Nissan annual profit rises on strong US, China, Europe sales

Japanese automaker Nissan Motor Co's fiscal year profit has improved 27 percent to 663.5 billion yen ($5.8 billion) as strong sales in the US, China and Europe offset damage from the strong yen.

But Nissan is forecasting a 19-percent drop in profit for the fiscal year through March 2018 at 535 billion yen ($4.7 billion) as research investment and raw material expenses bite into bigger sales and cost-cut efforts.

Sales for the fiscal year ended March 2017 dipped nearly 4 percent to 11.7 trillion yen ($103 billion).

Nissan, which did not break down quarterly numbers, said Thursday that it sold 5.63 million vehicles globally for the fiscal year. It expects sales to grow to 5.83 million vehicles for the fiscal year through March 2018.

Yokohama-based Nissan's US sales rose 4 percent on-year on solid demand for the Rogue and Altima sedan. Sales in China rose 8 percent, while sales in Europe excluding Russia rose 7 percent for Nissan, which is allied with Renault SA of France.

All the major automakers are working on autonomous driving and mobility connectivity technology, but Nissan, which makes the Leaf electric car and Infiniti luxury models, has been among the most aggressive.

Hurting Nissan's bottom line in recent years is an unfavorable exchange rate. A strong yen erodes the value of overseas earnings by Japanese exporters like Nissan. (AP)

Nissan Motor President and CEO Hiroto Saikawa speaks during a press conference to announce the company's FY2016 full-year financial results at Nissan Global Headquarters in Yokohama, Kanagawa prefecture on May 11. (AFP)

Macronomics' ability to succeed hinges on getting a working parliamentary majority

Macron's mission to revitalize French economy won't be easy

LONDON, May 11, (AP): Macronomics — it's the new French president's proposed cure for a decade's worth of relative economic gloom.

Emmanuel Macron's victory in Sunday's election puts him in place to pursue his economic agenda, from cutting taxes on companies and labor, to investing more in technology and promoting freer trade and integration in the European Union.

The aim is to get the French economy growing again at least at the levels seen before the global financial crisis erupted in 2008. Since then, growth has barely averaged 1 percent a year, with many blaming the relatively inflexible jobs market. Germany and Britain, the countries France most compares itself with, have done much better.

That level of growth is too low to create jobs quickly enough to bring down the unemployment rate, which has been stubbornly above 10 percent for years, double Germany's. Joblessness is nearly 25 percent among those aged under 25, three times more than Germany's.

For most working people, the relative decline has been clear in their monthly wages. At the turn of the millennium, the average income in France was on a par with Germany's — now it's lagging by around 10 percent, according to some measures.

And public debt has steadily swelled and stands at a historically high level of just under 100 percent of annual GDP. It all adds up to a disappointing decade for a country that has strong potential, from high economic production to a broad industrial sector.

Macron, a centrist who has worked as an investment banker and economy minister, offers France a "real opportunity for reform" that will "both pep up France's economy and strengthen his position in Europe," says Charles Grant, the director of the Centre for European Reform.

Macron's efforts center on reducing spending by the French state to 52 percent of annual economic output, from the current 55 percent, which is the highest in the EU. He wants to keep the budget deficit within the rules governing the euro, below 3 percent of annual GDP.

He has proposed further changes to the labor market, notably by moving France's collective wage bargaining from the industry to the company level, which would give firms greater flexibility in reaching deals.

He wants to lower the corporation tax, to 25 percent from an estimated 33.3 percent, as well as employment tax, making it cheaper to hire. In a more direct effort to reduce unemployment, he's proposing stricter rules on jobless benefits but more job training. Finally, he aims to invest 50 billion euros ($55 billion) to modernize the country, for example in green technologies, health and transportation.

Healing France's economic ills will be crucial to avoid the kind of disillusionment that bolstered support for far-right presidential candidate Marine Le Pen, who wanted to bring France out of the EU, with uncertain consequences for the wider region. The scale of French people's desire for change was made clear in the fact that Le Pen and far-left candidate Jean-Luc Melenchon got a combined 41 percent of the vote in the first round of the election.

Macron may be starting out lucky. The French economy seems to have been gaining momentum in recent months, with surveys of business activity by financial firm IHS Markit showing growth at a six-year high. That seems partly due to earlier reforms on training and hiring, but is also thanks to a wider pick-up in European growth.

Macron can't rely on tailwinds from an unpredictable global economy to meet his hopes, hence his passionate embrace of change. According to Oxford Economics, his proposals could add 1.2 percentage points to France's annual economic growth by 2022, the year of the next presidential election.

But turning around the French economy is no easy feat. Macron's two immediate predecessors, conservative Nicolas Sarkozy and socialist Francois Hollande, failed to do so, condemning them to single-term presidencies.

Macron's ability to succeed in his plans hinges on getting a working parliamentary majority in elections next month. That is far from guaranteed: his fledgling Republic on the Move party is contesting its first legislative election against rivals who want to hobble Macron's presidency before it has started by blocking his proposals.

The worst-case scenario for Macron would be that the June elections deliver a majority to his staunchest opponents, tying his hands and reducing him to more of a figurehead role.

German Finance Minister Wolfgang Schaeuble holds a press conference on Germany's 2017 tax revenue forecast, in Berlin on May 11. (AFP)

Schaeuble, Macron in favour of eurozone parliament

ROME, May 11, (AFP): German Finance Minister Wolfgang Schaeuble said Thursday that, like France's president-elect Emmanuel Macron, he is in favour of creating a parliament for the 19-country eurozone.

"I discussed it with President Macron," Schaeuble told the Italian daily La Repubblica in an interview.

"A eurozone parliament could be set up, made up of European parliamentarians, which would have consultative powers" for moving forward the European Stability Mechanism (ESM), Schaeuble said.

The Luxembourg-based ESM, operational since October 2012, is a bailout fund for eurozone countries.

"Macron and I are in complete agreement on this matter -- there are two ways of reinforcing the eurozone: changing the treaties or taking the more pragmatic approach by doing it on an intergovernmental level," the German minister said.

"Treaty modifications must be unanimous and be ratified by national parliaments or by referendums in some countries," Schaeuble continued.

"Given that that is not currently realistic, we should try to move forward with existing instruments," such as developing the ESM treaty, he suggested.

Schaeuble said that the only available solution at the moment would be to set up a "European Monetary Fund" based on the ESM's statutes.

The head of the Eurogroup of finance ministers, Jeroen Dijsselbloem, has already called for the creation of a European monetary fund which would replace the International Monetary Fund in any future bailouts of eurozone countries.

Schaeuble, who fiercely believes that eurozone countries should balance their budgets, has also argued in recent months that budget monitoring in the single currency area be a matter for the ESM rather the EU Commission, as is the case at present. "In Germany, we've believed for a long time that monetary union be strengthened. The problem is well-known: we have a single monetary policy but insufficient convergence in matters of economic and fiscal policy," Schaeuble said.

"We need to create conditions that are favourable for investment. We're working on it. Plans are ready for Franco-German cooperation, but also for cooperation with other countries," he said.

Schaeuble also criticised in passing France's previous reticence on the issue of strengthening the EU.

"The transfer of parts of national sovereignty to Europe has never failed because of Germany or Italy, but more because of France," he said.

EU raises eurozone growth 'forecasts'

Unemployment to drop in 2018 to lowest point in decade

BRUSSELS, May 11, (RTRS): Eurozone economic growth should grow a bit faster this year than previously believed and the unemployment rate could be the lowest in a decade, the European Commission said on Thursday.

It also predicted low inflation, a challenge for the European Central Bank whis is trying to boost it.

The 19-country eurozone is expected to expand by 1.7 percent this year and 1.8 percent in 2018, the EU executive said, slightly raising its previous estimate for eurozone growth of 1.6 percent this year, while leaving unchanged the 2018 forecast.

The projected growth for 2017, however, remains lower than 2016 when it was 1.8 percent, and further below the 2.0 percent post-crisis high reached in 2015.

The Commission's forecasts, published three times a year, predict all eurozone countries will grow this year and next, with Germany, the bloc's largest economy, accelerating to 1.9 percent in 2018, and Spain and Portugal expanding much more than previously expected.

"Europe is entering its fifth consecutive year of growth," EU Economics Commissioner Pierre Moscovici said.

"It is good news too that the high uncertainty that has characterised the past 12 months may be starting to ease," he said, noting that far-right nationalism "was defeated," a reference to far-right candidate Marine Le Pen's loss at last week's French presidential elections.

In a further sign of a healthier economy, eurozone unemployment is expected to go down to 9.4 percent this year from 10.0 percent in 2016, before falling further in 2018 to 8.9 percent, a bigger drop than previously estimated.

If confirmed, the 2018 figure would be the lowest since the beginning of 2009, although the rate of people without jobs will remain well above the average in Italy, Spain, Cyprus and Greece, where is projected at 21.6 percent in 2018.

Inflation is forecast to slow to 1.3 percent next year from a downwardly revised 1.6 percent this year, the Commission said, predicting a lower inflation than European Central Bank's estimates of a 1.7 percent rate this year.

Risks for eurozone economic growth have decreased from previous forecasts but remain "elevated", the commission said.

Greece's growth was cut to 2.1 percent this year from the 2.7 percent forecast three months ago, because of uncertainty caused by delays in its bailout programme, Moscovici said.

GDP growth in Greece is also set to shrink to 2.5 percent from previously estimated 3.1 percent in 2018.

Outside the eurozone, the Commission revised upward its forecast of Britain's growth to 1.8 percent this year, from a previously estimated 1.5 percent, and to 1.3 percent in 2018 from 1.2 percent, in a sign that the British economy will be hit less than expected by Britain's decision to leave the EU.

European Union Commissioner for Economic and Financial Affairs, Taxation and Customs Pierre Moscovici talks to the media about the EU spring economic forecasts at the EU Commission headquarters in Brussels, on May 11. (AFP)

From left to right: Sam Bool, expansion general manager of Southeast Asia of Uber, Mike Brown, regional general manager of Asia Pacific of Uber, Phyo Min Thein, Yangon region chief minister, Scot Marciel, US ambassador to Myanmar, Nilar Kyaw, Yangon region minister for Electricity, Industry, Road and Communication, clap hands during a launching ceremony of Uber taxi Thursday in Yangon, Myanmar. The private ride-hailing service Uber officially launched operations Thursday in Myanmar's main city Yangon, aiming to tap into one of the world's youngest and fastest-growing online markets. (AP)

Uber says to partner with taxis in Myanmar expansion drive

Uber Technologies Inc is only hiring government-accredited taxi drivers in Myanmar, a regional executive said, a move that allows it to avoid the legal hurdles that have dogged it across Asia in one of the region's last frontier markets.

This partnership with local taxi drivers and their unions is unique to Myanmar, Sam Bool, Uber's expansion general manager for South East Asia, told Reuters as services began on Thursday in the small but potentially lucrative market where Southeast Asian rival Grab Taxi and local service providers are already going strong.

"Having the government support from day one is pretty powerful," Bool said. "Drivers know we are fully compliant with existing regulations. That does grease the wheels."

Uber, which in many parts of the world signs on any one with a car as a driver, appears to be following Grab's operating model in Myanmar, a country of more than 50 million people emerging from decades of military rule.

During its March launch, Grab said it was working with a small group of taxi drivers in Yangon and would increase its scale gradually.

Uber has long had a reputation as an aggressive and unapologetic startup. The San Francisco-based firm is in conflict with the taxi industry all over the world, and its services have been halted in several countries over a raft of regulatory concerns.

While Indonesia is Southeast Asia's biggest ride services market, the growth in Myanmar's mobile services market is too good to ignore. Internet penetration has exploded from next to nothing a few years ago to nearly 90 percent now, with more people turning to apps and mobile services. (RTRS)

Move could challenge business model

EU advised to rank Uber as transport services

LUXEMBOURG/BRUSLS, May 11, (RTRS): Uber provides a transport service and must be licensed, an adviser to the European Union's top court said on Thursday, in a potential blow to the US firm which says it is merely a digital enabler.

The non-binding opinion means the smartphone app can be regulated by European countries as a transport service, subjecting it to local licensing regulations which could have been considered disproportionate under EU law had it been deemed an "information society service".

"The Uber electronic platform, whilst innovative, falls within the field of transport: Uber can thus be required to obtain the necessary licences and authorisations under national law," the statement from the Court of Justice of the European Union (ECJ) said.

While the opinion of Advocate General Maciej Szpunar is non-binding, the court's judges follow it in most cases.

The case was brought by an association of Barcelona taxi drivers who argued that Uber engaged in unfair competition with its UberPOP service - which used unlicensed drivers.

Uber, which no longer operates UberPOP in Spain, said it would await a final ruling later this year, but added that even if it is considered a transportation company, this "would not change the way we are regulated in most EU countries as that is already the situation today".

However, such a ruling would "undermine the much needed reform of outdated laws which prevent millions of Europeans from accessing a reliable ride at the tap of a button," an Uber spokeswoman said in a statement.

Allows

Uber, which allows passengers to summon a ride through an app on their smartphones, expanded into Europe five years ago.

But it has been challenged in the courts by established taxi companies and some EU countries because it is not bound by strict local licensing and safety rules which apply to some of its competitors.

Valued at $68 billion, Uber reintroduced a licensed version of its service in Madrid and Berlin last year. However, UberPOP is still operated in Estonia, Poland, Czech Republic, Norway, Finland and Switzerland.

The case before the Luxembourg court is seen as a landmark case in the so-called sharing economy and could have knock-on effects on other start-ups such as Airbnb and food delivery company Deliveroo.

The court battles come as Uber struggles with a wave of executive departures and criticism of its work culture.

Szpunar said in the statement that Uber drivers "do not pursue an autonomous activity that is independent of the platform. On the contrary, that activity exists solely because of the platform, without which it would have no sense."

Uber could not be regarded as a mere intermediary between drivers and passengers because it controlled economically important aspects of the urban transport service, Szpunar said.

In his opinion, Szpunar said that Uber's argument that it merely matches supply and demand was a "simplistic view of its role."

"In effect, Uber does much more than link supply and demand: it created this demand itself," Szpunar wrote.

The service provided by Uber amounts to the "organisation and management of a comprehensive system for on-demand urban transport," the ECJ statement said.

the bottomline

MILAN: Italy's largest bank by assets, **UniCredit,** says net profits more than doubled in the first quarter, with all divisions showing improvement under new management.

The bank said Thursday that its net profit for the first three months of the year was 907 million euros ($986 million), up from 406 million euros a year earlier, when the bank was hit by a one-time restructuring cost.

CEO Jean Pierre Mustier, who took over last summer, called the first quarter "encouraging." (AP)

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MILAN: Italian insurer **Generali** said Thursday it would place more emphasis on its asset management business as it reported its net profit was squeezed due to the ultra-low interest rate environment.

The nine percent drop in first-quarter net profit to 535 million euros ($582 million) was below the average of 607 million euros expected by analysts surveyed by the financial data supplier Factset Estimates. (AFP)

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BERLIN: German telecoms group **Deutsche Telekom** on Thursday confirmed its financial objectives for the year, after a strong performance by its US mobile arm boosted business in the first quarter.

Deutsche Telekom increased revenue by 5.8 percent to 18.6 billion euros ($20.2 billion) between January and March compared with the same period last year, but an accounting effect slashed net profit by 76 percent to 747 million euros. (AFP)

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FRANKFURT AM MAIN: German logistics group **Deutsche** Post said Thursday it was confident of meeting its objectives for the year, insisting that business was strong in the first quarter, even if its bottom line fell.

Deutsche Post said in a statement that net profit slipped by 0.9 percent to 633 million euros ($688 million) in the period from January to March.

Underlying or operating profit climbed by 1.4 percent to 885 million euros on a 7.3-percent increase in revenue to 14.9 billion euros in the three-month period. (AFP)

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BERLIN: German media and publishing giant Bertelsmann said Thursday it remains confident of growing over the whole year after a boost to net profit in the first quarter.

Between January and March, revenue at the group — which owns broadcasters RTL and M6, a slew of magazines such as Geo and Gala, and publisher Penguin Random House — remained stable at 3.9 billion euros ($4.3 billion). Meanwhile, net profit rose 7.0 percent compared with the same period in 2016, reaching 198 million euros. (AFP)

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LONDON: Troubled British telecoms giant **BT** said Thursday it will axe 4,000 jobs worldwide in a new cost-cutting drive, after posting sliding profits in a "challenging" year.

The positions will be cut across three divisions, which comprise global services, group functions, and technology, services and operations, BT said in its annual results statement. (AFP)

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