

# International

MONDAY, APRIL 8, 2019



## MEXICO BORDER ROW

Donald Trump, US President  
@realDonaldTrump  
Until Mexico cleans up this ridiculous & massive migration, we will be focusing on Border Security, not Ports of Entry

## Quick View

### Hyundai denies tie-up with Tencent on driverless car tech

SOUTH KOREAN AUTOMAKER Hyundai Motor on Sunday denied a report that it had signed a preliminary deal with Chinese technology firm Tencent to develop software for driverless vehicles. Hyundai's comments come a day after South Korea's *Maeil Business* newspaper cited unnamed industry sources on Saturday saying the two companies planned to conduct joint research and development on safety and security systems for self-driving cars, which Hyundai seeks to roll out commercially by 2030.

### Etiha Airways to seek \$600 m loan for planes

ETIHAD AIRWAYS IS seeking a loan of about \$600 million to help make initial payments for planes, according to people familiar with the matter. Abu Dhabi's state-owned carrier is arranging the loan on its own and has reached out to banks that may be willing to provide the unsecured facility with maturity of one or two years, said the people, who asked not to be identified because the information is private. A spokesman for Etihad Airways said the company doesn't comment on rumours or speculation.

### China's March forex reserves at 7-month high

CHINA'S FOREIGN EXCHANGE reserves rose for a fifth straight month in March, with the increase exceeding expectations, as growing optimism about the prospects for a US-China trade deal offset concerns over slowing economic growth. Chinese reserves, the world's largest, rose by nearly \$9 billion in March to \$3.099 trillion, its highest since August last year, central bank data showed on Sunday. Economists polled by *Reuters* had expected reserves would rise \$5 billion to \$3.095 trillion.

### Turkey slams Netanyahu remarks on settlements

TURKEY ON SUNDAY condemned what it called Benjamin Netanyahu's "irresponsible" remarks after the Israeli leader said he planned to annex settlements in the occupied West Bank if he wins upcoming elections. "West Bank is Palestinian territory occupied by Israel in violation of int'l law," Foreign Minister Mevlut Cavusoglu said on Twitter.

### US pulls forces from Libya amid fighting

THE US SAID on Sunday it had temporarily withdrawn some of its forces from Libya due to "security conditions on the ground," as a Libyan military commander's forces advanced toward the capital, clashing with rival militias. A small contingent of US troops has been in Libya in recent years helping local forces combat Islamic State and al-Qaida militants, as well as protecting diplomatic facilities.

### Iran will retaliate in kind if US calls IRGC terrorists

IRAN WILL TAKE reciprocal action against the US if Washington designates the elite Revolutionary Guards (IRGC) as terrorists, a majority of Iranian parliamentarians said on Sunday, according to state news agency *IRNA*. The US is expected to designate the IRGC a foreign terrorist organisation, three US officials told *Reuters*.

## BREXIT DEADLOCK

# UK holds out hope for compromise

Oppn Labour still waiting for changes to "red lines" for talks to succeed. Germany calls for "sensible" agreement to end paralysis

ELIZABETH PIPER, RAISSA KASLOWSKY & MADELINE CHAMBERS  
London/ Berlin April 7

BRITAIN'S GOVERNMENT HELD out the possibility of compromise with the opposition Labour Party on Sunday to try to win support in parliament for leaving the European Union with a deal, just days before the latest Brexit date.

Prime Minister Theresa May, weaker than ever after her Brexit deal was rejected by parliament three times, has been forced to turn to Labour leader Jeremy Corbyn after giving up on winning over eurosceptics in her Conservative Party, whose opposition has hardened.

With Britain's departure now set for April 12, May's government is running out of time to get a deal through a divided parliament, and must come up with a new plan to secure another delay from EU leaders at a



Theresa May and Jeremy Corbyn

summit on Wednesday. Britain's biggest shift in foreign and trade policy in more than 40 years is mired in uncertainty, with ministers saying Brexit may never happen, businesses worried the UK could leave without a deal, and others just wanting to reverse it.

In a last-ditch bid to get her deal through parliament, May opened talks with Corbyn last week to try to strike a deal on Britain's future ties with the EU in exchange for his support for her divorce deal, the Withdrawal Agreement.

So far those talks have failed to yield any kind of accord, with Labour policy chiefs saying the government has yet to move from its



"red lines", above all over a customs union, which sets tariffs for goods imported into the EU. "Specifically provided we are leaving the EU then it is important that we compromise, that's what this is about and it is through gritted teeth," said Andrea Leadsom, the Brexit-supporting leader of the House of Commons (lower house of parliament).

"But nevertheless the most important thing is to actually leave the EU," she told the *BBC's Andrew Marr* show, adding that May's proposal for a customs arrangement after Brexit was not too far from Labour's desire for a customs union.

### Fiat Chrysler to pay Tesla hundreds of millions of euros to pool fleet

REUTERS  
April 7

Italian carmaker Fiat Chrysler Automobiles NV (FCA) has agreed to pay electric carmaker Tesla hundreds of millions of euros so that the vehicles of Tesla are counted in its fleet to avoid fines for violating new European Union emission rules, the *Financial Times* reported on Sunday.

The step will let the Italian carmaker offset carbon dioxide emissions from its cars against Tesla's, by bringing down its average figure to a permissible level, the FT said. The report did not mention further financial details of the specific amount that Fiat Chrysler has agreed to pay Tesla.

The Italian carmaker formed an open pool with Tesla on February 25, the report added, citing a declaration with the European Commission. Tesla did not immediately respond to a request for comment on Sunday. Fiat Chrysler did not directly address the amount that it would pay but added it would "optimise the options for compliance that the regulations offer."



## US, China to keep working on trade deal as latest talks wind up

ROS KRASNY & MIAO HAN  
Washington/ Beijing April 7

CHINA AND THE US made progress toward a much-anticipated trade deal in their latest meetings and will keep talking on the remaining issues, the state-run *Xinhua* news agency reported.

High-level US and Chinese officials met in Washington over the past few days, hard on the heels of discussions in Beijing the previous week. Future talks will be conducted in "various ways," *Xinhua* reported on Saturday, without providing details.

Chinese negotiators, led by Vice Premier Liu He, and their US counterparts wrapped up the latest set of talks on Friday. They discussed the text of an agreement regarding technology transfers, intellectual property protections, non-tariff measures, services, agriculture, trade balance and enforcement, *Xinhua* said. *Xinhua* said in a separate commentary on Friday that "the remaining issues are all hard nuts to crack."

Larry Kudlow, President Donald Trump's top economic adviser, said on Friday that negotiators plan to "be in touch" by phone next week. "There is no letup," he said in an interview on *Bloomberg TV*.

"Big success" The White House released a statement on Friday evening saying that while progress had been made, "significant work remains, and the principals, deputy ministers, and delegation members will be in continuous contact to resolve outstanding issues."

Trump, speaking to reporters on Friday,



US President Donald Trump (right) with Chinese Vice Premier Liu He

hailed the latest round of talks as a "big success" but said he didn't want to predict whether a deal would be reached.

The President said before meeting Liu on Thursday in the Oval Office that the US and China were close to an agreement, with an announcement possible in the next four to six weeks. A month ago, Trump was touting the idea of a "signing summit" with Chinese President Xi Jinping, which aides suggested at the time could take place at Trump's Mar-a-Lago resort in Palm Beach, Florida. Now, there are no assurances. "If we have a deal, then we'll have a summit," the president said on Thursday.

The nine-month trade war between the world's largest economies has disrupted supply chains, whipsawed markets and weighed on the world economy.

—BLOOMBERG

## UK to fine Facebook, Instagram for hosting terrorist content

KITTY DONALDSON  
London, April 7

TECHNOLOGY FIRMS, INCLUDING Facebook, Instagram and Twitter face "substantial" fines or a UK ban under a new law if they don't act swiftly enough to remove content that encourages terrorism and child sexual exploitation and abuse.

The companies' directors could also be

held personally liable if illegal content is not taken down within a short and pre-determined time-frame, the Home Office said. The exact level of fines will be examined during a 12 week consultation following the legislation's launch on Monday. The spread of fake news and interference in elections will also be tackled.

The need for a new law over a voluntary code has been highlighted by the terrorist

attack in New Zealand last month in which 50 Muslims were killed while footage was live-streamed online. In the UK, the case of 14-year-old Molly Russell has also focused minds. According to her father, the teenager killed herself in 2017 after viewing self-harm and suicide content online.

"Put simply, the tech companies have not done enough to protect their users and stop this shocking content from appear-

ing in the first place," Home Secretary Sajid Javid said in a statement released by his office. "Our new proposals will protect UK citizens and ensure tech firms will no longer be able to ignore their responsibilities."

Search engines alongside online messaging services and file hosting sites will also come under the remit of a new regulator. Annual reports on what companies

have done to remove and block harmful content will be required and streaming sites aimed at children, such as YouTube Kids, will be required to block harmful content such as violent imagery or porn.

The move comes after Facebook chief executive officer Mark Zuckerberg called March 30 for "a more active role for governments and regulators."

—BLOOMBERG

Britain's top privacy and data-protection regulator, about its handling of user data in the lead-up to the Brexit referendum in 2016.

Zuckerberg has repeatedly ignored requests from British MPs to give evidence at committee hearings on Facebook's role in the referendum. On April 1st Denham called on the company to drop its appeal in light of Zuckerberg's new openness to regulation and accountability. There are no signs that Facebook plans to drop the appeal. Asked why its boss had not engaged with British lawmakers, the firm declined to comment.

It will take more than an article to make governments trust Mr Zuckerberg and his company. Politicians of all stripes in Europe and America are falling over themselves to sound tough on all internet giants. For the time being, though, investors' confidence in Facebook remains resolute. Despite hud's discrimination claims, the company's share price is buoyant.

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## SELECTIONS FROM

### The Economist

On March 30th Mark Zuckerberg, Facebook's boss, wrote about his company's future for the second time in a month. His first note, published on March 6th, covered a range of planned technical changes to Facebook, WhatsApp and Instagram. Then, in an article in the *Washington Post*, he urged the world's governments to regulate social networks. Specifically, he wants them to protect the public from harmful content (such as videos of massacres), ensure the integrity of elections, guarantee that users can move their data between services, and underwrite users' privacy.

Rich, you may think, coming from the boss of a firm accused of falling foul of all four precepts; on April 3rd it emerged that

some user data had been stored on unsecured third-party servers. Zuckerberg's plea looks like an attempt to get ahead of tougher rules which could crimp Facebook's earnings from selling targeted ads—just as its model faces fresh challenges.

On March 28th America's Department of Housing and Urban Development (hud) accused Facebook of allowing advertisers to target property buyers by race, religion and other factors in what amounts to discrimination. This week a team led by researchers from Northeastern University in Boston presented work suggesting that Facebook's algorithms may discriminate inadvertently, by optimising engagement. In the algorithmic search for users who will respond most eagerly to a given advert, Facebook may automatically exclude some users from minority groups.

Finely tailored ads are the source of the company's fat profits; making them less precise could hurt margins. The hud accusation came a week after Facebook settled a similar suit with the National Fair Hous-

## BUSINESS

CAREFUL WHAT YOU WISH FOR

# Zuckerberg says he wants more regulation for FB

He might just get it

ing Alliance and the American Civil Liberties Union. Facebook said it was surprised by hud's charges, as it had been working with the department to prevent discrimination.

Instead, the company is talking up its own efforts to tackle Mr Zuckerberg's four gripes. Last year he suggested creating an independent arbiter at arm's length from the company to make hard decisions about what content is unacceptable. In the past nine months a dedicated team of Facebook employees has jetted around the

world discussing how this might work. On April 1st the firm opened a public consultation on the matter. Principles are likely to include giving the board's members (who would probably number 40 or so) fixed compensation and shielding them from being sacked by Facebook.

Now it apparently wants to go further. "It would be good for the Internet if more countries adopted regulation such as gdpr as a common framework," Zuckerberg mused in his op-ed, referring to Europe's General Data Protection Regulation. He



wants America to make internet firms including his own more accountable, "by imposing sanctions when we make mistakes". Mr Zuckerberg added that he was ready to discuss new regulations with lawmakers around the world.

What counts as a mistake is, of course, open to interpretation. So, apparently, is readiness to talk. Facebook is currently appealing a ruling by Elizabeth Denham,