

# business

## Renault board to replace Ghosn on Thursday

Paris, France

French carmaker Renault said yesterday that it would hold a board meeting Thursday to name a replacement for its boss Carlos Ghosn, who remains in custody in Japan over alleged financial misconduct.

Sources close to the discussions said that the company would put forward Thierry Bollere to replace Ghosn as chief executive and Michelin chief Jean-Dominique Senard as board chairman. Ghosn currently holds both roles.

Renault, part of a powerful alliance with Japanese carmakers Nissan and Mitsubishi, officially declined to comment on Ghosn's replacement, beyond confirming Thursday's board meeting. A trade union source said the meeting would take place at 10:00 am (0900 GMT) on Thursday.

Ghosn has already been stripped of his positions as chairman of Nissan and Mitsubishi in the wake of the allegations. The French government, Renault's biggest shareholder with a stake of more than 15 percent, is particularly keen to see the company appoint a new leader.

Finance Minister Bruno Le Maire had last week demanded a board meeting "in the coming days" to name Ghosn's



Carlos Ghosn delivers a speech (file)

successor. The Franco-Lebanese-Brazilian businessman, who was arrested on November 19, is set to remain behind bars for the foreseeable future after a Tokyo court again denied him bail on Tuesday.

Prosecutors suspect he under-declared his income in official statements to Nissan shareholders between 2010 and 2015 to the tune of some five billion yen (\$46 million), apparently in an attempt to avoid accusations that he was overpaid. A separate but similar charge is that he continued to do this between 2015 and 2018, under-reporting his income by a further four billion yen.

## China promises Cambodia \$600 million aid at PM visit



Cambodia's Prime Minister Hun Sen (centre L) applauds with China's Premier Li Keqiang (centre R) during a signing ceremony at the Great Hall of the People in Beijing

Beijing, China

China has promised four billion yuan (\$588 million) in aid to Cambodia, the Southeast Asian country's Prime Minister Hun Sen said yesterday on a visit to Beijing.

The largest investor in Cambodia, China has pumped billions of yuan into the economy and has written off debt while sweeping aside questions about Phnom Penh's abysmal rights record.

The four billion yuan grant will run from 2019 to 2021, Hun Sen said in a post on his official Facebook page, accompanied by pictures of his meeting with Chinese President Xi Jinping from the day before.

Xi has also pledged to import 400,000 tonnes of rice from Cambodia this year, increase bilateral trade to \$10

billion by 2023 and encourage more Chinese investment into the country, the prime minister's post said.

The pledge comes just days after the European Union resumed tariffs on rice imports from Cambodia, following intensive lobbying by Italy, who said cheap imports were damaging its farmers.

On Tuesday, Hun Sen was welcomed at the cavernous Great Hall of The People by Premier Li Keqiang as part of his three-day visit.

The two witnessed the signing of six agreements, including on increasing cooperation on the Belt and Road Initiative and Cambodia's southwestern seaport of Sihanoukville.

Hun Sen's visit comes amid speculation Beijing is seeking support to build a naval base off the Cambodian coast, claims the premier has vehemently denied.

# No Brexit deal means hard Irish border: EU

Reuters | Brussels

British-ruled Northern Ireland will automatically have a "hard border" with its southern neighbour if Britain leaves the European Union without a withdrawal agreement, the European Commission's chief spokesman said yesterday.

The remark to reporters by Margaritis Schinas reflected the EU's position that Ireland, like other member states, would have to enforce EU customs and other checks on imports from Britain after Brexit in the absence of a special deal.

Responding to Schinas' comments, British Prime Minister Theresa May's spokesman said Britain would do everything it could to prevent a hard border.

Brussels and Dublin have pushed the British government to focus on agreeing to a withdrawal agreement to ease Britain's departure that would ensure the land border does not fuel renewed violence in Northern Ireland. Three decades of civil conflict in the British province was ended by a 1998 peace accord known as the Good Friday Agreement.

Pushed to give the EU po-

sition on ensuring the border stays unencumbered as agreed in the peace deal, Schinas said: "If you'd like ... to push me and speculate on what might happen in a no-deal scenario in Ireland, I think it's pretty obvious — you will have a hard border."

The Union's commitment to the Good Friday Agreement, "will have to take inevitably into account this fact", he added, while insisting the EU would stand behind the peace accords.

Policymakers have said little in detail on what might happen on the Irish border in the event of Britain leaving without a deal on March 29. The EU has said it will not allow a situation in which British goods could enter its single market without observing regulations imposed across the bloc.

A "backstop" protocol dealing with the Irish border in the withdrawal agreement negotiated by British Prime Minister Theresa May last month was cited by many British lawmakers as a reason for their rejecting May's deal last week.

Under the backstop, Britain would remain bound by many EU rules until a way was negotiated to ensure British goods meet EU regulations without



Margaritis Schinas, European Commission's chief spokesman

having to be checked on the Irish border.

Irish Prime Minister Leo Varadkar's government has taken a line that there would have to be "difficult conversations" over border arrangements if Britain leaves the EU without a deal.

"We will not accept a hard border on this island and therefore we are not plan-

ning for one," an Irish government spokesman said on Tuesday.

"Working out suitable customs and trade arrangements compatible with our EU membership will require detailed discussion with the Commission, while the UK will also need to live up to its responsibilities. We are under no illusions about how challenging that would be."

## EU fines Mastercard 570m euros in anti-trust action

Bruxelles, Belgium

The European Union has fined global credit card giant Mastercard 570 million euros (\$647 million) for limiting competition between banks offering cheaper payment fees.

"By preventing merchants from shopping around for better conditions offered by banks in other member states, Mastercard's rules artificially raised the costs of card payments, harming consumers and retailers," EU competition commissioner Margrethe Vestager said.

When a customer pays a retailer with a credit card, the store's bank pays a fee to the cardholder's bank.

The retailer's bank passes on this fee to the store, which increases costs for customers.

Prior to 2015, the level of these "interchange fees" varied widely across Europe, but Mastercard's rules at the time obliged banks receiving card payments to apply the fee set in their home country.

"This led to higher prices for retailers and consumers, to limited cross-border competition and to an artificial segmentation of the single market," the EU Commission said in a statement.

"The infringement ended when Mastercard amended its



Margrethe Vestager

rules in view of the entry into force of the Interchange Fee Regulation."

The fine would have been higher, but Brussels reduced it by 10 per cent to thank Mastercard for cooperating. The company did not dispute the fine.

"This decision relates to historic practices only, covers a limited period of time of less than two years and will not require any modification of Mastercard's current business practices," it said.

"Mastercard sees the closure of this anti-trust chapter as an important milestone for the company," it added.

## Gulf Air, Royal Air Maroc sign SPA agreement

TDT | Manama

Gulf Air and Royal Air Maroc, Morocco's national air carrier, have signed a Special Prorate Agreement (SPA) effective from 22 January 2019.

The agreement builds upon the current travel opportunities for passengers of both airlines beyond the hubs of

Bahrain International Airport and Casablanca Mohammed V International Airport.

The agreement supports facilitating travel for passengers of both airlines who wish to explore cities and regions that are not directly served by the home carrier — such as domestic points in Morocco, West Europe and GCC.

## EasyJet takes £15m hit from London airport drone chaos



London, United Kingdom

British no-frills airline EasyJet yesterday said closure of London's Gatwick Airport before Christmas caused by reported sightings of drones had cost the group £15 million (\$19.2 million, 17 million euros). EasyJet said it had lost £5.0 million in revenue and taken a hit of £10 million on passenger costs.

"EasyJet has made a good start to the 2019 financial year with robust customer demand and ancillary sales, driving solid revenue generation," chief executive Johan Lundgren said in a trading update.

"This was underpinned by good operating and on-time performance across the network, with the exception of the disruption caused by the Gatwick closures due to drone sightings," he added.

Britain's second-busiest airport shut down for 36 hours in the week leading up to Christmas because of repeated reports of drone sightings, affecting 140,000 passengers, the majority being EasyJet customers.