



Md Ahsan-uz Zaman, managing director and CEO of Midland Bank, and Md Zahid Hossain, deputy managing director, inaugurated a chatbot at the bank's head office in Gulshan yesterday.

Huawei defence to ask Canada court for delay in CFO's extradition hearings

REUTERS, Vancouver

The defense team for Huawei's chief financial officer, Meng Wanzhou, will ask a Canadian court to delay upcoming hearings in her US extradition case, the court said on Friday.

Meng's US extradition hearings have lasted more than two years and she is scheduled to be back in the British Columbia Supreme Court on April 26.

A source familiar with the matter told Reuters the application was a result of an agreement announced last week in a Hong Kong court between Huawei Technologies Co Ltd and HSBC regarding publication of internal documents relating to the fraud allegations against Meng.

The source was not authorised to speak publicly about the matter.

Meng, 49, is facing charges in the United States for allegedly misleading HSBC about Huawei's business dealings in Iran, potentially causing the bank to break US

sanctions.

She has been held under house arrest in Canada since her arrest at Vancouver International Airport in December 2018.

Meng's lawyers have been seeking the release of more documents from HSBC, arguing the charges against her were based on a presentation she gave to a senior HSBC executive in 2013. They claim that "an incomplete version" of her statements made in the presentation was used by US authorities to request her extradition, and have pushed HSBC to release documents detailing the contents of the meeting.

A British judge in February blocked the release of internal HSBC documents sought by Huawei.

Meng's extradition hearings are scheduled to wrap up in May, although the potential for appeals on either side means the case could drag on for years.

Canada's justice department did not offer an immediate comment.

A tale of two carmakers: GM and Toyota take different electric roads in China

REUTERS, Shanghai

Toyota pioneered the world's most successful hybrid car but when it comes to pure electric vehicles it has some catching up to do, especially in China.

The Hong Guang Mini EV, a tiny, no-frills car made by a General Motors joint venture that costs under \$5,000 is a smash hit in the world's biggest car market while Toyota has yet to launch its own small, low-cost electric vehicle in China.

Toyota, the world's biggest carmaker, is set to unveil its solution at the Shanghai auto show on April 19: a new universal platform for electric vehicles (EVs) called e-TNGA that will underpin an array of models from small runarounds to large SUVs.

It will also display its concept electric mid-sized sport-utility vehicle (SUV), based on the e-TNGA platform, which is set to be sold worldwide within a couple of years, two people familiar with Toyota's plans said.

Toyota's executives have long called for a small electric runabout but the fact it is going first with a mid-sized SUV is a sign of the challenges it still faces to produce small, low-cost EVs that are also competitive, comfortable and safe.

With pressure growing on carmakers to slash emissions, Toyota is scrambling to produce EVs that can compete globally with the Mini EV, Tesla's high-end sedans, mid-range models from Volkswagen and Renault and sleek EVs from Chinese startups like and Xpeng.

While Toyota's Prius hybrid became a world bestseller, one of its early efforts to develop a small EV, the eQ, was a flop.

After selling about 100 eQs in 2012, Toyota ditched it due to concerns about the limits of EVs, such as their high price, short range and long charge time.

The eQ, an electric version of Toyota's mini iQ, cost 3.6 million yen (\$33,000), roughly the price of its mid-sized Camry.

One key issue in developing an affordable, small EV is the need to use

electric powertrains that have yet to achieve parity with their gasoline counterparts, the people familiar with Toyota's plans said.

Cramming bulky batteries into a tiny car is another challenge.

Many EVs have high floors because the batteries are stacked underneath, leaving automakers the choice of making cars much higher to give passengers ample room, or keeping them lower and sacrificing comfort, the sources said.

Toyota doesn't want to compromise on quality, comfort or performance with its small EV, but it is aware it needs to develop expertise in slashing engineering costs to deliver such a vehicle with a price well under \$20,000.

That expertise is precisely what GM leveraged to make the Mini EV, which can cost as little as 28,800 yuan (\$4,410).

Its joint venture, SAIC-GM-Wuling (SGMW), is the biggest manufacturer in China of no-frills commercial vans that

start at about 30,000 yuan and it tapped that cost-control know-how.

"Wuling basically has simply had to replace gasoline engines in those commercial vans with simple electric powertrains," said Yale Zhang, head of consultancy Automotive Foresight.

He expects sales of the the Mini EV and its upscale Macaron version to hit 500,000 this year.

Zhou Xing, a SGMW vice president in charge of Wuling and Baojun sales and marketing, said it was set to roll out four small EVs by early 2022 under its brands, taking the model range to 10 just as more rivals enter the market.

The Mini EV also cuts corners that would not be allowed in the United States or Europe, underlining the challenge Toyota faces in developing a viable rival that handles easily in a crowded city and is still high in quality and performance.

The Mini EV only has one air bag, for

example, with none for passengers or on the sides to protect occupants if it rolls.

The car has an anti-lock braking system but no stability control technology even though its relatively tall, stubby profile makes it prone to tipping over when cornering sharply at speed, two people familiar with its development told Reuters.

"First of all, the product meets all the vehicle safety requirements of China. The Hong Guang Mini EV is basically a commuting tool, helping people go from point A to B in city traffic. It's highly unlikely for them to drive this car at high speeds," said SGMW's Zhou.

The no-frills approach certainly hasn't dented its appeal.

Launched in July, cost-conscious Chinese customers and young, fashionable urbanites are snapping up about 100,000 Mini EVs a quarter, making it one of the top EV sellers in China.

Some younger drivers are buying it and other Wuling cars in part after a video of a Wuling van racing deftly on a twisty mountain road went viral. For many, seeing a basic Chinese van doing tricky manoeuvres tickled their national pride.

"I am proud of what Chinese-made vehicles like Wuling workhorse vans can achieve," said Huang Peixian, 26, a small business owner in the city of Shantou in Guangdong province.

"When I saw the Hong Guang Mini EV, I thought this could be a good car for me," she said. "I'm not just attracted to the car because of its cheap price, it's really fun to drive." Many drivers personalise their Mini EV's with a new paint job and sleek head and tail lamps. A few are even customising their other cars, such as Audis and BMWs, with Wuling stickers and badges.

Huang went all out, turning the interior of her Mini EV pink and splashing characters from Japanese cartoon series Chibi Maruko-chan on the white exterior.

Toyota's electric SUV will be the first car produced by its new zero emissions vehicle design division in Japan, known as ZEV Factory.



A man walks past a Wuling Hong Guang MINI EV (Centre) at a SAIC-GM-Wuling dealership in Beijing, China.

Used electronics trading platform Aihuishou to raise up to \$1b in US IPO

REUTERS, Hong Kong

Chinese secondhand electronics trading platform Aihuishou is aiming to raise \$500 million to \$1 billion in a US initial public offering by early June, said two people with direct knowledge.

The 10-year-old company, backed by online retailer JD.Com Inc, is targeting a valuation of \$4 billion to \$5 billion in the float, said the people.

Aihuishou has hired Bank of America and Goldman Sachs to work on the IPO and plans to file around mid-May, said the sources, who declined to be named as the information is confidential.

The company and the two banks declined to comment. Aihuishou recycles second-hand mobile phones, computers, laptops, cameras and other electronics products from individuals and corporations and resells them on its website and apps, as well as offline stores in 140 cities, according to its website. The company aims to attract investors with its environmental, social and governance (ESG)-friendly business nature, said one of the people.

It also counts International Finance Corporation and Tiger Global as investors, the website shows.

JD.Com disclosed in 2019 it would merge its own Paipai secondhand business into Aihuishou with certain exclusive traffic resources for the next five years, and additionally invest \$20 million in cash in exchange for a non-controlling interest in the company.

Nissan to furlough 800 workers at its UK plant

REUTERS, Tokyo

Japan's Nissan Motor will furlough around 800 workers at its production plant in Britain, as output slows there because of a semiconductor shortage, the Nikkei newspaper reported.

The people, who represent about a tenth of the workforce at the facility in Sunderland, will be asked to stay away until the chip shortage eases and production can increase, the Nikkei said, without saying where it got the information. A Nissan spokeswoman was not able to immediately comment.

Carmakers around the world are struggling with a chip shortage caused by strong demand from makers of smartphones and other consumer electronics amid the COVID pandemic. A fire at a Japanese auto chip plant last month has further squeezed supplies.

Nissan plans to slash production at several factories in Japan next month, sources earlier told Reuters.

Some EU countries to miss April deadline for recovery plans

REUTERS, Brussels

Some European Union governments will miss the April 30 deadline to submit their recovery plans to the European Commission, its Vice President Valdis Dombrovskis said on Friday, but they are still likely to submit the plans within a few weeks afterwards.

The delay in the submission of some of the national plans, which spell out how each government wants to spend its share of the EU's 750 billion euro joint borrowing scheme, will not delay the scheme as a whole, Dombrovskis told a news conference.

"Some Member States are nearly there and submitting their plans by the end of April is achievable. For others, it looks more difficult. Finalisation will require somewhat more work for a couple of more weeks," Dombrovskis said.

The 27 national plans are blueprints for spending grants and loans that each EU country will get from the unprecedented joint borrowing by the European Commission to rebuild economies greener and more digital after the COVID-19 pandemic.

To get the money, each country has to earmark 37 per cent of the funds to reduce CO2 emissions and 20 per cent to make the economy better prepared for the digital age through investment and reforms that will get piecemeal financing from the EU until 2026.

It is the long time horizon of the investments and reforms, as well as the need to allocate the prescribed percentage of the cash to certain areas, that is challenging for governments.

"For a vast majority of Member States, plans are in very advanced stages and are

going to be submitted either by end of April or maybe in a next couple of weeks after the end of April," he said.

A few weeks slippage in the submission of some plans will not derail the whole programme because for any of the grants or cheap EU loans to flow to governments, 27 national parliaments need to first ratify their own increased budget guarantees for the overall EU budget. These commitments are the ultimate security for the borrowing, ensuring it will be repaid.

This is likely to take longer than the preparation of the spending plans -- so far up to 17 countries have ratified the increased guarantees, called the Own Resources Decision, and others were expected to do so soon.

But the process is held up in several countries for various reasons. For example, in Germany the constitutional court is probing if it is in line with German law, in Poland the decision is subject to domestic political infighting and the Netherlands is struggling to form a ruling coalition after elections.

Yet without all 27 national ratifications, the Commission cannot start borrowing and no government can get any funds.

"If the Own Resources Decision ratification is completed in all Member States in June, and we are confident that this is going to be the case, then we can, as European Commission, go to the markets and do the borrowing and make first disbursements in July," Dombrovskis said.

The amount that EU governments can get up-front this year, before any of the investments and reforms start, is 13 per cent of their total share. Since most will want primarily the grants part of the funding, the total EU cash injection this year is likely to be around 44-45 billion euros.

No knockout, but new US sanctions add to Russia's 'slow destruction'

REUTERS

For all the insouciance with which markets treated Washington's latest sanctions on Russia, its move to target Moscow's main funding avenue - the rouble bond market - has in some ways, crossed the Rubicon, potentially with far-reaching consequences.

Drawing on experiences of sanctions imposed previously, including after the 2014 Ukraine crisis and the Mueller report on Russia's alleged US election meddling, money managers haven't rushed to dump Russian assets en masse read more.

The rouble, which fell as much as 2 per cent at one point on Thursday, has clawed back losses and is on its way to recording its best week this year; Russian bond yields, on local as well as international markets, have fallen.

That reaction suggests Washington's ban on US investors buying new Russian rouble bonds - OFZs as they are known - is being perceived as yet another annoyance for a market that's coped for years with sanctions risk.

Investors had feared "nuclear" options such as barring US firms completely from rouble debt or cutting Russia out of international money-transfer systems. Those may yet come to pass.

But for now, US funds can buy the bonds in secondary markets, which is what most of them already do. read more

Yet many caution the US move is an escalation from previous sanctions against individuals and Russian dollar debt.

"This is not just another round of essentially political sanctions that target a few officials or blacklist companies no one has ever heard of," said Christopher Granville, managing director at consultancy TS Lombard and a veteran Russia watcher.

"They have gone this time for real financial sanctions that are designed to harm Russia by raising its borrowing costs and weakening the rouble." Granville reckons these will lead to Russian interest rates being 50 basis points (bps) above where they would otherwise have been.

Indeed banks such as Morgan Stanley and JPMorgan now see a higher chance of a larger-than-expected 50 bps hike next week, which could hurt Russia's expected 4 per cent economic rebound in 2021.

Foreigners have already cut OFZ exposure to six-year lows. US investors hold nearly 7 per cent of the total. Extrapolated to the expected \$37 billion worth (2.8 trillion roubles) of OFZ sales this year, the removal of US buyers would remove \$2.6 billion in demand.

This is an extreme figure, though, and does not account for secondary-market purchases.

Russian banks too can absorb surplus debt. But it will likely reduce market liquidity - Russian investors mostly buy to hold - while yields should rise at least at the margin.

Russia has more strength than most developing countries to absorb such blows. Since the 2014 double-whammy of an oil price collapse and the first set of sanctions over its annexation of Crimea, it has built up fortress-like defences.



A sheet of 1000 Russian rouble notes at Goznak printing factory in Moscow, Russia.