

In talks with US firms to license 5G platform: Huawei



People walk past a Huawei store in Shenzhen, China.

REUTERS, Washington

BLACKLISTED Chinese telecoms equipment giant Huawei is in early-stage talks with some US telecoms companies about licensing its 5G network technology to them, a Huawei executive told Reuters on Friday.

Vincent Pang, senior vice president and board director at the company said some firms had expressed interest in both a long-term deal or a one-off transfer, declining to name or quantify the companies.

"There are some companies talking to us, but it would take a long journey to really finalize everything," Pang explained on a visit to Washington this week. "They have shown interest," he added, saying conversations are only a couple of weeks old and not at a detailed level yet.

The US government, fearing Huawei equipment could be used to spy on customers, has led a campaign to convince allies to bar it from their 5G networks. Huawei has repeatedly

denied the claim.

Currently there are no US 5G providers and European rivals Ericsson and Nokia are generally more expensive.

In May, Huawei, the world's largest telecoms equipment provider, was placed on a US blacklist over national security concerns, banning it from buying American-made parts without a special license.

Washington also has brought criminal charges against the company, alleging bank fraud, violations of US sanctions against Iran, and theft of trade secrets, which Huawei denies.

Rules that were due out from the Commerce Department earlier this month are expected to effectively ban the company from the US telecoms supply chain.

The idea of a one-off fee in exchange for access to Huawei's 5G patents, licenses, code and know-how was first floated by CEO and founder Ren Zhengfei in interviews with the New York Times and the Economist

last month. But it was not previously clear whether there was any interest from US companies.

In an interview with Reuters last month, a State Department official expressed skepticism of Ren's offer.

"It's just not realistic that carriers would take on this equipment and then manage all of the software and hardware themselves," the person said. "If there are software bugs that are built in to the initial software, there would be no way to necessarily tell that those are there and they could be activated at any point, even if the software code is turned over to the mobile operators," the official added.

For his part, Pang declined to predict whether any deal might be signed. However, he warned that the research and development investment required by continuously improving the platform after a single-transfer from Huawei would be very costly for the companies.

Huawei has spent billions to develop its 5G technology since 2009.

J&J recalls 33,000 bottles of baby powder

REUTERS

Johnson & Johnson said on Friday it is recalling around 33,000 bottles of baby powder in the United States after U.S. health regulators found trace amounts of asbestos in samples taken from a bottle purchased online.

J&J shares fell more than 6 percent to close at \$127.70.

The move marks the first time the company has recalled its iconic baby powder for possible asbestos contamination, and the first time U.S. regulators have announced a finding of asbestos in the product. Asbestos is a known carcinogen that has been linked to deadly mesothelioma.

The recall is the latest blow to the more than 130-year-old U.S. healthcare conglomerate that is facing thousands of lawsuits over a variety of products, including baby powder, opioids, medical devices and the antipsychotic Risperdal.

A jury last week ordered the company to pay \$8 billion to a plaintiff in a case claiming J&J downplayed the risks of Risperdal. That award is not expected to stand, the company and legal experts have said.

J&J faces more than 15,000 lawsuits from consumers claiming its talc products, including Johnson's Baby Powder, caused their cancer.

On a conference call with reporters on Friday, Dr. Susan Nicholson, head of Women's Health in the company's medical safety organization, called the asbestos finding "extremely unusual," adding that it was "inconsistent with our testing to date."

The voluntary recall announced on Friday is limited to one lot of Johnson's Baby Powder produced and shipped in the United States in 2018, the company said.

Developing nations must do more to empower women: Ivanka Trump

REUTERS, Washington

DEVELOPING countries that want to do business with the United States must do more to empower women and give them better access to the workforce, education and legal protections, White House adviser Ivanka Trump said on Friday.

Trump, the daughter of President Donald Trump, outlined initiatives to bolster the economic status of women at a panel during the IMF/World Bank annual meetings. She appeared to tie future US development aid and trading relations to improvements on these issues by developing countries.

"We in the United States think about our development assistance through the lens of achieving the goal for countries of self-reliance," she told an audience of hundreds.

"And you cannot achieve self-reliance and the ability of a country to become a trading partner if you are not fully realizing the potential of 50 percent of your population, and in fact have barriers against them to realizing that potential."

Trump in 2017 launched a women's entrepreneurship fund with the World Bank and 13 other countries, followed this year by a \$50 million project that aims to reach 50 million women by 2025.

It is urging countries to change laws that bar women from owning property, using transportation, accessing legal structures and gain access to credit.

These efforts come amid criticism by civil rights groups that the Trump administration is disempowering women at home and abroad. The administration has backed curtailing abortion rights for women in the United States and limiting contraception requirements in health insurance, and it refuses to fund agencies globally that even mention abortion.

Trump, the highest ranking US administration official to speak publicly at the annual IMF/World Bank meetings, was joined on stage by Goldman Sachs Chief Executive David Solomon, whose bank has also launched a women's initiative called "10,000 Women" and Ana Botin, executive chairman of Banco Santander.

World Bank President David Malpass, appointed by Trump, and International Monetary Fund Managing Director Kristalina Georgieva, have pledged to focus more intensely on women's issues as they structure the future work of the two large multilateral institutions, citing the huge potential for economic gains for all countries.

Georgieva on Tuesday vowed to fight for greater gender equality at the IMF and around the world, telling a packed audience: "Buckle up. It's going to come."



Ivanka Trump

BOJ could ease monetary policy further: Kuroda

REUTERS, Washington

BANK of Japan Governor Haruhiko Kuroda said on Friday the central bank could ease monetary policy further if needed to spur growth, shrugging off views that it has used up ammunition to fight the next economic downturn.

A senior International Monetary Fund official also said deepening negative interest rates remained an option if the BOJ were to ease, though adding that any such move should be accompanied by fiscal and structural steps to be effective.

"We think that lowering the negative interest rate remains an option. Of course, given stubbornly anchored inflation expectations, a whole package (of steps) is needed, especially structural reforms," Odd Per Brekk, who is the IMF's mission chief of Japan, told Reuters on Friday.

The remarks came amid simmering market speculation that the BOJ could ease policy as early as this month such as by deepening negative rates - a controversial move given the strain years of ultra-low rates is inflicting on commercial bank's profits.

The IMF cut its global growth forecasts this week as manufacturers felt the pinch from the U.S.-China trade war, adding pressure on the BOJ to ramp up stimulus to prevent external headwinds from derailing a fragile recovery.

Coming out from a two-day meeting of G20 finance ministers and central bank heads, Kuroda said some countries did mention that prolonged periods of loose monetary policy have left them with less room to ramp up stimulus.

But the case for Japan was different, he said, stressing the BOJ's readiness to top up monetary support if heightening global risks threaten achievement of its 2 percent inflation target.

"It's not as if we have limited monetary policy space. If needed, we could take additional easing steps," Kuroda told a news conference hosted by Japan as chair of this year's G20 meeting.

"We will carefully analyse economic and price developments in deciding whether such measures are necessary," he said.

While warning of heightening risks to global growth, the IMF has urged policymakers to avoid relying too heavily on already-stretched monetary policy tools in spurring growth.

"There were some views expressed at the G20 meeting that in general, prolonged periods of monetary easing have diminished space for additional easing," Kuroda said.

"But it's hard to generalise that monetary policy space has diminished, because much depends on the economic and price developments of each country," he said.

Johnson's Brexit: a lesser evil for the UK economy?

AFF, London

BITISH Prime Minister Boris Johnson's Brexit deal, which was welcomed by business with a sigh of relief, could limit the damage of a hard EU departure but still won't be painless.

Business leaders see any deal, however imperfect, as better than leaving the bloc on October 31 and immediately returning to sky-high customs duties and other restrictions.

If parliament passes Johnson's agreement on Saturday, the lifting of uncertainty will give renewed momentum to the economy, boosting potential investment, including from overseas.

Consumption could also increase.

But economists Euler Hermes warned in a note: "In the short term, the deal will not help the UK avoid a technical recession."

Economic activity has slumped because of more than three years of uncertainty caused by Brexit talks since the landmark 2016



Britain's Prime Minister Boris Johnson takes questions during a news conference at the European Union leaders summit in Brussels, Belgium on October 17.

referendum on Britain's EU membership.

Growth is sluggish and activity even contracted in the second quarter of this year.

If the deal goes through, factory output and purchases will slow as the stockpiles built up in anticipation of a possible "no-deal" are reduced, Euler Hermes said.

Longer term, Jonathan Portes, of The UK in a Changing Europe think-tank, said Johnson's deal was "significantly worse for the UK economy" than that of his predecessor, Theresa May.

"The reason for the significant economic difference between May's deal and Johnson's proposals is because Great Britain will have no customs union with the EU, no level playing field arrangements and a limited, or quite possibly no free trade agreement," he told AFP.

"The Brexit proposal by Boris Johnson could reduce UK GDP per capita 10 years after Brexit by between 2.3 percent and 7 percent, compared to remaining in the EU," he added.

China, US make 'substantial' trade deal progress: top official

AFF, Beijing

BEIJING and Washington have made "substantial progress" towards a partial trade deal, China's top trade negotiator said Saturday, in his first comments since talks with US president Donald Trump last week.

Trump announced a partial deal after meetings in Washington with the Chinese

trade delegation led by Liu He, which ended on October 11.

It included promises to increase purchases of US farm products and protections for intellectual property -- but lacked specific details.

"China and the US have made substantial progress in many aspects, and laid an important foundation for a phase one agreement," the Vice Premier

said at a virtual reality conference in Nanchang, Jiangxi province, on Saturday.

In his first public comments about the Washington talks, Liu said an important foundation for the signing of a phased deal had been worked out.

China is "willing to work together with the US to address each other's core concerns on the basis of equality and mutual respect," Liu said,

according to a report on Taoran notes, a social media account run by the official Economic Daily.

The deal announced by Trump offered a temporary reprieve from tariffs planned for mid-October.

It did not however roll back any of the stinging import duties already imposed up to now on hundreds of billions of dollars in trade between the economic powers. Neither

did it address another round of import taxes planned for December.

"Stopping the escalation of the trade war benefits China, the US and the whole world. It's what producers and consumers alike are hoping for," Liu said.

Trump last week said he hopes to sign the agreement with his Chinese counterpart President Xi Jinping at the APEC summit in Chile next month.