5G competition, delays drop Nokia into deeper losses

Helsinki, Finland

Chief executive Rajeev Suri

Intensifying competition and delays in rolling out 5G equipment for the next generation of mobile phone networks pushed Nokia deeper into the red in the first quarter, the company said yesterday.

Net losses more than doubled from the same period last year to hit 446 million euros ($497 million), and compared to a 193 million euros profit in the final three months of last year.

Chief executive Rajeev Suri acknowledged that the quarter was weak for the Finnish firm, which is widely seen as trailing China's Huawei and Sweden's Ericsson in the race to supply operators with the equipment needed to build next-generation 5G networks.

"We expected that it would be, and the outcome has not changed our perspective on the full year," added Suri.

"5G revenues are expected to grow sharply, particularly in the second half of the year, driven by our 36 commercial wins to date," he added.

Nokia said it delayed booking 200 million euros in revenues it had expected in the first quarter.

Nevertheless sales edged up two percent to 5.0 billion euros in the three months period.

Analyst Mikael Rautanen at Inderes, a Nordic investor research firm, said the results "were below expectations, especially if you compare them to Ericsson and Huawei, which made a solid start to the year."

He also noted that increased competition was pushing down operating margins.

Nintendo says full-year profit up nearly 40pc on game sales

Tokyo, Japan

Nintendo said yesterday its full-year net profit jumped nearly 40 per cent, lifted by strong sales of blockbuster game titles for its popular Switch console.

The Kyoto-based games giant said "Pokemon" and "Super Smash Bros" gave an extra boost for the year as its shares surged on expectations of its launch of Switch games in China.

Nintendo's net profit for the fiscal year to March rose 39.0 percent from a year earlier to 194 billion yen ($1.7 billion), on sales of 1.2 trillion yen, up 13.7pc.

"The results for this fiscal year showed strong software sales for Nintendo Switch, which contributed to the expansion of hardware sales," the firm said in a statement.

In particular, "Super Smash Bros. Ultimate" recorded sales of nearly 14 million units, while "Pokemon Let's Go, Pikachu!", and "Pokemon Let's Go, Eevee!" sold more than 10 million units, it said.

For the current fiscal year to March next year, Nintendo forecasts its bottom-line profit would decline by 7.2 per cent but set a higher sales target.

Banks lift Saudi market

- Dubai Investments slumps after trading ex-dividend
- Takaful Emarat slides on acquisition withdrawal
- Riyad Bank continues to gain on strong Q1 results

Reuters

A trader watching stock movement on the floor of Saudi Stock Exchange

Dubai's stock market fell yesterday, pressured by Dubai Investments trading ex-dividend, while banks lifted the Saudi index.

Dubai's index dropped 0.5 per cent, with Dubai Investments plunging 9.8pc to its biggest one-day loss since August 2015, as the stock went ex-dividend.

Takaful Emarat Insurance was down 1.3pc after it said it will no longer proceed with the proposed acquisition of Al Hilal Takaful.

Dubai Entertainment inched up 0.4pc after shareholders voted to discontinue its Six Flags theme park project and approved a plan for business continuity.

Closing Bell

SAUDI	▲ 0.4pc to 9,276 pts
ABU DHABI	▼ 0.1pc to 5,392 pts
DUBAI	▼ 0.5pc to 2,787 pts
QATAR	▼ 0.1pc to 10,451 pts
BAHRAIN	▲ 0.3pc to 1,442 pts
OMAN	▼ 0.3pc to 3,940 pts
KUWAIT	▼ 0.5pc to 6,137 pts

The Saudi index rose 0.4pc, with Riyad Bank climbing 4.5pc to its highest level since May 2006. On Monday, the lender posted a 22pc rise in first-quarter profit driven by higher special commission income and fees.

Alawwal Bank gained 2pc. The lender called for a shareholder meeting on May 15 to approve a merger offer from Saudi British Bank. Saudi British Bank was up 1.3pc.

Qatar's blue-chip index edged down 0.1pc as market heavyweight Industries Qatar closed 0.8pc lower for the third straight session. On Monday, the company posted first-quarter net profit that almost halved, pressured by weak demand for its products and constraints on pricing.

United Development Company lost 1.6pc after reporting a lower first-quarter net profit.

The Abu Dhabi index dipped 0.1pc, as energy company Dana Gas fell 6.6pc after the stock went ex-dividend.

The Abu Dhabi Securities Exchange said Abu Dhabi Commercial Bank (ADCB) will start trading on May 1 after its merger with Union National Bank (UNB), while UNB will cease trading post April 30. ADCB was up 0.8pc and UNB added 1.6pc.

Britain's deficit hits 17-year low

London, United Kingdom

Britain's deficit improved last year to reach its lowest level for 17 years on bumper tax revenues and lingering state austerity, official data showed Wednesday.

Public sector net borrowing stood at £24.7 billion ($32 billion, 28.6 billion euros) in the year to March, the Office for National Statistics said in a statement.

That contrasted with £41.8 billion in the previous financial year.

The deficit -- the UK government's net borrowing over 12 months through to the end of March -- was meanwhile only 1.2 per cent of the country's annual gross domestic product, or everything that it produced.

This was down from a huge 9.9pc at the height of the global financial crisis almost a decade earlier after which the UK economy suffered from years of state austerity.

Analysts said the low deficit gave the Treasury led by Chancellor of the Exchequer Philip Hammond breathing space in the event of either a smooth or hard Brexit.

"Another fall in the budget deficit to just 1.2pc of GDP in 2018/19 puts the public finances on a sustainable footing and gives the chancellor room to provide a 'deal dividend' if there is a Brexit deal or to support the economy if the UK leaves the EU without a deal," noted the Capital Economics research group.

Britain will have a £26.6-billion war chest to battle the potential damage of its exit from the European Union, a government oversight body announced in March.

Or the money could be used to help improve current sluggish British economic growth should the UK depart with a deal struck between London and Brussels.

Rich nations must help workers adapt to automation: OECD

Berlin, Germany

Robots and computers threaten 14 per cent of existing jobs over the next 20 years, so countries must retrain workers for a transformed labour market, the OECD warned yesterday.

In a report published in Berlin, the Organisation for Economic Cooperation and Development (OECD) estimates that in addition to the destruction of jobs and entire trades, an additional 32 per cent of current jobs are likely to be "deeply transformed" by automation in the work place.

According to OECD General Secretary Angel Gurria, the lack of preparation for the looming digital age is a time bomb on social and political levels.

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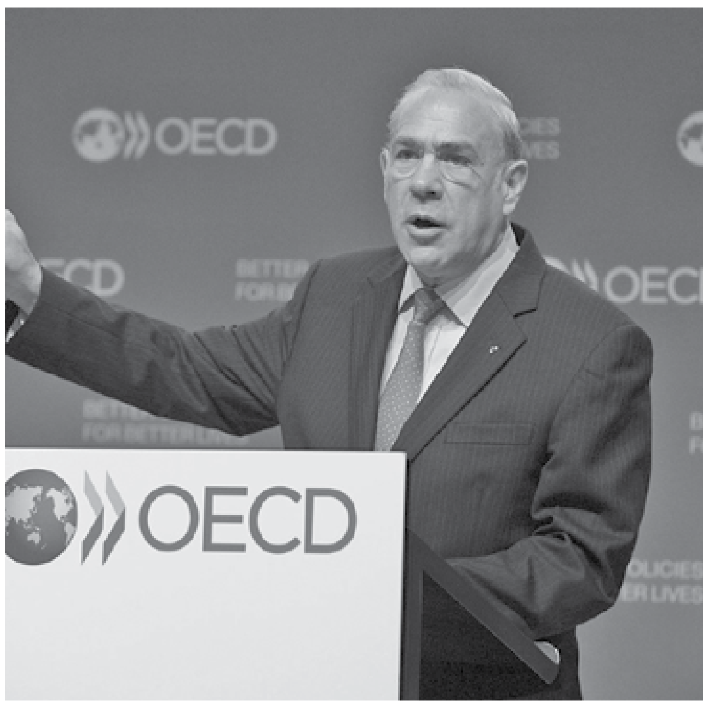
>
> ANGEL GURRIA
> OECD GENERAL SECRETARY



"It is important that people feel that they will be supported if they lose out, and helped in their search for new and better opportunities," he said in a foreword to the report.

Already, "people and communities have been left behind by globalisation and a digital divide persisted," Gurria added, pointing to "inequalities along age, gender, and socio-economic lines".

Many of those who have lost out "are stuck in precarious working arrangements with little pay and limited or no access to social protection, lifelong learning and collective bargaining," he noted.

The OECD's researchers found 56 percent of adults in the 36 OECD member countries -- among them economic giants like the United States, Japan or Germany -- have only "basic" or non-existent information and communication technology (ICT) skills.

As a priority, the OECD recommends that member countries, also including Canada, Chile or Britain, offer "more flexible" retraining compatible with employees' working hours to make it more attractive.

While some governments such as that in France offer financial support for lifelong learning, firms especially in the US are often reluctant to invest in their staff's skills.

The OECD also highlighted a growing trend towards self-employment, with one in seven workers in the club of rich countries working for themselves, while one in nine was on a temporary contract.

Such working relationships often make employees ineligible for training or retraining opportunities.