

China approves foreign investment law

● The National People's Congress voted 2,929 in favour of the law -- with eight against and eight abstentions

AFP | Beijing, China

China's parliament approved a foreign investment law yesterday that may serve as an olive branch in trade talks with the United States, but it received a lukewarm welcome from business groups.

The legislation aims to address long-running grievances from foreign firms including stronger protections for intellectual property, but the US and European chambers of commerce voiced concerns that they were not given enough time to give



Chinese leaders sing the national anthem during the closing session of the National People's Congress (NPC) in Beijing's Great Hall of the People

their input.

The National People's Congress voted 2,929 in favour of the law -- with eight against and eight abstentions -- barely three months after a first draft was debated, an unusually quick turnaround for the legislature, which meets once a year.

The move comes as US and Chinese negotiators hold complex talks aimed at resolving a months-long trade war that has pounded businesses with tariffs on \$360 billion in two-way commerce.

US President Donald Trump said Thursday the negotiations should wrap up within four weeks, adding: "We are getting what we have to get."

China's top trade negotiator, Liu He, held phone talks with US Treasury Secretary Steven Mnuchin and US Trade Representative Robert Lighthizer, with the official Xinhua news agency saying they made "sub-

stantial progress".

The bill will eliminate the requirement for foreign enterprises to transfer proprietary technology to Chinese joint-venture partners and protect against "illegal government interference" -- major sticking points in the trade negotiations.

The legislation will come into force on January 1, 2020.

China will also amend its intellectual property law and "introduce a punitive damages mechanism to ensure that all infringements will be seriously dealt with", Chinese Premier Li Keqiang told reporters at the end of the parliament's two-week session.

The changes will "ensure violators have no place to hide", he said. Under the bill, foreign investors will enjoy the same privileges as Chinese companies in most sectors, unless they have been placed on "negative lists", officials say.

Toyota says to boost US investment to \$13 bn over 5 years

Washington, United States

Toyota announced yesterday it will boost its planned US investment by \$3 billion to \$13 billion over five years to boost manufacturing in multiple states.

The Japanese automaker said part of that higher total is a \$750 million injection in five states unveiled Thursday that will create 586 new jobs.

"These latest investments represent even more examples of our long-term commitment to build where we sell," said Jim Lentz, chief executive officer for Toyota Motor North America.

BMW 2018 profit slips 16.9pc

Frankfurt am Main, Germany

Profits at German high-end carmaker BMW tumbled in 2018, the firm said yesterday, with trade headwinds and tough new EU emissions tests' drag on performance set to last into this year.

"Challenges facing the entire sector are unlikely to diminish in the coming months," chief executive Harald Krueger said in a statement.

Net profit at BMW slumped 16.9 per cent to 7.2 billion euros (\$8.2 billion), the group said.

The Munich-based firm pointed to "political uncertainty, a cooling global economy... rising production costs to meet regulatory requirements, exchange rate effects and rising raw materials prices" as weights on its earnings.

Operating, or underlying, profits fell less sharply, shedding 7.9pc to 9.1 billion euros.

Revenues were less strongly affected, falling 0.8pc to 97.5 billion.

EU to slap Google with fresh fine



Margrethe Vestager

Brussels, Belgium

The EU's anti-trust regulator is to slap tech giant Google with a new fine over unfair competition practices, sources said yesterday.

Brussels has targeted the Silicon Valley firm's AdSense advertising service, saying it restricts some client websites from displaying ads from third parties.

The decision in the long-running case, first reported by the Financial Times, is the latest anti-trust salvo against Google,

which has already received nearly seven billion euros in EU fines.

Two sources close to the matter said the verdict would land next week, most likely on Wednesday.

"We are in the process of finalising the AdSense case," EU competition commissioner Margrethe Vestager said earlier this week.

In July 2018, the US giant was ordered to pay a record 4.34 billion euros for abusing the dominant position of Android, its smartphone operating system, to help assure the supremacy of its search engine.

A year earlier it slapped Google with a fine of 2.42 billion euros for abusing its dominant position by favouring its "Google Shopping" price comparison service in search results.

Google has appealed both decisions to the European Court of Justice in Luxembourg.

US manufacturing sinks again

Washington, United States

US manufacturing dropped sharply for the second consecutive month in February with across-the-board declines in nearly every category of product, the Federal Reserve reported yesterday.

The decline kept overall industrial production from rebounding as analysts had forecast, despite a surge in the volatile utilities component.

The weakness, which many economists say will continue this year, is a blow to President Donald Trump's aggressive trade policies which have been focused on boosting American manufacturing, even as it makes up a dwindling share of the US economy.

Total industrial output eked out a gain of 0.1 per cent, after falling 0.4pc in January -- slightly better than originally reported -- helped by the 3.7pc surge in utilities, according to the monthly report.



Representative picture

But manufacturing fell 0.4pc after a 0.5pc decline in the prior month, even though January's decline was an improvement on the 0.9pc drop originally reported.

Within the manufacturing sector, the negatives were widespread, including losses of about 2pc for nonmetallic mineral products and machinery.

German lawmakers raise hurdle for diesel bans

Berlin, Germany

Lawmakers in Germany moved yesterday to make bans on older diesel vehicles in city centres less likely, angering environmentalists by backing off EU-wide pollution thresholds. In practice it will give cities above the European Union's upper limit of an annual average of 40 microgrammes of nitrogen dioxide (NO2) per cubic metre, but less than 50 microgrammes, flexibility to take other measures to reduce air pollution.

"Driving bans are a harsh medicine, and they are only proportionate if it is unlikely other measures will quickly mean the limits are respected," junior environment minister Florian Pronold said Thursday.

Elon Musk's Tesla adds 'Model Y' SUV to line-up

Hawthorne, United States

Tesla introduced a new electric sports utility vehicle slightly bigger and more expensive than its Model 3, pitched as an electric car for the masses.

Tesla chief executive Elon Musk showed off the "Model Y" late Thursday at the company's design studio in the southern California city of Hawthorne, and the company began taking orders online.

The all-electric Model Y has a starting price of \$39,000 for a version with a 230-mile (370-kilometer) range. A long-range version of the SUV capable of traveling 300 miles (483 kilometers) on a single charge was priced at \$47,000.

Deliveries were expected to begin late next year for the higher-priced Model Y vehicles, with the standard-range version likely get to buyers by spring of 2021, according to Tesla.

Musk said the Model Y has "the functionality of an SUV but it will ride like a sports car" accelerating from stand-still to 60 mph in 3.5 seconds.



Tesla CEO Elon Musk views the new Tesla Model Y at its unveiling in Hawthorne, California

Model Y featured a "panoramic glass roof" and could seat seven people, according to Musk.

Entry-level SUVs are a hot segment of the vehicle market.

"Even though the Model Y will debut with promises of grandeur, if there are any chinks in Tesla's brand armor, this ve-

hicle will expose them," said Edmunds executive director of industry analysis Jessica Caldwell.

"Tesla is about to learn exactly what it means to go head-to-head with the German automakers." While Tesla has a devoted fan base, with people at the Thursday event shouting

enthusiastically for Musk, the Model Y will be competing with attractive SUVs that titans such as BMW, Mercedes and Audi are bringing to market, according to Caldwell.

Possible turning point

The latest addition to the Te-

sla line-up comes shortly after the California-based company rolled out its lowest-priced Model 3, an electric car designed for the masses, at a base price of \$35,000, with deliveries promised in one month.

At that price, the Model 3 is less than half the cost of most Tesla on the road and may be eligible for tax incentives which could further lower ownership costs.

"If Tesla truly wants to be a mainstream brand, it's going to have to figure out how to sell cars to people besides young men in California," Caldwell said. Tesla has a sound foundation for the Model Y to be a "turning point," since it has an enviable young base of buyers for a luxury brand and the Model X has had strong appeal to women, according to Caldwell.

The new vehicles suggest Tesla has been able to overcome production bottlenecks to ramp up production to meet demand, and moving toward Musk's goal of making electric vehicles widely available.