

business

Carlos Ghosn set for continued detention

● Carlos Ghosn indicted on fresh financial misconduct charges in Japan

AFP | Tokyo

Tokyo prosecutors yesterday filed two fresh charges of financial misconduct against former Nissan chief Carlos Ghosn, meaning the auto tycoon is unlikely to be leaving his Japanese jail cell soon.

Lawyers for the former jet-setting executive filed a bail application hours later, but have acknowledged he will probably be detained until a trial that could take months to organise.

However, in one piece of rare positive news for the once-revered tycoon, the Tokyo District Court turned down a prosecutors' bid to prevent family visits, meaning he should be allowed contact with his loved ones.

Ghosn denies any wrongdoing and argued Tuesday in a dramatic first court appearance that he had been "wrongly accused and unfairly detained."

Prosecutors yesterday slapped the 64-year-old with a formal charge of under-de-



Carlos Ghosn attends the Tomorrow In Motion event on the eve of press day at the Paris Auto Show, in Paris (file photo)

claring his income by around four billion yen (\$37 million) over three years from 2015.

They also pressed charges of "aggravated breach of trust" over a complex alleged scheme in which Ghosn is said to have tried to transfer losses on foreign exchange contracts to Nissan's books.

As part of the scheme, he is also accused of using company funds to repay a Saudi acquaintance who put up collateral for the contracts.

He was already facing a first charge for allegedly under-reporting his compensation over five years to the tune of five billion yen in official documents to shareholders.

Prosecutors also filed charges yesterday against Nissan and Ghosn aide Greg Kelly over the additional three years of under-reporting pay.

Cadillac will introduce EV in fight against Tesla

Cadillac will become the leading electric car brand at General Motors

Reuters | Washington

Cadillac is expected to become General Motors Co's lead electric vehicle brand as the largest U.S. automaker gears up to introduce a new model under that luxury marquee to challenge Tesla Inc, two people briefed on the matter said Thursday.

GM is set to announce as part of an investor update that a Cadillac will be the first vehicle based on its forthcoming "BEV3" platform, the people said. The vehicle platform is the basis for vehicle underpinnings, including the battery system and other structural and mechanical parts.

GM is not expected to disclose additional details, including precisely when the Cadillac EV will be built, whether it will be a crossover or sedan, or where it will be assembled, the sources said.

A GM spokesman declined to comment.

GM had previously focused on making electric vehicles under its mass market Chev-



The Cadillac booth displays the company logo at the North American International Auto Show in Detroit, Michigan

rolet brand, including its plug-in Chevrolet Volt and battery electric Bolt. GM announced last year it was ending production of the plug-in Volt as well as a low-selling plug-in Cadillac CT6, even as it moved to boost EV spending.

GM said in November as part of its restructuring efforts it was doubling resources for electric and autonomous vehicle pro-

grams over the next two years.

Last month, two Ohio senators asked GM to commit to building all future electric vehicles for U.S. buyers within the country.

GM said in 2017 it planned by 2021 to introduce a new dedicated flexible electric vehicle architecture and an advanced battery system to support the development of at least 20 new

models in the United States and China.

GM said in 2017 that a new electric vehicle platform in 2021 will serve as a base for at least nine derivatives, ranging from a compact crossover to a large seven-passenger luxury sports utility vehicle and a large commercial van.

Johan de Nysschen, who was then Cadillac's president, told Reuters at the Detroit auto show in January 2018 the luxury brand will play a "central role" in GM's electrification strategy, including China. He added that Cadillac would be "at the forefront" of rolling out new electric vehicles in the United States and China. He left GM in April.

This week, GM said Cadillac sales in China rose 17.2 percent in 2018, surpassing 200,000 units for the first time. GM Chief Executive Mary Barra has said that GM aims to sell 1 million electric vehicles a year by 2026, many of them in China, which has set strict production quotas on such vehicles.

China retailers slash iPhone prices after Apple sales warning

Reuters | Shanghai

Several Chinese electronics retailers including Alibaba-backed Suning and JD.com have slashed iPhone prices this week, after Apple recently blamed poor sales of the smartphone in the country for a rare revenue warning.

The discounting, as steep as \$118 (92.50 pounds) for the recently launched 64GB iPhone XR, is the latest sign that Apple's weak holiday sales in China may have extended to the current quarter.

The price cuts on iPhones by Chinese retailers began in the middle of this week, with at least six offering promotions this weekend, according to checks done by Reuters.

Apple did not respond to requests for comment. Prices for iPhones sold through its Chinese website remained unchanged.

Such widespread price cuts



A new iPhone X is sold at an Apple Store in Beijing, China

are not uncommon around shopping festivals like Single's Day in November, but these cuts stand out as they affect Apple's latest XS and XR models that were released only months ago, said Mo Jia, a Canals analyst who tracks China's smartphone industry.

Jia believes Apple itself could have lowered prices of the phones it ships to distributors, or that distributors may have slashed rates in order to move more units.

"It's possible Apple wants to test the market's feedback if it brings down the channel prices. Or, Apple might be under pressure to clean out its stock of iPhones," he said.

Apple has been trailing local competitors such as Huawei Technologies Co Ltd [HWT. UL] that offer cheaper options

in China, home to the world's biggest smartphone market in terms of shipment volume.

Last week, Apple issued its first revenue warning in nearly 12 years, citing poor Chinese demand, sending its shares down 10 percent, their biggest intra-day fall in six years.

Steep discounts

Suning announced yesterday that it would start selling the 64GB iPhone XR for 5,699 yuan, 800 yuan (\$118.46) less than the device's sticker price in China. It is also selling the 64GB version of the iPhone 8 for 3,899 yuan, a 1,200 yuan discount.

JD.com, a major online seller of consumer electronics, is offering promotions on models going back to the 8 series. Dangdang, one of its rivals, has launched a similar campaign.

Alphabet board sued for allegedly covering up sexual misconduct allegations

Reuters | San Francisco

Two shareholder lawsuits filed this week accused the board of Google parent Alphabet Inc of playing a direct role in covering up sexual misconduct claims against two former executives over the last five years.

The company declined to comment.

Both of the lawsuits seek to force Google to change its governance and oversight to stop future workplace conduct issues. They also call for Alphabet directors to pay damages to Alphabet for allegedly breaching their fiduciary duties and engaging in corporate waste.



Google Chief Executive Sundar Pichai apologized last year to employees for the companies' past handling of sexual misconduct cases and vowed to improve practices



Google signage is seen at the Google headquarters in the Manhattan borough of New York City, New York

The allegations stem primarily from large severance payments to Andy Rubin, who led Google's Android mobile operating division until 2014, and Amit Singhal, head of Google's search unit until 2016. Company investigations into both men had found accusations of sexual harassment against them to be credible, according to the lawsuits.

Rubin and Singhal have denied the allegations. Google Chief Executive Sundar Pichai apologized last year to employees for the companies' past handling of sexual misconduct cases and vowed to improve

practices.

One of the two lawsuits in San Mateo County Superior Court in California cites minutes from Alphabet board and board committee meetings where the executives' situations were discussed.

Plaintiff James Martin obtained the documents through a "shareholder inspection demand," according to the lawsuit. Google provided them on condition they not be published, according to his attorneys, and details from the minutes are redacted across at least eight pages in the 82-page lawsuit filed on Thursday.

It's possible Apple wants to test the market's feedback if it brings down the channel prices. Or, Apple might be under pressure to clean out its stock of iPhones

MO JIA