal capacity -- an idea championed by France and to which opposition from Germany appears to be softening.

In a speech in Berlin, the Fund's managing director welcomed a "sustained and broadly shared upswing" in the global economy, which she said offered a precious window of opportunity for governments to "complete the architecture" of the euro zone.

"There are other, forceful headwinds threatening," Lagarde said. "Think of the rise of populism and the short-sighted siren call of protectionism."

Talks among euro zone finance ministers on an additional fiscal capacity have so far brought no conclusions, partly because Germany was long without a government following an inconclusive election in September. Leaders are likely in June to give direction to further work.

Chancellor Angela Merkel's conservatives and the center-left Social Democrats offered some encouragement to that process in the coalition deal they sealed last month, agreeing to support devoting specific budget funds to economic stabilization, social convergence and structural reform in euro zone.

Those funds - developed from the euro zone's existing ESM bailout fund - should form the basis for a future bloc-wide "investment budget", the parties said.

Lagarde said the initial decision to get to work on building a rainy day fund could come quickly.

Christine Lagarde, Managing Director of the International Monetary Fund (IMF), walks to hold a speech during the "Within the next six

months or so there could be a meeting of minds ... on the general principles and timeline," she said. Even if details took five years to hammer out, the announcement would "let it be public that members of the currency union stick together".

For the euro zone to prepare for the next downturn, she urged members to develop a modernized capital markets union, an improved banking union and to move towards greater fiscal integration - starting with a central fiscal capacity that would reassure investors.

Euro zone countries would contribute to the rainy day fund each year, building up assets in good times that they could then tap during a downturn.

In extreme circumstances, countries could borrow from the fund and repay loans with future contributions, she said. Transfers should be conditional on members sticking to EU fiscal rules.

Lagarde recommended that countries pay a premium in good times based on the benefits they receive in bad times, incentivising members to streamline their economies and maintain fiscal discipline.

These twin steps would aim to avoid permanent transfers, also a priority of euro zone officials' own fund proposals.

EU officials are also considering an unemployment re-insurance scheme, a fund to support investment during economic downturns and money to support structural reforms that help euro zone economies converge.

On a capital markets union, she called for enhanced regulation and upgraded oversight arrangements to handle a likely influx of financial services firms to continental Europe after Brexit.

Lagarde welcomed signs of progress on a banking union.



REUTERS

Christine Lagarde, managing director of the International Monetary Fund (IMF), speaks during a news conference at Paraguayan Central Bank in Asuncion, Paraguay on March 14.

Oil prices find support in trade talks and Mideast tensions

REUTERS, London

Crude oil futures slipped on Monday, but losses were capped by a rebound in stock markets and escalating Saudi-Iran tensions.

Global stocks came off six-week lows on optimism that the United States and China are set to begin trade talks, easing fears about a trade war between the world's two largest economies.

The possibility of a full-blown trade war had weighed on the energy complex on fears that it could harm oil demand.

Brent crude futures LCOc1 were down 10 cents at \$70.35 a barrel at 1000 GMT. US West Texas Intermediate (WTI) crude futures CLc1 fell 26 cents to \$65.62.

US President Donald Trump last week signed a memorandum that could impose tariffs on up to \$60 billion of imports from China.

"The ... trade war story ... should be taken into account when trying to quantify the potentially bullish effect of the geopolitical element in oil markets," said analysts at consultancy JBC Energy.

The market also found support from rising Middle East tensions.

Toshiba awaits regulator approval for key chip unit sale

AFP, Tokyo

Embattled Japanese conglomerate Toshiba said Monday it was still waiting for regulators to approve the key sale of its chip unit, a delay that could stymie plans to complete the deal this month.

The firm agreed in September to sell its memory chip business to a consortium led by US investor Bain Capital, which was seen as crucial to keeping it afloat after multi-billion-dollar losses.

Under the deal, Toshiba had expected to meet all the sale conditions by March 23 and complete by March 30.

"However, the satisfaction of certain conditions relating to antitrust approvals in required jurisdictions have not yet been confirmed," Toshiba said in a statement Monday.

"Although the timing of the closing has not been determined, Toshiba intends to close the transaction as soon as possible," the statement continued.

Toshiba spokeswoman Midori Hara told AFP "for now it's only China's anti-trust law" that is holding up the sale.

"We don't know the timeline for the approval, but we are still seeking to complete the deal on March 30."

The Bain-led group acquiring the memory chip business includes US tech giants Apple and Dell, as well as South Korean chipmaker SK Hynix.

Toshiba has struggled after the disastrous acquisition of US nuclear energy firm Westinghouse, which racked up billions of dollars in losses before being placed under bankruptcy protection.

In order to survive and avoid delisting, the cash-strapped group decided to sell its chip business -- the crown jewel in a vast range of businesses ranging from home appliances to nuclear reactors.

With the chip deal and the sale of Westinghouse, Toshiba said in February it would swing into the black for the full fiscal year.

