

No deal means, no Brexit cash: Britain

London, United Kingdom

Britain's Brexit minister Dominic Raab issued a fresh warning yesterday that Britain would not pay the financial settlement promised to the EU after Brexit if there is no divorce deal.

London has agreed to settle its bill from four decades of membership, estimated at up to £39 billion (44 billion euros, \$51 billion), as part of a withdrawal deal.

But talks on the wider agreement have stalled, prompting concerns that Britain could crash out of the European Union in March 2019 with any deal at all.

Raab was speaking ahead of a meeting of Prime Minister Theresa May's cabinet on the British government's planning for a no-deal scenario.

One consequence would be that "we wouldn't pay out the money that has been agreed", he told BBC radio.

"It's not a threat, it's statement of fact as part of our no-deal planning."

"We would be mindful of our strict legal obligations, but the amount and the phased way it is set out in the withdrawal agreement would fall away because there would be no deal."

The final payment would be "substantially lower" than the estimate agreed so far, he said.

The Brexit negotiations are entering their final stretch, with both sides now aiming for an agreement in October or early November.

China welcomes US trade talks offer

Beijing, China

China said yesterday it welcomes a US offer to hold another round of trade talks, and the two sides are discussing the details as fresh tariffs loom large.

"The Chinese side believes that the escalation of the trade conflict is not in the interest of either party," commerce ministry spokesman Gao Feng told reporters at a regular news briefing.

Beijing "has indeed received an invitation from the US and holds a welcoming attitude to it", said Gao, noting the "two sides are still communicating on the specific details".

News that US Treasury Secretary Steven Mnuchin had invited top Chinese officials for talks comes just under a week after US President Donald Trump threatened to impose tariffs on all \$500 billion worth of imports from China.

Trump's first round of tariffs this summer hit \$50 billion in Chinese goods including high-end technology parts and manufactured goods, while Beijing fired back dollar-for-dollar at US soybeans, autos and other farm goods.

In Washington, White House economic advisor Larry Kudlow sounded a cautious note about the talks possible outcome.

World is sleepwalking towards another crisis

Former UK PM Brown warns that world is on the verge of another financial crisis



Britain's ex-Prime Minister Gordon Brown appears on the Marr Show on BBC television in London

Global economy had failed to introduce an early warning system**Action against financial wrongdoing had not been tough enough**

Reuters | London

Former British Prime Minister Gordon Brown warned that the world is on the verge of sleepwalking into another financial crisis because governments have failed to tackle the causes of the last major financial crash a decade ago.

Britain's leader when the collapse of the US investment bank Lehman Brothers triggered the worst financial crisis since the Great Depression said the world is leaderless and was now entering a period of vulnerability.

"We are in danger of sleepwalking into a future crisis," Brown, 67, told *The Guardian*. "There is going to have to be a severe awakening to the escalation of risks, but we are in a leaderless world."

Brown said the global economy had failed to introduce an early warning system and a way of monitoring financial flows so that it was possible to tell where money had been lent and on what terms.

"We have dealt with the small things but not the big things," said Brown, who was British prime minister from 2007 to 2010.

Brown said action against financial wrongdoing had not been tough enough and that many banks would expect to be bailed out again in the event of a future crisis.

"The penalties for wrongdoing have not been increased sufficiently," he said. "The fear that bankers will be imprisoned for bad behavior is not there. There has not been a strong enough

Global financial crisis erupted 10 years ago

The collapse of Lehman Brothers investment bank in September 2008 triggered a crisis that plunged economies around the world into the worst recession since the 1930s

2007

- Subprime mortgages (loans to borrowers with little means to repay) are repackaged with traditional mortgages and sold to investors who are left with worthless assets as foreclosures rise. Damage reaches top *Wall Street* institutions
- Feb 27:** Mortgage lender *Freddie Mac* stops buying most risky subprime loans
- Apr-Aug:** Two major U.S. mortgage lenders file for bankruptcy. *Bear Stearns* bank liquidates investments backed by subprime mortgage loans
- Aug 9:** French bank *BNP Paribas* suspends funds invested in U.S. mortgages
- Sep 14:** First run on UK bank since 1866 after *Northern Rock* requests government bailout. Bank later taken into public ownership
- Mar 16:** *Federal Reserve* guarantees \$30 billion of assets in sale of *Bear Stearns* to *JPMorgan Chase*
- Sep 15:** *Lehman Brothers* files for bankruptcy – with over \$600bn in assets it is largest filing in U.S. history
- Sep 7:** Government takes over mortgage giants *Fannie Mae* and *Freddie Mac*
- Sep 16:** *AIG*, world's largest insurer, accepts \$85bn federal bailout
- Sep 21:** *Goldman Sachs* and *Morgan Stanley*, last two independent investment banks, become bank holding companies subject to greater regulation by *Federal Reserve*
- Sep 25:** Regulators close *Washington Mutual Bank* in biggest ever U.S. bank failure
- Sep 29:** Congress rejects \$700bn *Wall Street* rescue package. *Dow Jones* industrial average plunges 778 points – worst ever one-day drop at time

2008

- U.S. economy enters recession as subprime crisis infects credit markets
- Jan 11:** *Bank of America* agrees to buy *Countrywide Financial* – which finances 20% of all U.S. mortgages – for \$4bn
- Sep 15:** Bank of America agrees to buy *Merrill Lynch* for \$50bn
- Oct 3:** Revised rescue package signed into law
- Nov:** *IMF* approves loans to stabilise countries with crumbling economies
- Nov 23:** Treasury and *Federal Reserve* step in to rescue *Citigroup*
- Nov-Dec:** As crisis deepens, *Ford*, *Chrysler* and *General Motors* request and receive federal bailouts
- Dec 2008 – Jan 2009:** Global economies start going into recession. Central banks cut rates to try to stem crisis
- Jun 2009:** U.S. emerges from worst recession in post-war history

AFTERMATH

- Global recession mainly affects developed economies in North America and Europe. Emerging economies like China and India suffer less impact and grow substantially in following years

Sources: USA Today, Schroders, The Balance Pictures: Associated Press, Getty Images © GRAPHIC NEWS

message sent out that government won't rescue institutions that haven't put their houses in order."

Brown said the international cooperation that helped tackle the global financial crisis ten years ago may not exist today because countries have become more protectionist.

"The cooperation that was seen in 2008 would not be possible in a post-2018 crisis both in terms of central banks and governments working together. We would have a blame-sharing exercise rather than solving the problem," he said.

A spokeswoman for Prime Minister Theresa May disagreed

with Brown's assessment and said Britain has built one of the most robust economies since 2008.

"We have reformed regulation to put in place one of the toughest systems in the world and we have made it easier to deal with any issues that emerge on the banking front," she added.

Electric car sales drive lithium rush in Portugal

AFP | Boticas, Portugal

Mining firms are racing to open new lithium mines in Portugal, already Europe's biggest producer of the commodity, thanks to the surge in popularity of electric vehicles powered by lithium-ion batteries.

"The more we drill, the more we find," says David Archer as he stands at the foot of a drilling crane perforating the granite rock of mountains near Boticas in northern Portugal to measure its lithium content.

The metal has become a form of precious "white gold" since demand for electric batteries has



Workers operate a drilling rig at the Barroso mine near Boticas, northern Portugal.

taken off. Archer's British mining firm, Savannah Resources, expects to open "Europe's most important lithium mine" in 2020 here in the remote highlands of Tras-os-Montes, Portugal's poorest and least-known region.

The company announced Monday that lithium resources at its Mina do Barroso project there were 44 percent higher than previously estimated.

Just 25 kilometres (15 miles) away in the town of Montalegre, Portuguese firm Lusorecurso also claims to sit on Europe's "most important lithium deposit" which it expects to begin mining in 2020, according to

its financial director Ricardo Pinheiro.

"The battery sector exploded and created a real appetite for lithium," says Lucas Bednarski, managing director of market research site Lithium Today.

"I honestly believe that lithium could be the new gold for Portugal," said European Commission Vice-President Maros Sefcovic, who is responsible for energy policy in the European Union's executive arm.

"The reason for that is we expect that by 2025 there will be a market in Europe for batteries worth 250 billion euros (\$290 billion) annually."