In this file photo, a Nintendo sign is seen at the company's official store in the Shibuya district of Tokyo. Japanese video-game maker Nintendo Co has scored a 33% jump in annual profit as people stuck at home during the coronavirus pandemic turn to playing games. (AP)

Nintendo profit zooms as virus has homebodies playing games

Nintendo Co's profit multiplied more than sixfold in April-June as people stuck at home during the pandemic turned to playing video games.

The Japanese manufacturer of Pokemon and Super Mario games, as well as the Switch console, reported Thursday a profit of 106.4 billion yen ($1 billion) in the fiscal first quarter, up from 16.6 billion yen last year.

Quarterly sales at Kyoto-based Nintendo jumped, doubling to 358 billion yen ($3.4 billion) on-year.

Especially popular was "Animal Crossing: New Horizons," of which 10 million were sold during the three months, reaching cumulative sales of 20 million. Also popular was "Mario Kart 8 Deluxe."

"Ring Fit Adventure," which has players exercising while jogging in place holding a ring that works as controller, was also a hit. It has already sold 4 million units since going on sale in October.

Nintendo Switch sales, both of the handheld machines and software games, were zooming amid the pandemic.

Nintendo said various online games in its lineup, including those for mobile devices, were also drawing more people.

Although the coronavirus outbreak has swamped economies in the worst contraction since the Great Depression, some businesses like Nintendo are thriving.

Japanese and electronic and entertainment conglomerate Sony Corp, which also has a game unit with its PlayStation series, also reported positive results earlier this week. (AP)

China's exports rise despite virus, tariff war

Sales to United States jumped 12.5 percent

BEIJING, Aug 8, (AP): China's exports rose by an unexpectedly strong 7.2% in July as the world's second-largest economy recovered from the coronavirus pandemic.

Sales to the United States jumped 12.5% despite a plunge in U.S. economic activity and a lingering tariff war with Washington, customs data showed Friday.

Global exports accelerated from June's 3% gain and exceeded forecasts of little to no growth.

"There is an overall improvement in exports in July from June, not just medical supplies which had previously been the main contributor," said Iris Pang of ING in a report. She pointed to gains in shipments of electronics, autos and clothing.

Imports weakened by 1.4% in financial terms due to falling commodity prices but the total volume increased.

China, where the pandemic began in December, was the first economy to shut down to fight the coronavirus and the first to reopen after the ruling Communist Party declared victory over the disease in March.

The world's second-largest economy grew by 3.2% over a year earlier in the three months ending in June as factories and stores reopened, rebounding from the previous quarter's 6.8% contraction.

Chinese exports recovered faster than the global total, suggesting manufacturers are taking market share from competitors in countries that might still be under restrictions that hamper trade.

Exporters benefited from a surge in demand for Chinese-made surgical gloves, masks and other medical supplies.

Forecasters warn export demand may fall back as rising numbers of coronavirus infections in the United States and other countries prompt governments to reimpose controls on business.

"The road ahead may be bumpy," Louis Kuijs of Oxford Economics said in a report.

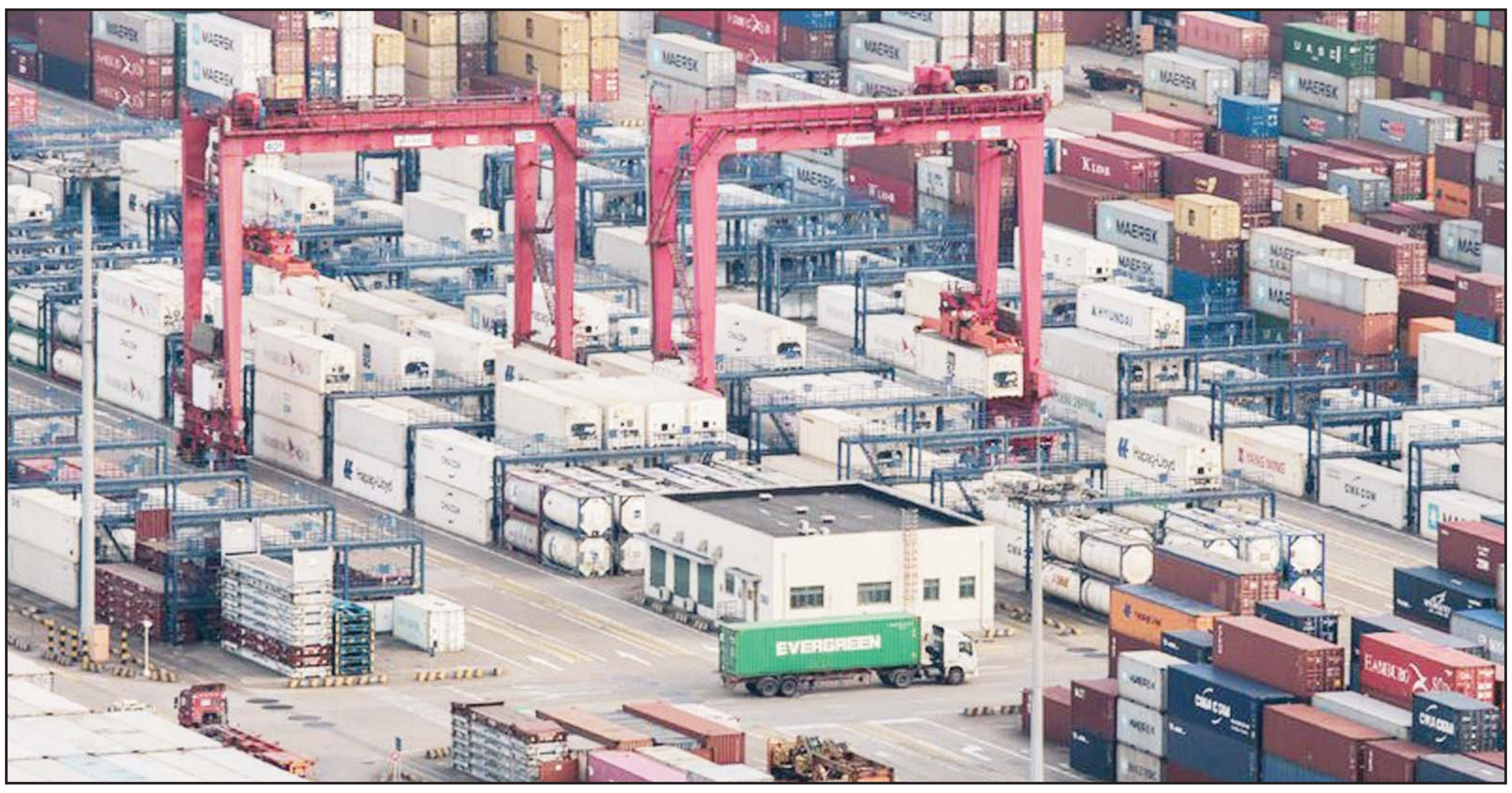
In July, exports rose to $237.6 billion, accelerating from June's 3% gain. Imports weakened to $175.3 billion.

Exports to the United States rose to $43.7 billion. Imports of American goods gained 3.6% to $11.3 billion.

Sales to the United States rose 12.5% despite a lingering tariff war with Washington, customs data showed Friday.

Overall, exports rose to $237.6 billion, an improvement over June's 3% gain. Imports weakened by 1.4% to $175.3 billion.

The country's politically sensitive trade surplus stood at $62.3 billion.



In this file photo, a cargo truck drives amid stacked shipping containers at the Yangshan port in Shanghai. China's exports rose 7.2% in July as the world's second-largest economy recovered from the coronavirus pandemic. (AP)

Bid to bolster economy

Cuba 'launches' some long-delayed reforms

HAVANA, Aug 8, (AP): With its airports closed to commercial flights and its economy tanking, Cuba has launched the first in a series of long-promised reforms meant to bolster the country's struggling private sector.

The island's thousands of restaurants, bed-and-breakfasts, auto mechanics and dozens of other types of private businesses have operated for years without the ability to import, export or buy supplies in wholesale markets. While the communist government began allowing widespread private enterprise a decade ago, it maintained a state monopoly on imports, exports and wholesale transactions.

As a result, the country's roughly 613,000 private business owners have been forced to compete for scarce goods in Cuba's understocked retail outlets or buy on the black market. That has limited the private sector's growth and made entrepreneurs a constant target of criminal investigation.

With the essential tourism business cut off by the novel coronavirus and the government running desperately low on hard currency, the government last month announced that it would allow private restaurants to buy wholesale for the first time. Ministers also announced that private business people could sign contracts to import and export goods through dozens of state-run companies with import/export licenses.

Within four days of its opening to private business, 213 restaurant owners signed up to buy beer, flour, yeast, shrimp, sugar, rum and cooking oil at a 20 percent discount off retail at the Mercabal wholesale market in Havana, state media reported. A similar market has been opened to entrepreneurs in the eastern city of Holguin, according to state media.

Government officials have not said how many import/export contracts have been signed.

Private business owners said they welcomed their new wholesale access, although some said they were skeptical given Cuba's long history of failing to follow through on economic reforms, or of periodically launching crackdowns on what it considers illicit or excessive private sector wealth.

"It's a really good initiative,'' said Tony Baró, the 51-year-old owner of a restaurant in Havana's Vedado neighborhood who was signing up to purchase in the market last week. "It's not meeting all the expectations yet, but we hope that it will in the future.''

Along with limited wholesale, importing and exporting, the government has promised to allow the formation of small and mid-sized private business. Until now, the only legal category of private work has been a license for self-employed people, even though in many cases the self-employed are in fact owners of flourishing businesses with numerous employees.

The government also said it would allow extensive business between private and state-run enterprises, allowing private business to buy and sell from state companies.

On Thursday night, Labor Minister Marta Elena Feitó announced that the authorities are also studying the elimination of some restrictions on the types of businesses allowed to be private so as to encourage entrepreneurial creativity. She offered no details.

Many such measures have been discussed or approved for years, without government action, or withered over time.

"With these measures endure? Is it a temporary patch that they'll undo later, as they've done before?" said Camilo Condis, a 34-year-old self-employed businessman.

The Cuban government has been the target of years of increased sanctions by the Trump administration, although the shutdown of commercial flights under coronavirus has had a far more dramatic effect in less than five months. The government has managed to maintain a low rate of infection but the economy is estimated to drop 8% this year after years of near-zero growth.

A worker moves goods with a forklift at the entrance of Mercabal wholesale market where customers wait to enter in Havana, Cuba, Thursday, July 30, 2020. The government is letting private businesses buy wholesale for the first time. (AP)

Automaker in midst of $11 billion restructuring plan

Ford COO Farley to lead company, Hackett to retire

DETROIT, Aug 8, (AP): Jim Farley will lead Ford Motor Co. into the future as the global auto industry faces a new era of autonomous and electric vehicles.

The company named Farley, 58, as its new CEO effective Oct. 1, replacing Jim Hackett, who will retire after three years at the helm. Farley, who has been with Ford for more than a decade, had been chief operating officer since February and clearly was being groomed for the top position.

He faces tough challenges as the industry emerges from the coronavirus pandemic. Ford is losing money and is transitioning from an aging model lineup to new vehicles, including those powered by electricity. It's also in the midst of an $11 billion restructuring plan to cut costs and bureaucracy and make money off its autonomous vehicle unit.

Executive Chairman Bill Ford, the great grandson of founder Henry Ford, said the board briefly discussed looking outside for a CEO, but was inspired by Farley's leadership and felt the company is moving in the right direction. "We talked about it and we did throw some names around,'' he said on a conference call Tuesday. "Every time we did that, we always felt that Jim Farley rose to the top.''

As COO, Farley led the company's global markets and product development. He was in charge as Ford rolled out a revamped F-150 pickup - the country's best-selling vehicle - the new Bronco off-road SUV brand and the electric Mustang Mach-E SUV.

Farley, who was hired away from Toyota by then-CEO Alan Mulally in 2007 to run Ford's marketing operations, said Tuesday that his main goal is for a smooth transition, but he has plans for the future that will be announced later.

The company, he said, would continue on the path set by Hackett, with priorities of reaching a 10% profit margin in North America, seeking immediate material and warranty cost improvements, fixing under-performing businesses, maximizing opportunities in commercial vehicles and outperforming the industry in rolling out new models.

The 117-year-old company, he said, would grow and expand where it is strong, like making the transition from internal combustion engines to electric powered commercial vehicles. It also wants to move more toward digital sales and add revenue from services such as electric vehicle charging and software, he said in an interview.

Ford has been phasing out most cars in recent years because they didn't make money. But that has left the company without low-priced vehicles. Farley said he wants to change that by using Ford's lower cost structure "to really create a lineup of more affordable products that go below what we offer today, so the brand is approachable and affordable, but do so in a profitable way."

He wouldn't say whether the new vehicles would be cars or SUVs.

In a nod to the changing auto industry, Farley left out traditional rivals General Motors and Fiat Chrysler when naming Ford's competitors. Instead, he identified them as retail giant Amazon, Chinese search engine Baidu, electric car maker Tesla, iPhone maker Apple, and Japanese automaker Toyota.

The 65-year-old Hackett took over for the ousted Mark Fields in May of 2017. Almost immediately he began reviewing Ford's management structure and flattened the organization so it could move faster. But his often lengthy directives confused employees who weren't clear on where the company was headed. In 2018, an analyst asked Hackett how much longer he expected to be with the company.

Investors weren't impressed during Hackett's tenure as analysts complained about the slow pace of restructuring. Ford shares lost more than 25% of their value, but they were up nearly 2% after Tuesday's announcement.

Farley said Tuesday he's optimistic about Ford's future as new products arrive and cost cuts take hold.

Hackett, a retired Steelcase CEO who had run Ford's mobility efforts, will stay on as an adviser through March. Bill Ford praised Hackett for taking difficult steps to modernize the company, reducing bureaucracy, and preparing it for the future.

"We now have compelling plans for electric and autonomous vehicles, as well as full vehicle connectivity. And we are becoming much more nimble,'' Ford said. He cited Ford's quick shift to make ventilators, face shields and other protective equipment at the start of the coronavirus pandemic.

Hackett also made the difficult decision to move Ford out of the sedan business in the U.S. as the market shifted dramatically to SUVs and trucks.

It was apparent that Farley would take over as CEO in February, when Ford announced a management shake-up after a poor fourth-quarter financial performance and the botched launch of the Explorer SUV.

Thousands of BA workers face job losses

LONDON, Aug 8, (AP): Some 4,000 British Airways workers are learning Friday whether they will be fired as the airline slashes jobs amid the drop in demand and travel restrictions stemming from the COVID-19 pandemic.

The trade union Unite accused the airline of forcing workers out due to "naked company greed.'' British Airways employees who keep their jobs face pay cuts.

"This is a very bleak day for the incredible BA workforce and will go down in the history of the airline as the day that it put the interests of the boardroom ahead of its passengers and workforce,'' Unite Assistant Secretary General Howard Beckett said. "These workers have given years of dedicated service to this company, some as many as 40 years, and indeed to our country, as many were involved in the repatriation of British citizens at the outset of this pandemic.

"Today they will be dismissed by email by an employer whose spiteful mistreatment of them is nothing other than despicable," he said.

In this file photo, a British Airways planes is parked at London's Heathrow Airport. The airline is planning to axe thousands of jobs amid the drop in demand and travel restrictions stemming from the COVID-19 pandemic. (AP)

Unions argue that while pilots were able to negotiate a deal that avoided massive job losses, others such as engineers, cabin crew members and airport workers were not given the same offer.

British Airways said Unite and another union, GMB, failed to attend consultation meetings during the past three months.

"Our half year results, published last week, clearly show the enormous financial impact of Covid-19 on our business,'' British Airways said in a statement: "We are having to make difficult decisions and take every possible action now to protect as many jobs as possible.''

Automaker posted 9 mn euros in net profit for the April-June period

Ferrari lowers guidance after 2nd quarter profits plunge

MILAN, Aug 8, (AP): Italian luxury sportscar maker Ferrari further lowered its full year earnings guidance on Monday after reporting second-quarter profits were nearly wiped out by temporary halts in production and delivery due to the coronavirus.

The automaker reported 9 million euros ($10.5 million) in net profit for the April-June period, covering much of Italy's strict lockdown, a 95% drop from the same quarter of 2019.

Shipments were down by half, to 1,389 from 2,671 a year earlier, with Ferrari resuming full production on May 8. Revenues were down 42%, to 571 million euros.

Ferrari lowered its full-year guidance for revenues to above 3.4 billion euros, from a previous forecast of up to 3.6 billion euros. Adjusted earnings before interest and taxes are forecast to hit a top range of 700 million euros from a previous top range of 800 million euros.

The new guidance reflects the carmaker's ability to recover production of about 500 units out of the 2,000 total lost during the shutdown. It also is a result of a softer model mix due to delays in the ramp up of the SF90 Stradale, and lower engine deliveries to Maserati. Ferrari said the order book remained strong.

Shipments in the quarter were down by 41% in Europe, 53% in the Americas and 91% in greater China.

CEO Louis Camilleri told analysts that Italy's coronavirus lockdown "engulfed us at a critical moment" as the company looked to produce models presented last year. He cited in particular the SF90 Stradale, which has more than 2,000 new components.

"While we are confident that deliveries to our clients will begin early in the fourth quarter, the ramp up in production will inevitably be delayed,'' Camilleri said.

Orders were up by double-digits, with models like the Ferrari Roma coupe attracting many first-time buyers despite the lack of ability to offer test drives. Cancellations were "actually lower than what we had feared may well have occurred given our experience during the financial crisis,'' the CEO said.