

Business

Nissan says it's target of SEC inquiry after report of probe on exec pay

Japan prosecutors have charged Nissan along with Ghosn

TOKYO: Nissan Motor Co Ltd said yesterday it was the target of a US Securities and Exchange Commission (SEC) inquiry, widening a scandal involving the Japanese firm and its ousted Chairman Carlos Ghosn over his alleged financial misconduct.

Ghosn, first arrested on Nov 19 in Japan, has been charged with failing to disclose more than \$80 million in additional Nissan compensation for 2010-2018 that he had arranged to be paid later. Ghosn, swiftly dismissed as Nissan chairman after the arrest, has denied wrongdoing. Nissan was also charged by Japanese prosecutors for under-reporting his pay, and has since pledged to overhaul its governance. Bloomberg earlier reported that the US regulator was investigating the company's disclosures on executive pay. The report, citing sources, said the SEC is examining whether the company maintained adequate controls to prevent improper payments and whether lapses by Nissan violated US securities law.

Separately, the Wall Street Journal reported that the

SEC also sent a request for information to Ghosn. A representative for Ghosn could not immediately be reached for comment. A Nissan spokesman confirmed the automaker received an inquiry from the US regulator, without giving further details. The SEC was not immediately available to comment on the matter.

Such an SEC inquiry does not mean that regulators have found any wrongdoing, but can lead to civil cases against companies and their employees, or they can end with no charges, sometimes months or years later. A three-year SEC investigation last year found that Dow Chemical failed to properly disclose around \$3 million in perks for former CEO Andrew Liveries and the firm agreed to pay \$1.75 million in settlement.

In 2004, industrial giant General Electric settled with the regulator over its failure to disclose former CEO Jack Welch's lavish retirement package. Tyson Foods Inc also agreed that year to pay a civil penalty of \$1.5 million after it failed to properly disclose payments to its former senior chairman.

Nissan has American Depository Receipts traded on the US over-the-counter market, giving the United States authority to investigate it for potential wrongdoing. Other Japanese companies have been the target of SEC inquiries before, including Toyota Motor Corp over its handling of safety problems.

The financial scandal involving Ghosn, one of the auto industry's most feted executives, has rocked the industry, clouded the future of Nissan and its alliance with French partner Renault and raised questions about governance at Japan's second-largest automaker. Nissan set up a committee to examine the root cause of Ghosn's alleged financial misconduct and propose corporate governance reforms.

The committee plans to make recommendations to Nissan's board in March on how to tighten lax governance and approval processes for matters including director compensation and chairman selection. Nissan shares slipped 0.8 percent yesterday in Tokyo, versus a 0.6 percent decline in the Nikkei average. —Reuters



YOKOHAMA: Nissan Motors president and CEO Hiroto Saikawa speaks during a press conference at the company's headquarters in Yokohama, Kanagawa prefecture. —AFP

Greece to raise minimum wage by 11%, says PM

ATHENS: Greek Prime Minister Alexis Tsipras announced yesterday plans to increase the standard minimum monthly wage by about 11 percent, the first such hike since the country's debt crisis erupted almost a decade ago. Greece emerged in August from its third international bailout since 2010 and the government, which faces a national election this year, has promised to reverse some of the unpopular reforms it implemented under bailout supervision.

"I'm calling on you, after a decade of wage cuts, to make another historic step," Tsipras said, calling on his cabinet to approve the labor ministry's proposal for an increase to 650 euros from 586 euros currently. Tsipras, who signed up to Greece's third bailout in 2015, also proposed the abolition of the youth minimum wage, which is for those below 25.

Ministers applauded and a smiling Tsipras respond-

ed: "From your reaction I reckon that my proposal is ... approved". The plan must be approved by parliament in the coming days to take effect next month, as the government hopes.

Athens had told its European lenders that it would reinstate the process of increasing the minimum wage periodically after the end of the bailout.

The suggested increase was agreed following consultations among the government, employers and labor unions. Greece slashed the standard minimum monthly wage by 22 percent to 586 euros in 2012, when it was mired in recession.

Workers below 25 years suffered deeper wage cut as part of measures prescribed by international lenders to make the labor market more flexible and the economy more competitive.

Greece expects 2.5 percent economic growth this year. It also sees unemployment falling to 18.2 percent in 2019 from 19.6 percent last year. The Tsipras government's current term ends in October and his Syriza party is trailing the conservative New Democracy party by up to 12 points in opinion polls. The International Monetary Fund urged Athens last week to introduce greater flexibility into the labor market to mitigate any negative impact from its new policies. —Reuters

In the new lithium 'Great Game,' Germany edges out China in Bolivia

UYUNI, Bolivia: When Germany signed a deal last month to help Bolivia exploit its huge lithium reserves, it hailed the venture as a deepening of economic ties with the South American country. But it also gives Germany entry into the new "Great Game", in which big powers like China are jostling across the globe for access to the prized electric battery metal.

The signing of the deal in Berlin on Dec 12 capped two years of intense lobbying by Germany as it sought to persuade President Evo Morales' government that a small German family-run company was a better bet than its Chinese rivals, according to Reuters interviews with

German and Bolivian officials.

While the substance of the deal has been reported, how China, Bolivia's biggest non-institutional lender and close ideological ally, lost out to Germany has not. China has been quietly cornering the global lithium market, making deals in Asia, Chile, and Argentina as it seeks to lock in access to a strategic resource that could power the next energy revolution. China has invested \$4.2 billion in South America in the past two years, surpassing the value of similar deals by Japanese and South Korean companies in the same period. Chinese entities now control nearly half of global lithium production and 60 percent of electric battery production capacity.

German officials told Reuters they championed the bid by ACI Systems GmbH because they saw an opportunity to lower Germany's reliance on Asian battery makers and help its carmakers catch up with Chinese and U.S. rivals in the race to make electric cars. The German push included a series of visits by German government officials who talked up the benefits of picking a German company. Bolivian officials also toured German battery factories. Bolivia's deputy minister of High Energy Technologies, Luis Alberto Echazu, told Reuters. —Reuters



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Kuwait Finance House



Kuwait Finance House Group

sends its sincere regards and salutations to

His Highness The Emir of Kuwait

Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah

On the anniversary of His Highness accession to the reign of power

and to the people of The State of Kuwait

on the occasion of His Highness

directives to commence celebrations

for the National and Liberation Days