Finland to investigate Nokia-branded phones after data breach report

Finland's data protection ombudsman said on Thursday he would investigate whether Nokia-branded phones had breached data rules after a report said the handsets sent information to China.

Nokia-branded mobile phones are developed under licence by Finnish company HMD Global, which said no personal data had been shared with a third party although it said there had been a data software glitch with one batch of handsets that had been fixed.

Ombudsman Reijo Aarnio told Reuters he would assess whether there were any breaches that involved "personal information and if there has been a legal justification for this."

Norwegian public broadcaster NRK reported on Thursday a data breach related to the Nokia 7 Plus model, built by HMD. It said the company had "admitted that an unspecified number of Nokia 7 Plus phones had sent data to the Chinese server."

Nokia, which receives royalties from HMD but has no direct investment in the firm, declined to comment.

US accusations that Chinese telecom giant Huawei posed an espionage risk has heightened Western government security concerns. Huawei, which competes with Nokia in the network business, denies it poses any such risk.

NRK said it was alerted to the data issue after a Nokia 7 Plus user contacted them to say his phone often contacted a particular server, sending data packages in an unencrypted format. NRK said HMD had declined to say who owned the server.

"We can confirm that no personally identifiable information has been shared with any third party," HMD Global said in an email to Reuters, adding there had been "an error in software packaging process in a single batch of one device model".

"Such data was never processed and no person could have been identified based on this data," HDM said, adding the error had been fixed in February and that nearly all affected devices had installed the fix.

Nokia, once the world's dominant cellphone maker but which struggled to keep up with the shift to smartphones, sold all its handset activities and is now focused on telecom network equipment.

The handset business was initially sold to Microsoft in 2014. HMD, set up by former Nokia executives, took over the Nokia feature phone business from Microsoft in 2016 and struck a deal with Nokia Oyj to use the brand on smartphones. (RTRS)

Performance reflects our long-term strategy of portfolio diversification: Vice-Chairman

KIPCO reports 20% net profit rise to KD 28.3mn for 2018

KUWAIT CITY, March 21: KIPCO– the Kuwait Projects Company (Holding) – has announced a net profit of KD 28.3 million (US$ 93.3 million) for the year ended 31 December 2018, an increase of 20 per cent on the KD 23.6 million (US$ 77.8 million) reported in 2017.

Al Ayyar

Earnings per share was up 30 per cent from 11.5 fils (US$ 3.8 cents) per share reported in 2017 to 15 fils (US$ 4.9 cents) per share at the end of 2018.

KIPCO's Board of Directors is recommending a cash dividend of 12 per cent (12 fils per share) subject to approval by the company's General Assembly and regulatory authorities.

Total revenue from continuing operations in 2018 increased by 13 per cent to KD 774 million (US$ 2.55 billion) compared to the KD 686 million (US$ 2.26 billion) reported in 2017.

KIPCO's consolidated assets stood at KD 10.4 billion (US$ 34 billion), compared to KD 10.3 billion (US$ 34 billion) reported at year-end 2017.

Faisal Al Ayyar, KIPCO's Vice Chairman (Executive), said that the business environment continued to be difficult in 2018, but the company was able to perform well despite these circumstances:

"The performance we achieved in 2018 reflects our sound operations and long-term strategy of portfolio diversification. We predicted earlier that we will face challenges that are not structural, but rather the result of external elements such as competition, weakened operating environment, as well as regional economic and political struggles. Despite all this, the performance of our core businesses has exceeded our expectations thanks to the internal discipline we adhere to and our focus on streamlining our operations."

He added: "During 2018, our banking operations reported record profits and strong growth in revenue and net income. Meanwhile, our insurance network successfully increased its profit, gross written premiums and shareholder equity. While we look to 2019 with caution, we believe that our prudent internal practices and strategy of diversified investments will guide us towards a more positive outcome this year."

UK firms step up preparations for a 'no-deal' Brexit, says BoE

Uncertainty likely to remain for months, even years: survey

LONDON, March 21, (AP): UK companies have ratcheted up their preparations for a disorderly "no-deal" Brexit as best they can over the past couple of months, the Bank of England said Thursday.

With the prospect of a chaotic Brexit potentially eight days away, a survey by the central bank's agents showed that around 80 percent of companies "judged themselves ready" for such a scenario, in which the country crashes out of the European Union with no deal and no transition to new trading arrangements with the bloc. That's up from around 50 percent in an equivalent survey in January.

For decades, trading with the rest of the EU has been seamless. A disorderly Brexit could see the return of tariffs and other restrictions on trade with the EU, Britain's main export destination.

To prepare, some firms have moved jobs and operations to the EU to continue to benefit from its seamless trade. Many have had to learn how to file customs declarations and adjust labels on goods. Exporters of animals are learning about health checks they will need to comply with.

According to the bank's survey, however, many of those companies preparing for a "no-deal" Brexit said "there were limits to the degree of readiness that was feasible in the face of the range of possible outcomes in that scenario."

There's only so much companies can do, for example, to prepare for new tariffs and exchange rate movements.

Britain appears headed for a "no-deal" Brexit on March 29 if Prime Minister Theresa May fails to win parliamentary support for her withdrawal agreement with the EU.

She is meeting EU leaders in Brussels on Thursday in an attempt to get support for a delay to the country's departure date to June 30. EU leaders have said a short extension would have to be conditional on her Brexit plan getting parliamentary backing and have indicated they would only be willing to back a delay to May 22, the day before elections to the European Parliament. After two heavy rejections in parliament, there are doubts as to whether she will be able to get parliamentary approval. What would happen next is uncertain.

The Bank of England warned in November that the British economy could shrink by a massive 8 percent within months, though Governor Mark Carney has indicated the recession will be less savage, partly because of heightened preparedness.

According to the minutes of the latest meeting of the bank's nine-member Monetary Policy Committee, at which the main interest rate was kept at 0.75 percent, rate-setters warned "Brexit uncertainties would continue to affect economic activity looking ahead, most notably business investment."

Brexit uncertainty has dogged the British economy for nearly three years. In 2018, the economy grew by 1.4 percent, its lowest rate since 2012, even during what was then a global upswing. Business investment was down 3.7 percent in the fourth quarter from the year before.

"Business investment had now fallen in each of the past four quarters as uncertainties relating to Brexit had intensified," the rate-setters said.

The survey showed uncertainty was likely to remain for months, even years, as Britain works out its long-term relationship with the EU. It said around 60 percent of UK firms in February said Brexit was one of their top three uncertainties, compared with 40 percent just after the June 2016 Brexit referendum.

Around 40 percent of firms expect the uncertainty to be resolved only by the end of 2019 and 20 percent anticipate it persisting into 2021 or beyond.

British Prime Minister Theresa May, (center), speaks with Dutch Prime Minister Mark Rutte, (right), and Lithuanian President Dalia Grybauskaite, (left), during a round table meeting at an EU summit in Brussels, March 21. British Prime Minister Theresa May is trying to persuade European Union leaders to delay Brexit by up to three months, just eight days before Britain is scheduled to leave the bloc. (AP)

No-deal Brexit would hurt EU significantly: Barclays

Bankers back London as financial hub

LONDON, March 21, (RTRS): London will be central to global financial markets whatever shape Britain's exit deal from the European Union (EU) takes, senior players in British banking said on Thursday.

Barclays chairman John McFarlane said he was confident that London would remain a global financial centre able to secure access to Europe after Brexit.

"In the event of a no deal situation, this would hurt the EU very significantly if that was the case, and that would quickly resolve into some form of arrangement," McFarlane said.

EU leaders will on Thursday tell British Prime Minister Theresa May during a meeting in Brussels that she can have two months to organise an orderly Brexit.

But Britain could still face a hugely disruptive ejection from the bloc on March 29, the legal date set for Britain to leave the EU, if May fails to win parliamentary backing for the deal she has struck with her soon-to-be former partners.

Parliament has twice rejected the divorce settlement negotiated by May, but she could push for a third vote.

"It's imperative we avoid a no-deal Brexit," City of London financial district chief Catherine McGuinness said in a speech underscoring the loss of patience in Britain's biggest tax raising sector with politicians.

"An extension would be welcome and let's hope our EU partners agree to that. But it would only be a sticking plaster unless the deep underlying issues are resolved and we actually make progress," McGuinness said.

She expects London's strengths as a global financial centre to remain, but it also appeared that financial services had been "thrown under a bus" in Britain's efforts to secure a deal.

Britain's financial services minister John Glen said bankers had every right to feel frustrated with the failure to secure a divorce with just a week to go before Brexit Day, but added it was important to recognise "how unlikely" a no-deal Brexit was.

This optimism was echoed by the Barclays chairman.

"In the end, there is going to be a deal, however it transpires," McFarlane told the conference, adding that London had "evolved" as a global financial centre by being open, but the EU appeared to think of itself as a "closed system". European Commission officials reject this and the EU wants to bolster its own capital market without Britain, which will only get access if it sticks with rules that are "equivalent" or aligned with those in the bloc, meaning London's room for rowing back on rules could be limited.

However, Norman Blackwell, chairman of Lloyds Banking Group , said Brexit was an opportunity for "regulatory stability" and less burdensome capital and reporting rules for domestically focused financial firms.

Blackwell said equivalence worked both ways and Britain should not blindly follow EU rules after Brexit.

Many banks, including Barclays, insurers and asset managers have shifted more than 1 trillion pounds ($1.31 trillion) in assets to new hubs in the EU to avoid any Brexit disruption.

"On 30th of March, whatever happens, the European capital market will be in London," McFarlane said.

Meanwhile, a group representing British employers and the country's main trade union umbrella group jointly called on Prime Minister Theresa May to change her approach to Brexit and said the risk of a major hit to the economy had grown.

"Our country is facing a national emergency. Decisions of recent days have caused the risk of no deal to soar," the Confederation of British Industry and the Trades Union Congress said in a joint letter to May.

"Firms and communities across the UK are not ready for this outcome. The shock to our economy would be felt by generations to come."

Liverpool investment opens port to bigger ships

Peel Ports expands amid Brexit uncertainty

LONDON, March 21, (RTRS): Privately owned Peel Ports is expanding its workforce mostly in Liverpool and plans acquisitions this year, its chief executive said, as Britain prepares its ports to ease any trade disruption caused by Brexit.

The British operator has been upgrading much of its network of seven ports, especially in northwest England, aiming to draw business away from ports further south.

Ports in the southeast, through which most of Britain's trade with the European Union flows, could become clogged if customs inspections are required when Britain leaves the EU. This has put a focus on ports elsewhere to ease any pressure.

"As a business we are in a pretty strong place and we are expecting to grow," Peel Ports CEO Mark Whitworth told Reuters.

"We are hoping in the year ahead to try and complete one or two small acquisitions," he said, adding that this would be in the general cargo sector. He did not elaborate.

Peel Ports acquired Great Yarmouth port on England's east coast in 2015 and Whitworth said the group was "constantly on the lookout for those kind of deals".

Peel Ports recorded turnover in the year to March 2018 of 717 million pounds ($946 million), a rise of 11 percent from a year earlier.

The group, which has nearly 2,000 employees excluding sub-contractors, will create 250 new jobs this year, especially in the northwest region, Whitworth said.

Peel Ports has invested 400 million pounds in transforming Liverpool's facility into a deep-water container terminal that can receive bigger ships. It aims to boost transatlantic trade.

Liverpool and the wider northwest area account for some 70 percent of Peel Ports' overall profits.

MSC of Switzerland, the world's No. 2 container line, said in March it was launching a service between the Mediterranean and Canada, which includes a Liverpool stop.

This is in addition to a separate service from Liverpool to New York that began last year and which is run jointly with the world's No. 1 player Maersk Line.

"The whole of the UK shipping industry is on tenterhooks about the impact of Brexit," an MSC spokesman said.

"Liverpool's mini-renaissance as a hub for international trade offers a morsel of stability at a time of great uncertainty for cargo shippers and the shipping lines which serve them," the spokesman added.

British retailer B&M said in January it would increase on a trial basis the amount of its cargo shipped through Liverpool to 80 percent from 50 percent.

Peel Ports said this would alleviate pressure on B&M caused by delays at southern ports. B&M declined to comment when asked if the move was related to any Brexit concerns.

Peel Ports' other projects include expanding logistics facilities along the Manchester Ship Canal, a waterway linking Manchester to Liverpool, and bolstering activity from the Irish Sea through Heysham port, north of Liverpool.

"The whole Brexit backdrop is forcing Liverpool to go further up the pecking order in looking at alternative routes into the UK," Whitworth said, adding that there was little warehousing capacity at the moment in most ports in the north.

UST yields hit 14-month lows

German 10-year yield hurtles towards 0 pct

LONDON, March 21, (RTRS): Germany's 10-year bond yield hurtled towards zero percent on Thursday, dropping to its lowest since late 2016, a day after the US Federal Reserve abandoned projections for any rate rises this year given signs of an economic slowdown.

The Fed also said on Wednesday it would halt the steady decline of its balance sheet in September, in what proved to be a more dovish-than-anticipated Fed meeting.

The news pushed US 10-year Treasury yields to 14-month lows in the biggest one-day fall since Jan 3. They reached new lows in European trade on Thursday, dragging European bonds down with them.

Germany's benchmark 10-year bond yield fell four basis points to 0.039 percent, its lowest in over two years and bringing it closer to zero percent. The US/German 10-year bond yield gap narrowed to its tightest since mid-January and was last seen around 247 bps.

"The Fed couldn't have been more Treasury market friendly short of calling the next recession and signalling rate cuts," said John Davies, G10 rates strategist at Standard Chartered Bank in London.

"It's fully understandable why we're back at these levels in German Bund yields given what has happened at the Fed and Treasury yields."

Across the euro zone, long-dated bond yields fell as much as six bps on the day.

"What the Fed did by shelving rate hike bets this year and ending the balance sheet reduction went further than what many had expected," said KBC rates strategist Mathias van der Jeugt.

"More and more investors will take this as a signal that this is the end of the rate hiking cycle."

The Fed's policy action provided fresh impetus to a sharp fall in government borrowing costs in the euro area, sparked by the more-dovish than expected ECB earlier this month.

German and French 10-year bond yields are down around 14 bps each this month.

"Given how entrenched the downtrend in the Bund yield appears to be, hitting zero percent wouldn't be a surprise," Davies at Standard Chartered said.

But by being as dovish as it has been, he said, the Fed may create conditions for a turnaround in economic growth and sentiment that could ultimately push German yields higher from here.

British 10-year bond yields tumbled over seven bps to their lowest since September 2017, amid ongoing negotiations over Brexit and fears of a no-deal Brexit.

British Prime Minister May has asked European Council President Donald Tusk to delay Brexit from March 29 until the end of June and said she was preparing for a third vote in the British parliament on the exit deal she arduously negotiated with the European Union.

Traders are increasingly worried that in the likelihood of her deal failing for a third time to pass parliament next week, a host of possibilities open up, none of which are positive for markets in the short term.

Banks' probability metrics of a no-deal Brexit remain low and haven't changed in recent days – Berenberg, for example, maintain their probability at a slim 15 percent.

Trump praises Ford's plans

WASHINGTON, March 21, (RTRS): US President Donald Trump praised Ford's announcement that it is building a new plant in Michigan for autonomous vehicles, saying it is "great news."

Trump said in a tweet "great news from Ford! They are investing nearly USD one billion in Flat Rock, Michigan for auto production on top of a USD one billion investment last month in a facility outside of Chicago."

"Companies are pouring back into the United States – they want to be where the action is!" he remarked. Ford announced Wednesday that is "expanding its production capacity for the company's next-generation battery electric vehicles at a second North American plant."

The company said in a statement that Ford is expanding its BEV manufacturing footprint to its Flat Rock Assembly Plant in southeast Michigan," and that the plant will become "the production home to vehicles from the company's next-generation battery electric flexible architecture."

It added that Southeast Michigan workers also will make Ford's "first autonomous vehicles starting in 2021," and that it is also building its "next-generation North American Transit Connect in North America in 2021, boosting program profits and regional content, in line with the proposed United States-Mexico-Canada Agreement (USMCA)."

The statement indicated that the company is "investing approximately $900 million in its southeast Michigan manufacturing footprint and targeting 900 incremental direct new jobs through 2023."