EU Google decision delayed to next week

EU antitrust regulators have postponed to next week a finding against Google's Android mobile operating system, a person familiar with the matter said, avoiding any clash with a visit to Brussels by US President Donald Trump.

The European Commission had scheduled a meeting of national competition agencies for Tuesday to brief them on the case, including what is expected to be a record-breaking fine against Alphabet unit Google.

But the meeting has been rescheduled to July 17, the person said, without giving a reason for the change.

Other sources said they expected a delay due to the presence of Trump, who is due to attend a NATO summit in Brussels this week.

The EU executive usually issues decisions on Wednesdays after its weekly meetings.

The EU antitrust enforcer has charged Google with using its dominant Android to marginalise rivals following a three-year long investigation seen as the most important of three EU cases against the world's most popular internet search engine.

The Commission handed down a landmark 2.4-billion-euro ($2.82 billion) penalty to Google last year for favouring its shopping service over rivals. The third case involves its online AdSense search advertising. (RTRS)

BMW to make electric MINIs in China

BMW Group and the biggest Chinese SUV brand, Great Wall Motor, announced a partnership Tuesday to produce electric MINI vehicles in China as global automakers ramp up development under pressure from Beijing.

The companies said they signed an agreement Monday during an event in Berlin attended by Chinese Premier Li Keqiang and German Chancellor Angela Merkel.

BMW and Great Wall said their venture, Spotlight Automotive Ltd, also will make electrics for the Chinese partner's brand.

Automakers are pouring billions of dollars into creating electric models for China, the biggest market for the technology.

Beijing is using access to its market as leverage to induce global automakers to help Chinese brands develop battery and other technology.

Auto brands in China are required to make electric vehicles at least 10 percent of their sales starting next year or buy credits from competitors that exceed their quotas. Later, they face pressure to raise those sales in order to satisfy fuel efficiency requirements that increase annually.

Sales of pure-electric passenger vehicles in China rose 82 percent last year to 468,000, according to an industry group, the China Association of Automobile Manufacturers. That was more than double the US level of just under 200,000. (AP)

Death by diamonds

Suicides of poor wipe the shine off India's gem trade

SURAT, July 10, (RTRS): After polishing diamonds destined for luxury stores from New York to Hong Kong for nearly 10 hours in a cramped workshop in western India, Vikram Raujibhai went home, waited for his family to leave, and locked the front door.

Raujibhai doused himself in kerosene and lit a match.

His family returned to find the 29-year-old's charred body, his case the latest in a series among workers with low wages and poor work conditions in India's booming diamond industry, as uncovered by a Thomson Reuters Foundation investigation.

Investigations spread over a year in the western Indian state of Gujarat found a pattern of suicides — many shrouded in silence — in the industry that cuts and polishes 90 percent of gems sold globally, with many workers paid per stone.

A few workers in the industry earn fixed wages — some even up to 100,000 Indian rupees ($1,450) or more a month — but over 80 percent of the total workforce earn a piece rate of 1 to 25 rupees for each stone they polish and have no social benefits.

Interviews with diamond unit owners, brokers, labour groups, families and the police revealed nine suicides since last November in the city of Surat, a hub for the trade, and the Saurashtra region where the workers are from.

But experts said this was likely to be just the tip of the iceberg in India, where industry figures show diamond exports surged 70 percent in the past decade, with no mandatory certification to ensure diamond processing is labour abuse free.

Families are reluctant to blame the diamond business, which employs over 1.5 million men — mainly from drought-prone parts of Saurashtra — for fear of losing work, with few other options.

Raujibhai's mother Wasanben is still coming to terms with the death of her son, the sole breadwinner after her husband, also a diamond polisher, died a decade ago of a heart attack.

Struggling

"Vikram started polishing diamonds when he was 16. He had been struggling to get more work," Wasanben said as she pulled open the curtains of the room where her son died in January.

Sitting outside the soot-layered room in a slum in Bhavnagar town in Saurashtra, Wasanben said her son was worried about mounting expenses and being unable to find love and marry.

"He earned 6,000 Indian rupees ($90) a month, but we were a family of seven and the money was never enough," she said.

"I assured him things will be fine and we were managing to eat. That day he waited for us to leave for a wedding (to kill himself)."

The skills of Indian polishers, after generations in the industry, and low labour costs ensure major mining firms from De Beers — the world's largest diamond producer by value — to Russia's Alrosa get raw diamonds processed in India.

When asked about worker suicides, De Beers — of the Anglo American Plc Group — the world's second biggest mining company Rio Tinto, and Russia's Alrosa said they had not encountered any cases in firms to which they sell rough diamonds.

Government officials said workers were paid well and the industry is "positive", setting up schools, hospitals and giving jobs to relatives of workers who died or committed suicide.

But campaigners said while most big firms have air-conditioned workshops and fixed wages, many smaller outfits have no toilets or ventilation and workers live, eat and sleep in the workshops in slave-like conditions.

Rough diamonds imported to India must be certified 'conflict-free' by the Kimberley Process scheme to ensure they have not been used to fund civil wars and are free of human rights abuse, not so called "blood diamonds". KP members account for about 99.8 percent of global production of rough diamonds.

But certification of cut and polished diamonds given by the global non-profit Responsible Jewellery Council (RJC) is optional.

Only about 90 firms from about 15,000 big and small diamond companies in Gujarat are certified RJC members. About 30 are authorised buyers of rough diamonds from De Beers that binds them to follow a set of labour rules.

But no one is pushing companies for certification of processed diamonds.

India's Gem and Jewellery Export Promotion Council — set up by the Indian government to boost the country's exports of gems — said it was up to unit owners to seek certification.

Gujarat labour officials said they had no role to play except ensuring the country's labour laws were enforced.

But campaigners are concerned about the welfare of workers paid by stone and with no social benefits, who often take on debt to feed and educate their families.

"The business has grown, there is better technology ... but only about 25 percent of workers earn enough to sustain themselves," said Gautam Kanani, commerce professor at Surat's J.D. Gabani Commerce College who studied the industry in 2007.

For some diamond workers the consequences can be fatal.

Stories of suicides gleaned from police files show a pattern — a seemingly untroubled worker suddenly killing himself.

Suicides

The highest number of more than 5,000 suicides reported in Surat city since 2010 were in areas where diamond workers live, police data the Surat police shared with the Thomson Reuters Foundation shows.

In Surat, the Thomson Reuters Foundation analysed the suicides of 23 men between January and April and found six cases of diamond workers who had hanged themselves or drank poison. It found three similar cases in the Saurashtra region.

Police officer Ashish Dodiya this year investigated the suicides of two diamond workers in their early twenties who drank poison.

Bharatbhai Jatharbhai Bhammar, 22, moved to Surat three years ago and lived in the workshop where he polished diamonds. He was at work when he drank poison in April this year.

"His job was to give the final polish to the diamond. He worked 10 hours every day like we all do," said his cousin, Lakshmanbhai Khodubhai Bhammar, who also polishes gems in Surat.

"I got a call from his workshop that day. He asked me to save him when I was rushing him to the hospital."

The other suicide victim, Rajeshbhai Makwana, had been polishing diamonds in Surat for six years and made about 13,000 rupees a month. He ended his life after an argument with his wife in February this year.

"He had no problems," Makwana's brother Santosh told the Thomson Reuters Foundation.

Dodiya dismissed a link between the deaths and work in the cases he investigated.

"They didn't die because of the diamond business. There are more cases of diamond worker suicides because of their high numbers in this area," he told the Thomson Reuters Foundation.

"No diamond worker will die of starvation. They are paid on time, every month."

Officers

Other police officers stationed in the area where diamond workers live in Surat did see a link between the suicide cases they investigated and diamond work.

"(The workers) take loans and are never able to repay them. We get such cases (suicides) when the (global) demand for diamonds drops and employers do not pay them," said Rameshbhai Gulabrao, who investigated two worker suicides this year.

Some workers said they go without wages for at least two months every year when business is slow and they have to borrow money to make ends meet.

In one case, a few kilometres from Bhammar's home in a crammed settlement in Surat, Miteshbhai Hiteshbhai Kansara, 22, hanged himself in March this year from a kitchen fan in the one-room flat he shared with his parents and younger brother.

"He worked with big diamonds and earned a fixed monthly salary of around 10,000 rupees. This is good money in Surat," said Kansara's younger brother Vatsal.

"He was good at studies. He studied up to 12th grade and was planning to go to college. He didn't want to polish diamonds."

Ramesh Ziliriya, who set up a diamond labour association in Rajkot in 2013 to protect workers rights, said while debt bondage and child labour may be a thing of the past in the diamond industry, "slavery and suppression continues".

"Workers do not protest their low wages as they fear losing their jobs," the former gem polisher said.

European exporters in China shift trade

Move to avoid higher US tariffs

BEIJING, July 10, (AP): European companies that export from China are changing the global flow of their goods to avoid higher American tariffs, a business group said Tuesday, as the impact of the US-Chinese trade war spreads.

Tariff hikes are "hitting immediately the bottom line" of companies that rely on the free flow of trade across countries, said Mats Harborn, president of the European Union Chamber of Commerce in China.

Companies are "scrambling to readjust supply chains" so US-bound goods don't pass through China, Harborn said at a news conference.

He said one has shifted final assembly of goods to a newly created American unit.

The Trump administration's tariff hike on medical equipment, electronics and other goods from China apply to exports made by US or European companies as well as Chinese suppliers.

Washington imposed 25 percent tariffs on $34 billion of goods in response to complaints Beijing is hurting American companies by stealing or pressuring enterprises to hand over technology.

European governments have criticized President Donald Trump's approach but have resisted Chinese efforts to recruit them as allies in their dispute.

Tariffs are a "dangerous and very blunt instrument," Harborn said.

"We share the concerns expressed by the American side," he said. "But there are better and less risky ways to deal with these problems."

Also Tuesday, China stepped up action against some US goods by announcing anti-dumping duties raw materials used in making optical fibers.

Optical fiber preforms from the United States and Japan will face additional duties of 37.9 to 78.2 percent for five years, the Ministry of Commerce announced.

Chinese leaders have emphasized the benefits to foreign companies from trading with the world's second-largest economy in an effort to deflect pressure to change industrial plans communist leaders see as a route to prosperity and global influence.

On Monday, Chinese and German companies including BASF and Volkswagen signed business deals worth 20 billion euros ($23.6 billion) during a visit to Berlin by China's No. 2 leader, Premier Li Keqiang.

Harborn said a European supplier of environmental technology believed it might have been awarded a Chinese government contract ahead of an American competitor due to its non-US status.

Also Monday, German automaker BMW AG said it would raise prices on US-built SUVs exported China due to higher tariffs.

Beijing's increases include an additional 25 percent tariff on cars imported from the United States, raising the total charge to 40 percent.

BMW exports SUVs from a factory in Spartanburg, South Carolina, that employs 10,000 people.

Pedestrians walk past Xiaomi's Mi Home store in Mong Kok, Hong Kong on July 8. Shares in Xiaomi, the world's fourth-largest smartphone maker, will start trading in Hong Kong on July 9, 2019 after weak pricing for its IPO led to a slash in valuation to $54 billion, according to local business media reports. (AFP)

Leaves other oil contracts becalmed

Hedge fund managers target US crude futures

(John Kemp is a Reuters market analyst. The views expressed are his own — **Editor**)

By John Kemp

LONDON, July 10, (RTRS): Hedge fund managers have continued to boost their bullish exposure to US crude futures and options, following a longer-than-expected disruption of pipeline deliveries from Canada.

Position-building in US crude, also known as WTI, accounted for almost all changes in the petroleum complex in the week to July 3.

Hedge funds and other money managers raised their net long position in the six most important petroleum futures and options contracts by 47 million barrels.

Portfolio managers raised net their long position in US crude (+41 million barrels) with minor increases in Brent (+4 million), US gasoline (+4 million) and US heating oil (+2 million).

Net length in European gasoil was cut by 3 million barrels, according to an analysis of regulatory and exchange data (https://tmsnrt.rs/2NFcNWQ).

WTI position-building is being driven by the draw down in inventories around Cushing and disruption of pipeline deliveries to the US Midwest as a result of the stoppage in production at Canada's Syncrude plant.

But the rest of the petroleum complex, including the international benchmark Brent, has shown no significant changes in recent weeks.

Funds' net long position in WTI has surged by 116 million barrels in the two most recent weeks, while net length in Brent has been unchanged.

Net length in WTI has closed the gap with Brent for the first time since June 2015, with managers holding a net long position of 457 million barrels in both benchmarks.

Portfolio managers hold the most lopsided position in WTI since June 2014, when Islamic State fighters were racing across northern Iraq and threatening the country's oilfields.

Hedge fund long positions outnumber short positions in WTI by a ratio of almost 13:1, up from less than 6:1 two weeks ago.

But away from WTI, there were no significant position changes. The fund community is running a substantial net long position across the petroleum complex, though it has been trimmed by light profit-taking since mid-April.

More than half of Asia-Pacific's population will be urban

Melbourne moves into co-housing

KUALA LUMPUR, July 10, (RTRS): In an ideal world, Alex Fearnside would cycle home from work, park his bike in the basement of his apartment complex in Melbourne city centre, then jog upstairs through a beautiful courtyard to his flat, stopping only for a quick chat with other residents in the shared dining area.

Later, Fearnside and his wife would head down to the communal kitchen to eat a meal cooked by their neighbours.

Fearnside's ten-year-old dream for life in the Australian city is nearing reality as it awaits planning approval. It is shared by 50 other Melbourne residents who belong to Urban Coup, a collective that wants to turn a disused button factory in an old industrial area into a co-housing community by 2020.

"What is driving us is we want to know our neighbours," said the 38-year-old environmental scientist. "We want to know that as we're growing old, we have people around us who have similar values to who we are and what we bring."

Urban Coup is one of five innovative housing initiatives that put community at their heart.

The projects are supported with expertise and networks mobilised by Resilient Melbourne, part of 100 Resilient Cities, a network backed by The Rockefeller Foundation to help cities deal with modern-day pressures.

This year, more than half of Asia-Pacific's population will be urban, and that figure will increase to two-thirds by 2050, the United Nations estimates.

But as the region's cities continue to expand, services and infrastructure are struggling to keep pace with rising populations and economic growth, while the effects of climate change have created additional challenges.

The Melbourne projects aim to help find solutions to the city's expanding urban sprawl, worsening traffic congestion and growing social isolation – all of which can contribute to problems like alcoholism and domestic violence.

And by building stronger community bonds, Melbourne should be better placed to recover from potential shocks and stresses, such as rising temperatures and droughts, infrastructure failures and potential pandemics, the schemes' proponents say.

"Many of the people who started Urban Coup remember growing up on streets where they knew everybody on that street," said Fearnside. "We wanted a building that would enable us to know our neighbours and allow us to support each other."

In the past decade, Melbourne has topped various polls as the world's most liveable city, attracting new residents to Australia's second-biggest city.

Just under 5 million people live there, and the population is expected to double over the next 30 years, putting increased strain on infrastructure and housing.

As more estates have been built on greenfield sites outside the centre, the rise in urban sprawl has brought problems.

Outpaced

Housing developments have outpaced infrastructure, leading to dormitory suburbs, whose residents commute daily but enjoy few services, amenities and transport links.

That causes traffic congestion and longer commute times, as well as a lack of interaction between neighbours, experts say.

"We live in a really beautiful part of Melbourne but we don't really know our neighbours," said Fearnside, who currently lives with his wife in a townhouse 5 km (3 miles) north of the central business district.

In Melbourne's central areas, high-rise blocks have become more common in recent years. But as in many other Australian cities, first-time buyers and families have struggled to afford steeper prices stoked by overseas property investors.

And much new construction has been driven by developers, which tend to put profit before the provision of leisure or communal facilities.

On average, Melbourne property prices have doubled over the last decade, said Clinton Baxter, state director at Savills property agency in the city, and this trend is set to continue.

Central government efforts to help first-time buyers include a grant for deposits and stamp duty concessions, while state governments have sought to open up more land and fast-track approval processes for developments.

Despite this, the supply of new and affordable housing in Melbourne has struggled to keep up with demand. It is not uncommon to see would-be buyers camping out overnight ahead of a land sale to be front of the queue for their own building plot.

"The state government has struggled to keep up with the infrastructure requirements for such a rapidly growing city," Baxter said.

The five projects supported by Resilient Melbourne will bring together developers, city and state government agencies, service providers and potential buyers and renters.

Each project is crafted around different community-focused models – some based on renewal of the inner-city and others starting from scratch on greenfield sites.

The projects will also be part of an academic study.

"We want this to be a genuine living experiment so that we can understand in deep ways what works and what doesn't work – and record it so the successes can be replicated in Melbourne but also internationally," said Toby Kent, the city's chief resilience officer.

The projects backed by Resilient Melbourne include a greenfield site for about 5,000 homes led by developer Mirvac.

It is working with local authorities to incorporate community aspects from an early stage.

Besides at least one new school, there will be a town centre with shops and a supermarket, and a hub to house programmes and events run by the council or residents, with a community-managed cafe and playground, said Anne Jolic, a director at Mirvac.

"Often people who move to some of these ... new housing (developments) will feel very isolated," she said.

Melbourne developer Assemble, meanwhile, plans to turn an old CD and DVD factory near the city centre into 73 flats.