

UK minister quits ahead of Heathrow airport vote

London, United Kingdom

A junior minister in British Prime Minister Theresa May's government quit Thursday to vote against her plan to build a third runway at London's Heathrow airport, which returns to parliament next week.

Greg Hands represents a constituency in London, where there is strong opposition to the expansion from residents who fear the extra noise and pollution caused by many more flights.

May is demanding that all her Conservative MPs back the plan when it finally comes before the House of Commons on Monday after years of debate.

Hands, a member of the international trade ministry, said he had written to the prime minister earlier in the week to explain that he must stand by an election pledge to vote against the plan.

Taiwan passes bill cutting veterans' pensions

Taipei, Taiwan

Taiwan's military veterans will see their pensions cut as soon as next month after parliament passed a controversial bill that had sparked violent demonstrations.

Wednesday's vote marks a victory for President Tsai Ing-wen, whose attempts to make sweeping pension cutbacks since she came to power two years ago have faced intense opposition.

Senior veterans will see their monthly stipend cut by more than 20 per cent over the next decade, after a smaller initial drop.

The government says veterans of lower ranks will see less severe cuts to their pensions. Tsai has said pension reform is her most important task, with official reports warning that an unreformed pension system could be bankrupt by 2020.

New Zealand economy cools as construction slows

Wellington, New Zealand

New Zealand's economy grew at a slower pace in the first three months of the year amid a fall in construction activity, official data released Thursday showed, with economists tipping no near-term interest rate hikes.

The January-March quarter growth of 0.5 per cent took the annual rate of expansion to 2.7pc, and was broadly in line with analysts' forecasts.

It followed a 0.6pc expansion in the September-December period.

Statistics New Zealand said construction had cooled off, falling 1.0pc for the quarter, but still up 1.4pc for the year.

UAE companies asked to declare Abraaj exposure

Reuters | DUBAI

United Arab Emirates' top securities regulator has asked UAE-listed companies to declare their exposure to Dubai-based private equity firm Abraaj, which filed for provisional liquidation last week.

The Securities & Commodities Authority sent a letter earlier this week and companies had until Thursday to submit their responses, Obaid al Zaabi, chief executive of the regulator told Reuters.

A court in the Cayman Islands, where Abraaj Holdings is registered, ordered this week that PwC be appointed as provisional liquidators of the company and Deloitte as liquidators of Abraaj



Arif Naqvi, Founder and Group Chief Executive of Abraaj Group

Air Arabia has \$336m exposure

Reuters | DUBAI

Air Arabia has an overall exposure of \$336 million to Dubai-based private equity firm Abraaj, which has filed for provisional liquidation, the airline said on Wednesday.

The carrier said in a state-

ment emailed to Reuters that it had appointed a legal representative to protect its business.

Shares in Air Arabia, the only listed airline in the United Arab Emirates, plunged 7 percent this week because of the link between the airline and Abraaj.

Investment Management Ltd.

On Thursday, the Dubai Financial Services Authority (DFSA), which is the regulator of the Dubai International Financial Centre (DIFC), said it would discuss "various mat-

ters" with the liquidators and "will continue to work toward safeguarding the interests of investors."

The DFSA is involved because Abraaj has an entity regulated in DIFC.

Abraaj sells LATAM, Africa business to Colony Capital Inc

The agreement comes after months of turmoil at Abraaj in the wake of its dispute with four of its

Reuters | Dubai

Dubai-based Abraaj Group agreed to sell its Latin America, Sub Saharan Africa, North Africa and Turkey Funds management business to US investment management firm Colony Capital Inc, the companies said yesterday.

The agreement comes after months of turmoil at Abraaj in

the wake of its dispute with four of its investors, including the Bill & Melinda Gates Foundation and International Finance Corp (IFC), over the use of their money in a \$1 billion healthcare fund. The group has denied it misused the funds.

The sale is part of a provisional liquidation and restructuring as set out in a court order. Financial terms of the deal were

not disclosed. Colony Capital has also agreed to oversee, on an interim basis, other Abraaj group funds that are not being acquired so that the group and all its stakeholders have a "comprehensive global solution in place", the companies said.

The other group funds include the \$1 billion healthcare fund, and some legacy funds of the private equity group.

Sources told Reuters earlier US buyout firm TPG was in talks with investors in Abraaj's healthcare fund to take over management of the assets of the \$1 billion fund.

The K-Electric asset, which is being sold in Pakistan and is owned by Abraaj Holdings, is also not part of the transaction.

Colony's deal comes after other investors such as Cerberus

Capital Management had also made offers for the Abraaj business before it filed for provisional liquidation in the Cayman Islands.

A unit of Abu Dhabi Financial Group earlier this week made a conditional offer to buy Abraaj's management interest in all of its limited partnerships for \$50 million, according to a document seen by Reuters.

Xiaomi lowers target as it kicks off IPO

● **Xiaomi had hoped to raise \$10 billion with the Hong Kong IPO**

● **The firm is offering 2.18 billion shares values it at about \$53.9-\$69.8 billion.**

AFP | Hong Kong, China



A customer looking at a Xiaomi smartphone in a shop in Beijing

Chinese smartphone maker Xiaomi kicked off its initial public offering Thursday but the firm is likely to pull in about \$6.1 billion, far less than originally expected, with investors having mixed views about its main business.

Xiaomi had hoped to raise \$10 billion with the Hong Kong

IPO, making it the biggest since Alibaba's \$25 billion New York debut in 2014 and valuing the company at about \$100 billion.

However, the firm is offering 2.18 billion shares at HK\$17-HK\$22 apiece, according to Bloomberg News, which values it at about \$53.9-\$69.8 billion.

Xiaomi had hoped to be the first company to list shares in Hong Kong at the same time as launching new Chinese Depository Receipts (CDRs) in Shanghai under new rules announced in April by mainland authorities to open up markets in the world's number two economy.

But on Tuesday it put off its decision on listing the CDRs until it completes its IPO in Hong Kong. The China Securities Regulatory Commission said it has cancelled a listing review originally scheduled for June

19.

This delay, as well as differing market views about Xiaomi's business model, were also among reasons for the lower valuation.

CEO Lei Jun claimed it was an internet services company making money via online games and advertisements despite 70 per cent of its revenues coming from selling hardware, particularly smartphones.

The firm, which mainly sells cheap but high-quality smartphones in China, is looking to push into Europe -- recently opening its first flagship store in Paris -- as the home market reaches saturation point.

China Mobile Ltd and US wireless-chip giant Qualcomm are among the cornerstone investors and it is expected to list on July 9.

Electric scooters launch in Paris, to spread in Europe

● **The new e-scooters arrive as Paris faces problems with two of its flagship transport innovations over the last decade**

AFP | Paris, France

The boulevards of Paris, already bustling with a dizzying range of transport devices, are set to feature a new shared electric scooter system that has swept the US and is now heading for Europe.

California-based Lime launched a pilot scheme for the two-wheeled powered scooters on Thursday in several districts of the French capital and will roll them out across the city.

"Very quickly our fleet will grow to respond to demand," Lime's director for France, Arthur-Louis Jacquier, told AFP.

The US start-up, which already operates bike-sharing schemes in Berlin and Frankfurt, has big ambitions in Europe as it competes with other fast-expanding American rivals such as Bird.

The new e-scooters arrive as Paris faces problems with two of its flagship transport innova-

tions over the last decade which forged the city's reputation as a pioneer for new forms of commuting.

The city's bike-sharing scheme Velib', launched in 2007 and since copied around the world, is in disarray after a change of contractor led to major problems and a shortage of bikes. An electric car-sharing system known as Autolib, launched in 2011, could be at the end of the road after it ran up major losses that neither local authorities, nor private operator Bollere are prepared to absorb.

The public body that oversees the car system is set to meet

on Thursday and could vote to cancel the contract with Bollere, which would leave its 150,000 users in the lurch.

Paris city authorities estimate the loss incurred from cancelling the deal at "several tens of millions of euros" while Bollere, owned by French magnate Vincent Bollere, expects it to be up to 300 million.

Autolib was never adopted by Parisians in the way they took to the shared bikes, meaning that the number of subscribers was lower than expected while new taxi apps such as Uber undercut it on cost.

Lime and other private oper-

ators of new transport-sharing solutions are looking to capitalise on the problems with Velib' and Autolib', which are both backed by public money.

The Lime scooters in Paris will have a top speed of 24 kilometres an hour (15 miles an hour) and are able to travel 50 kilometres on a single charge. All the vehicles, which have a GPS and can be reserved using a mobile phone app, will be collected each evening by Lime and recharged. They will not be allowed on pavements, the company said, adding that prices are a minimum one euro per hire, then 15 centimes a min.