

India car sales record worst-ever monthly fall

AFP, Mumbai

PASSENGER car sales in India plunged by 41 percent in their worst monthly fall on record, data showed Monday, as the weakening economy hit demand and manufacturers called for government relief.

It was the tenth straight month of falls in car sales amid soft consumer demand in Asia's third-largest economy, where growth slowed for the fifth straight quarter in the April-to-June period to 5.0 percent.

Figures from the Society of Indian Automobile Manufacturers showed that domestic sales tumbled to 115,957 in August from 196,847 a year ago, the sharpest fall since the organisation started recording data in 1997-98, a spokesman told AFP.

Sales of commercial vehicles tumbled by 39 percent, while motorcycles and scooters dropped by 22 percent, the data showed.

Indian auto manufacturing giants Tata Motors, Ashok Leyland and Mahindra & Mahindra have slashed production amid the slowdown.

Thousands of jobs have also been lost across the sector.

Finance minister Nirmala Sitharaman in August lifted a ban on purchasing new vehicles by government departments, but carmakers are calling for further support from New Delhi.

SIAM president Rajan Wadhwa said last week the government needed to take "urgent" action such as cutting taxes on car sales to boost demand ahead of the busy festive season.

Nissan's Saikawa: 'Ghosn child' who ousted mentor

AFP, Tokyo

HIROTO Saikawa, who will step down as Nissan CEO next week, was long considered one of "Ghosn's children", a loyalist to the powerful tycoon who owed him everything -- but then oversaw his downfall.

In the end, the mild-mannered 65-year-old bespectacled Nissan lifer could not escape the maelstrom at Nissan caused by Ghosn's ouster and is stepping down following allegations of impropriety over his own pay.

Saikawa was forced to apologise amid reports he improperly added 47 million yen (\$440,000) to his salary by altering the terms of a bonus. He denied any wrongdoing, saying he had left that issue to someone else.

Ironically, it was an audit Saikawa set up himself to improve governance in the wake of the Ghosn scandal that revealed the alleged irregularities that led to his own fall.

Saikawa spent much of his career in Ghosn's larger-than-life shadow and surprised many with a passionate attack on his former mentor at an emotional news conference following the out-of-the-blue arrest.

Lashing out at the "dark side" of the Ghosn era, Saikawa appeared to be affected personally by the alleged corruption of a man who had overseen his career.

"It's way beyond being sorry. I feel, I don't know, big disappointment and frustration and despair. Indignation and resentment," said Saikawa.

A year older than Ghosn, Saikawa joined Nissan in 1977 directly from the prestigious University of Tokyo where he studied economics.

He took several brief postings in Europe but his big break came in 2000 when Ghosn officially took the helm of Nissan and embarked on his aggressive campaign to turn the company around.

Under Ghosn's wing, Saikawa rose steadily through the ranks as a procurement specialist, impressing



AFP/FILE

Nissan CEO Hiroto Saikawa speaks at a press meet in Tokyo, Japan.

other executives with his zeal to drive down parts and material costs.

Saikawa's career developed quickly as he held various senior positions, ranging from head of the management committee in the Americas and Europe to executive vice-president of purchasing.

As a key member of the auto alliance that combines Nissan, Renault and Mitsubishi Motors, Saikawa also sat on the French firm's board of directors between 2006 and 2016.

In this role, he won praise from Ghosn for his dealings with French officials as he defended Nissan's autonomy from Renault, which holds a 43-percent stake in the Japanese brand.

A private man, little is known about his personal life, with Nissan insiders describing him as a serious businessman with an eye for detail.

"His way of thinking is more business-oriented than French people," the head of a parts maker told industry website Newswitch in 2016, in an apparent comparison to other Japanese business people who prize relationships over profits.

Outside Nissan, Saikawa has also

served as chairman of the powerful industry body, the Japan Automobile Manufacturers Association (JAMA).

Ghosn finally appointed his right-hand man as co-CEO in 2016 and a year later stepped aside to leave Saikawa in sole charge.

At that time, the two heaped praise on each other, with Ghosn saying "the time is right" for Saikawa to step out from his shadow.

But at his news conference following Ghosn's arrest, Saikawa vowed the company would learn from the mistake of placing too much power in the hands of one executive.

"Ghosn-dependent Nissan makes a clean break," said a headline in the Asahi Shimbun after Saikawa's comments.

Calls nonetheless mounted for Saikawa's own head, but he brushed them off for months, saying he wanted to launch a fresh start for the firm and would discuss the timing of his stepping down "at the appropriate time." Nearly one year on from the arrest that turned the company upside down, Saikawa is now leaving the stage under a similar cloud to the man to whom he owes his career.

BA cancels almost all UK flights in historic strike

AFP, London

BRITISH Airways on Monday cancelled almost all flights departing and arriving into the UK, as the airline's first-ever pilots' strike began, sparking travel chaos for tens of thousands of passengers.

The industrial action over pay on Monday and Tuesday by members of the British Airline Pilots Association (BALPA) trade union follows around nine months of failed talks.

The carrier, owned by London-listed International Airlines Group (IAG) and which operates about 850 flights per day in Britain, said it had no option but to cancel nearly all scheduled flights.

On the first day of the strike, 145,000 passengers faced cancelled international and domestic flights mainly at London's Gatwick and Heathrow airports.

BA chief executive Alex Cruz called for talks to continue.

"We urge the union to please sit down with us as quickly as we can so that we can reach an agreement," he told the BBC.

There were very few passengers milling around the departure area at Heathrow airport Terminal 5 in west London, AFP photos showed.

Blue screens displayed a message saying that BA was "deeply sorry" for the "large number" of cancellations at T5, home to its

British operations.

"Unfortunately, with no detail from BALPA on which pilots would strike, we had no way of predicting how many would come to work or which aircraft they are qualified to fly, so we had no option but to cancel nearly 100 percent of our flights," British Airways said in a statement.

The airline stressed that it remained willing to return to talks but the union -- which is seeking a bigger share of company profits -- accuses BA for not wanting to negotiate.

"We understand the frustration and disruption BALPA's strike action has caused our customers," BA added.

"After many months of trying to resolve the pay dispute, we are extremely sorry that it has come to this." BA and its 4,300 pilots have been locked in a dispute that could disrupt the travel plans of nearly 300,000 people in total over the two days.

Pilots are also threatening to strike for one more day on September 27 -- and then possibly again closer to the winter holidays -- should the dispute drag on.

BALPA has rejected a pay increase of 11.5 percent over three years that the airline proposed in July.

BA says the offer would see flight captains receive "world-class" pay and benefits of around 200,000 (\$246,000 or 220,000 euros) a year.

Climate groups call for SUVs to be banned

REUTERS, Frankfurt

CLIMATE groups including Greenpeace and Deutsche Umwelthilfe called on Monday for sport-utility vehicles (SUVs) to be banned as part of a wider campaign to curb pollution by the auto industry.

Carmakers should stop developing large, heavy cars and vehicles with combustion engines, the "Exit" consortium said at a press conference on the eve of the Frankfurt auto show.

"As long as SUVs rather than small electric vehicles dominate automotive transport, cars will remain the problem child for us climate activists," the consortium said.

Volkswagen's chief executive Herbert Diess has agreed to meet activists from

"Sand in the Gearbox" for a debate about the auto industry on Monday night.

The German automaker is preparing to launch a raft of hybrid and electric vehicles to try to banish a diesel emissions cheating scandal which has cost the company more than 30 billion euros (\$33 billion) in refit costs and fines.

Hybrid vehicles can help cut carbon dioxide pollution, carmakers say.

"These fake arguments brought forward by the industry are exactly the reason why we are taking to the streets," said a spokeswoman for Sand in the Gearbox, which has called for a blockade of the Frankfurt show and increased use of bicycles.

Activists say job losses among the auto industry's 800,000 workers in Germany could be recouped via extra investments in public transport and railways.



REUTERS/FILE

Shipping containers stacked on a cargo ship are seen in the dock at the ABP port in Southampton, Britain.

Britain at risk of losing leading edge in maritime services

REUTERS, London

BRITAIN'S position as a top hub for maritime services is being eroded by competition, a loss of shipping finance business and the removal of tycoon-friendly tax breaks, a report said, deepening uncertainty for its financial sector as Brexit nears.

The UK has been a pivotal global shipping centre for centuries, especially the City of London, and has dominated marine insurance, ship broking, shipping finance and other maritime services.

These contribute \$5.6 billion a year to Britain's economy, providing employment for more than 10,000 people in highly skilled jobs, according to a report by consultancy PwC, commissioned by trade association Maritime London.

But a shift in global shipping trade to Asia and tougher competition are adding to pressures on this niche sector, the report said.

"We estimate that if the UK had maintained its market share over the last two years, this would have resulted in an additional \$700 million p.a. (annually) in GVA (gross value added) for the UK economy," said the report, published in

partnership with the City of London Corporation.

The global maritime services market is estimated to be worth \$20 billion annually.

"Significant ground has been lost to international competitors in recent years. Competitors such as the U.S., China, Norway and particularly Singapore, are all challenging in key areas of development and we must react," said Harry Theochari, chair of the separate Maritime UK body.

The report, launched at the start of London International Shipping Week, comes as Britain spins towards an election. Brexit remains up in the air, more than three years after Britons voted to leave the European Union. Options range from a turbulent "no-deal" exit to abandoning the whole endeavour.

The report's authors said their interviews with maritime services professionals "offered mixed views on the impact of Brexit on the UK's perception as a politically stable country".

"Some pointed to opportunities to reduce regulation post-Brexit, while others expressed concerns about the availability of talent and the perception of the UK as open for business, the report said.

The exodus from shipping finance by many leading lenders including Britain's Royal Bank of Scotland and Lloyds had affected London's position as a money destination for international shipping firms, the report said.

Separately, Britain's decision to scrap tax breaks for long-term residents who claim "non-domicile" status led to the departure of prominent Greek players from London in recent years.

"The UK needs to be more active in courting ship owners and other industry participants to come here," the report said.

"It is also vital that post-Brexit, the UK remains open and welcoming to foreign talent." The report said the UK maintained 25% of the maritime services market. It recommended more efforts to bring dual listings to the London Stock Exchange to boost capital markets activity for shipping as well as taking a lead in developing environmental finance products, while providing tax incentives.

"Whats critical is that we work to strengthen the core of ship owners and charterers in the UK, which will provide a significant boost to the UK economy," Maritime UK's Theochari said.

Apple, Foxconn say they overly relied on temporary workers in China

REUTERS, Shanghai

APPLE Inc and manufacturing partner Foxconn Technology Co Ltd on Monday rebutted allegations of lapses in people management levelled by a non-profit monitor of worker rights, though confirmed they employed too many temporary workers.

The response comes after China Labor Watch on Monday issued a lengthy report accusing the two companies of breaching numerous Chinese labour laws, including one barring temporary staff from exceeding 10 percent of the total workforce.

U.S. tech firm Apple relies heavily on Taiwan's Foxconn and its Chinese manufacturing facilities to produce devices such as the iPhone, the next line of which will be unveiled on Tuesday.

In a statement, Apple said it investigated the percentage of temporary workers among the overall workforce and found it "exceeded our standards". It said it was working with Foxconn to

"immediately resolve the issue".

Apple did not state whether the excess amounted to a breach of Chinese law. It declined to comment when asked directly by Reuters.

China's Ministry of Human Resources and Security did not respond to a Reuters fax seeking comment. Reuters could not immediately determine any penalty for temporary employees exceeding 10 percent of the workforce.

Apple also said it discovered interns at a supplier facility had worked overtime at night, violating company policy, and that "this issue has been corrected." It said the interns worked overtime voluntarily and were properly compensated.

Foxconn separately confirmed over-reliance on temporary workers, known internally dispatch workers.

"We did find evidence that the use of dispatch workers and the number of hours of overtime work carried out by employees, which we have confirmed was always voluntary, was not consistent with company guidelines," Foxconn said.

It said it "immediately began a detailed process to ensure that all issues were addressed".

The labour report comes at a time of trade tension between the United States and China that has threatened to upend supply chains across the technology industry with tit-for-tat import tariffs.

Earlier this year, media reports said Apple was considering moving some operations out of China to avoid new U.S. tariffs, with Japan's Nikkei Asian Review in June putting the figure at 15 percent to 30 percent of production.

In an earnings call in July, Apple Chief Executive Tim Cook downplayed such speculation, stating the vast majority of Apple's products "are kind of made everywhere." "There's a significant level of content from the United States and a lot from Japan to Korea to China, and the European Union also contributes a fair amount. And so, that's the nature of a global supply chain. Largely, I think that will carry the day in the future as well."

Euro remains subdued before key ECB meeting this week

REUTERS, London

THE euro fell to a five-day low against the dollar Monday as investors remained convinced the European Central Bank would introduce a new wave of monetary policy stimulus at its meeting on Thursday.

Leveraged funds have increased their net short positions on the euro, expecting the ECB to cut interest rates, announce it will buy government bonds or other European assets, or both.

Other global central banks are already loosening monetary policy,

including the People's Bank of China, which on Friday cut the amount of cash that banks must hold as reserves.

"ECB watchers are confident there could be a 20 bps cut and so the potential surprise (for the euro) on the rate cut isn't that big," said Esther Maria Reichelt, a Commerzbank analyst.

"It's far more difficult to assess what kind of unconventional measures" the ECB could use to stimulate the euro zone economy, which "could have a far bigger impact on the euro," Reichelt said.

Money markets are pricing in a 72

percent chance the ECB will cut rates by 20 basis points on Thursday, lower expectations than last week. Some analysts suggest the ECB will start buying euro zone equities, not just government bonds, in a new wave of quantitative easing.

The euro was neutral against the dollar in early London trade at \$1.1033. It slipped to \$1.10155 overnight, its weakest since Sept. 4.

Hedge funds have added more short euro positions, taking the amount of contracts to \$6.74 billion in the week to Sept. 3, the highest in a month, though positions were not as big as in April.