

Daimler warns of profits snag

German automaker Daimler expects pretax profits this year to be significantly lower than 2018, after setting aside more money to tackle the fallout from its diesel emissions problems and an airbag recall. Friday's announcement drove down Daimler shares, which were 1.1% lower at 46.52 euros (\$52.50) on the Frankfurt exchange at midday. It's the second time Daimler has revised its profit forecast downward

in recent weeks. The company said its flagship Mercedes-Benz Cars unit is expected to see a return on sales of 3-5%, down from a previous estimate of 6-8%. Daimler is setting aside a further 1.6 billion euros for "ongoing governmental and court proceedings and measures relating to Mercedes-Benz Diesel vehicles." It said it's also increasing reserves related to the recall of Takata airbags by 1 billion euros. (AP)

Reckitt to pay \$1.4 bln to end probes

Reckitt Benckiser has agreed to pay up to \$1.4 billion to end US federal investigations into the marketing of an opioid addiction treatment by its former business Indivior, lifting a cloud that has been hanging over the British company for years. While the settlement is significantly higher than the \$400 million that the consumer goods group had set aside to cover the cost of the investigations, analysts said it could allow the company's new chief executive to focus on a turnaround plan.

"As new CEO Laxman Narasimhan steps in (effective Sept. 1), this clarifies the legal environment for RB and should allow the new management to focus on the RB 2.0 transformation," JP Morgan analysts wrote in a note. In an effort to regain investor confidence after setbacks including a safety scandal in South Korea, a failed product launch and a cyber attack, RB's outgoing boss Rakesh Kapoor launched a plan to split the group into two business units - one for health and one for hygiene and home

products. But investors feared the US investigations could hinder the company's transformation. "(The deal) gives the new CEO one less problem to worry about," Hargreaves Lansdown senior analyst Laith Khalaf said. However, the settlement marks the largest payout so far by any drug company involved in what US President Donald Trump has called the country's epidemic of opioid addiction. (RTRS)

France to push for tax deal at G7 meeting

Britain and Canada not ready to support

PARIS, July 13, (RTRS): France will use a G7 finance ministers' meeting it is hosting next week for a new push on minimum corporate taxation, although it is too early to agree on a specific rate, a finance ministry source said on Friday.

France has put fiscal justice at the heart of its year-long presidency of the Group of Seven industrialised nations. The July 17-18 summit takes place in Chantilly, north of Paris.

France and Germany made a proposal this year for minimum corporate taxation as part of a major overhaul of decades-old cross-border tax rules under way in the Organisation for Economic Cooperation and Development (OECD). Their efforts have been boosted by the Trump administration's 2017 tax reform

which in effect introduced a minimum level of tax in the United States.

France hopes that solid backing from G7 countries for minimum taxes will boost the efforts of the OECD, which is seeking agreement among nearly 130 countries by the end of 2020.

"One of the first priorities of this G7 finance ministers meeting is to revamp taxation for the 21st century such that it is adapted to the economic realities of the 21 century," the finance ministry source said.

Finance Minister Bruno Le Maire argues current rules allow big internet countries to get away without paying their fair share of tax as they can book profits in low-tax jurisdictions like Ireland regardless wherever the income originates from.

The source added that two G7 countries were not politically in a position to be able to agree either on a specific rate or a range.

"The best we can hope for is to agree on the principle of a range of rates," the source said.

German govt bonds set for worst week since Feb 2018

LONDON, July 13, (RTRS): Safe-haven German government bonds were set for their biggest weekly sell-off in nearly 1-1/2 years on Friday as signs of economic strength in Europe and the United States suggested fears of a downturn may be overdone.

Eurozone industrial production increased by 0.9% in May from the previous month, data from the European Union statistics agency Eurostat showed on Friday, comfortably

beating expectations of around 0.2%.

That followed data on Thursday showing US underlying consumer prices increased by the most in nearly 1-1/2 years in June amid solid gains in a range of goods and services.

"It was some much-needed good news as the data since (ECB President) Mario Draghi's dovish speech in Sintra has largely disap-

pointed," said ING economist Bert Colijn, referring to Draghi's June 18 comments.

"Still, industrial production is a very volatile indicator and after the poor April data, industry also needs to have grown at a decent pace in June in order for a contraction to be averted over the whole of the second quarter."

German 10-year bond yields hit a 3-1/2 week high of minus 0.224%, before pulling back to around minus

0.25% in late trade.

Bund yields were nevertheless up 10 bps on the week and set for the biggest weekly rise since February last year - a sharp contrast to the hefty yield falls of recent weeks.

Other eurozone bond yields were 2-4 basis points higher on the day. French 10-year government bond yields were up 3 bps at 0.05%, set for its biggest weekly rise in over two years, up 13 bps.

A second finance ministry source said that the two G7 countries with reservations were Canada and Britain, where calls in the latter are growing for the government to use its exit from the European Union to cut taxes.

In the absence so far of international progress updating tax rules,

France passed a tax on Thursday on big internet firms' French income, defying a US threat to respond with a probe that could trigger retaliatory tariffs.

In addition to the focus on tax, the G7 meeting in France will also weigh on the emergence on new digital cur-

rencies after Facebook's Libra project thrust the matter to the fore.

Regulators, central bankers and governments have joined in a chorus since Facebook's announcement, insisting that the company must respect anti-money-laundering rules and ensure the security of transactions and users data.

"Regulation is indispensable, but beyond regulation, the principle and the red-line we are drawing is that in no case private companies can set up a sovereign currency," the first finance ministry source said.

"All options are on the table," the source added without elaborating.



The brand won Quality Award for the 6th consecutive year

Mutawa Alkazi: GAC GS8 Named Leader in J.D Power Annual Review of Safety and Quality



Mutawa Alkazi Co., the exclusive and authorized distributor and dealership of GAC Motor in Kuwait, has revealed that GAC GS8 won J.D Power Quality award for SUV vehicles.

In a press release, Mutawa Alkazi pointed out that with this rating GS8 had won J.D Power award for the sixth consecutive time, making it a leader among Chinese commercial brands.

The company confirmed that the award is a recognition of the Chinese brand's continuous commitment to launching models meeting all preferences and maintaining driver and passenger safety as a top priority.

Mutawa Alkazi said that the award came after running GS8 through robust tests on several road types and under various world weather conditions. It emphasized that this accomplishment is but a

reflection of GAC vehicles ability to gain the trust of clients and partners and be their first choice in their daily trips and adventures.

Mutawa Alkazi noted that the J.D Power report praised GAC Motor strategy based on quality and driven by innovation and true professional spirit in designing each new model.

The company added that GAC adopts an integrated system that guarantees quality across the production process, starting with research and development up to production, manufacturing and creating the chain of sales and services.

In order to guarantee the quality and safety of the product, GAC Motor adopted a strict quality control system with the aim of achieving "Zero defects" and improving the quality standards through 6 management activities, 5 checks and tests and two main systems for



monitoring the product flow. Mutawa Alkazi saw that rating GS8 as the top Chinese commercial brand in integrated SUVs reflects GAC Motor success in improving the systems, boosting the institutional mechanism and innovative driving. Mutawa Alkazi invited its clients to visit its showrooms in Al-Rai and Shuwaikh (Al-Tilal Complex) to get acquainted with the GS8 merits and to avail themselves of a chance to test drive it, pointing out that its work team is ready to answer all queries and offer advice to clients

Innovative design with high safety features

The design of the new "GAC GS8 2019" strives for comfort with the three-sided, butterfly-shaped head rest meeting the work environment and creating a beautiful feeling of guarding the head and reducing fatigue. The seats are covered in natural napa leather with an exclusive lining technique to show

elegance, smoothness, gloss and splendor.

Leather is also used in covering parts of the doors aesthetically and elegantly with added trimmings evoking the flow of water in the forest with special attention to details.

GAC provided its car with a distinctive design for the rear with upward opening of the storage area to offer more comfort when loading luggage.

Add to this an attractive rear bumper with reflexive lights as well as a rear 3D tunnel-shape lighting. Integrated with the bumper are two chrome exhaust vents.

An embodiment of power, GS8 of GAC Motor is a classy car that reached the top in world markets with its unique style and features guaranteeing distinctive driving with the world's most advanced and efficient energy system.

The vehicle embodies innovative renewable energy system, the result of GAC Motor R&D efforts, incorporating the top fifty technologies in this field.

The car features a sophisticated and safe suspension and auto-braking system in emergencies. There is also the warning system at leaving the lane which is automatically activated.

Upon exceeding 30km/h speed the front collision system is automatically activated depending on various degrees of danger. The car is fitted with an adaptive cruise control to maintain safe distance from other cars at all times.

The car boasts a new grille, remote monitoring, smart security, rescue and emergency new and unique services which allow remote operation and one-button control.



Linked to IMF bailout

Pakistani merchants strike over austerity

KARACHI, Pakistan, July 13, (RTRS): Markets and wholesale merchants across Pakistan closed on Saturday in a strike by businesses against measures demanded by the International Monetary Fund to crack down on tax evasion and bolster the country's depleted public finances.

In Karachi, the country's main commercial city, around 80% of markets dealing in bulk goods were closed, said Atiq Mir, president of the All Karachi Traders Alliance, which represents hundreds of markets in the city.

"Government policies have created mistrust in trade and industry," said Mir, who added that traders were already struggling with corrupt tax officials demanding bribes.

Similar strikes were called in other big business centres including the eastern city of Lahore, Rawalpindi, near the capital Islamabad, and Multan, home to a celebrated ceramics industry.

Not all business associations joined the strike but the move underlines the pressure facing Prime Minister Imran Khan's government, which came to power last year promising millions of new jobs and welfare measures to help the poor.

Instead, like so many of its predecessors, it is having to impose tough austerity measures having been forced to turn to the IMF for Pakistan's 13th bailout since the late 1980s.

In Karachi, calm prevailed around the main electronics market in the old city that would normally be bustling on a Saturday with traders selling everything from mobile phones to televisions, refrigerators and air conditioners.

A popular textiles market on Tariq Road in another part of the city was also closed as traders, already struggling to attract customers hit by a sliding rupee and inflation running at around 9%, shut up shop for the day.

Under the IMF bailout, signed this month, Pakistan is under heavy pressure to boost its tax revenues to plug a fiscal deficit which has ballooned to around 7% of its gross domestic product, as well as avert a looming balance of payments crisis.

The South Asian country has long suffered from a weak tax base, with only about 1% of its 208 million population filing income tax returns and key industrial sectors dominated by powerful lobbies that pay little or no tax.

Among the measures which have roused the anger of traders is a new rule that would require customers buying items worth 50,000 rupees (\$315) or over to produce identity documents, a move intended to help authorities to track tax evaders.

"The new condition of the national identity card on purchases of 50,000 rupees or more has created harassment among the people," Mir said.

Under the measures agreed with the IMF, the government has also agreed to close loopholes and preferential rates in sales tax on sugar, steel, edible oils and medium and large retailers, hitting many businesses.

"We want zero tax on small retailers. Sales tax should be limited to the manufacturing sector," Mir said.

The strike, which follows isolated protests by traders this month, was called after the government refused to agree to the traders' demands to abandon its tax plans. (\$1 = 158.2500 Pakistani rupees)



Motorcyclists ride through a market which is closed due to a strike in Rawalpindi, Pakistan, July. Pakistani traders have largely kept their business shut across the country against the new sales tax regime in the first budget of the new government they and opposition parties said came on the diktat of International Monetary Fund in turn of a \$6bn bailout package. (AP)