

## Business

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CALIFORNIA: Tesla co-founder and CEO Elon Musk stands in front of the newly unveiled all-electric battery-powered Tesla's Cybertruck at Tesla Design Center in Hawthorne, California. —AFP

# Tesla Cybertruck pickup suffers a setback

## Shattered glass: Futuristic design questioned

**DETROIT:** Tesla Inc's launch of its futuristic Cybertruck pickup suffered a setback when its "armored glass" windows shattered, but it was the overall look of the electric vehicle that worried Wall Street on Friday, driving the automaker's shares down 6%. In the much-anticipated unveiling to cheering fans late on Thursday, Tesla boss Elon Musk had taken aim at the design, power and durability of mainstream trucks, only to be shaken when his boast about his new vehicle's windows backfired.

"Oh my God, well, maybe that was a little too hard," Musk said, after his head of design, Franz von Holzhausen, cracked the driver's side window with a metal ball in a series of tests for the crowd at the event in Los Angeles. He allowed von Holzhausen another throw to the rear passenger window, only to see that crack as well. "It didn't go through, so that's a plus side," Musk said, adding: "Room for improvement."

Musk singled out the Ford F-150, the top-selling vehicle in the United States, to highlight the capabilities of the Cybertruck, showing an edited video of the two trucks in a back-to-back "tug-of-war" in which the Tesla truck wins. Some Wall Street analysts praised the launch on Friday, but others doubted the futuristic design's mass appeal. Tesla shares were down 6% at \$333.41. Shares of Ford and General Motors rose about 2%. General Motors' first electric pickup will go on sale in 2021, around the same time as Tesla's, GM Chief Executive Mary Barra told investors on Thursday.

"Musk has been enthusiastic about his Blade Runner-inspired design for months, but we were still surprised how futuristic he went with this one and believe it may shatter his dreams," Cowen analysts wrote in a note. "While we are pleased to see Tesla enter the most profitable segment of the North American passenger car market, we do not

see this vehicle in its current form being a success." The US pickup truck market is one of the world's most profitable vehicle segments and is dominated by Ford, General Motors Co and Fiat Chrysler Automobiles NV (FCA).

Pickup buyers are fiercely brand loyal and are viewed as traditional in their choice of vehicle. JP Miller, CEO of Paul Miller Ford in Lexington, Kentucky, sells an average of 100 new Fords a month, around 40% of which are pickup trucks. Many of them are work trucks, and Miller said when watching Tesla's unveiling on Thursday night he could not see any of his customers wanting a Cybertruck. "I have to say, I was a little confused," Miller said. "Pickup trucks are critical for building America and I couldn't see how that could apply to Tesla's truck."

Friday's selloff dented a 40% rally in Tesla's shares that was sparked after Musk reported an unexpected quarterly profit on Oct. 23. That stock surge scalded traders betting Tesla will fail to survive an eventual wave of electric vehicles made by more established automakers. But even after traders recently cut their short bets against Tesla to 22% of its float from over 30% in August, its stock remains one of the most shorted on Wall Street, according to S3 Partners, a financial analytics firm. That level of short interest underscores widespread skepticism about Tesla's path to long-term profitability.

### 'Ugly'

Online critics also made fun of the pickup's space-craft style look. "I wish Elon Musk hadn't blocked me on Twitter after I said his Mars colonization idea was dumb, so I could tell him how ugly his new #Cybertruck is," tweeted author @MarkDice, who has 1.5 million YouTube followers.

With a starting price of \$39,900, the Cybertruck



CALIFORNIA: People take pictures of the newly unveiled all-electric battery-powered Tesla's Cybertruck at Tesla Design Center in Hawthorne. —AFP

takes aim at the heart of Detroit automakers' profits, while drawing familiar support from Tesla watchers online. "Yes, it looks like a retro version of the future. It's supposed to," said @AElchamaa. To show off the robust design of the new pickup, Musk asked von Holzhausen to take a sledgehammer to the side of the vehicle, whose exterior will be made from the same stainless steel used in the Starship rocket developed by Musk's SpaceX aerospace company.

The crowd cheered when the hammer bounced off the surface without leaving a mark. But Karl Brauer, executive publisher at Kelley Blue Book and Autotrader, said Musk was trying to sell too much - a new technology and an outlandish design. "There are fans out there who'll buy anything with a Tesla badge on it, but this will unlikely pierce the meat of the truck market," Brauer said. "Tesla is putting up too many barriers for people nervous about stepping out of their comfort zone." —Reuters

have the opportunity of a great place to live and build a family." Stamp duty kicks in at two percent on property transaction values between £125,001 and £250,000.

It is levied at five percent of the next portion up to £925,000, at 10 percent of the amount up to £1.5 million, before ramping up to 12 percent on sums above that value. The new surcharge would add an extra three percent to every bracket for non-residents. The proposed measure comes as the finance ministry's haul from stamp duty fell by 10 percent to £8.4 billion in the last fiscal year - the biggest drop in a decade. Brexit uncertainty weighing on the housing market and suppressing sales has been blamed for the drop—AFP

## Uber still in the dark on London license renewal

**LONDON:** Uber is waiting to find out whether its taxi licence in London, one of its most important markets, will be renewed, just three days before it is due to expire in the latest stage of a long-running battle with the city's transport regulator. Transport for London (TfL) rejected a renewal request in 2017 due to shortcomings it said it found in the firm's approach to reporting serious criminal offences and driver background checks, prompting legal action. A judge in 2018 then granted Uber a probationary 15-month licence, after the Silicon Valley-based company had made several changes to its business model.

In September, TfL gave Uber just a two-month extension, far short of the maximum possible five years, and imposed further conditions covering ride-sharing, appropriate insurance and driver document checks. Uber's licence in London currently expires on Nov 25. On Friday, both TfL and Uber declined to comment. Ahead of the latest decision, Uber said it would introduce measures such as a discrimination button enabling drivers and riders to report abuse, enhanced safety training for drivers and a direct connection to the emergency services.

The taxi app's presence in London has angered the drivers of the city's iconic black cabs, who have previously blocked streets in protest, arguing the firm is a threat to their livelihoods. The company says its roughly 45,000 drivers in the city enjoy the flexibility of their work and that it has taken several steps to improve safety. But in a possible sign that the regulator wants to have more power over new entrants by granting shorter licences, fellow ride-hailing service Ola gained only a 15-month right to operate earlier this year.

TfL's latest decision will come less than three weeks before a general election and fewer than six months before Londoners decide whether to re-elect Mayor Sadiq Khan, who is also chairman of TfL. He has criticized Uber, which was first licensed in London in 2012 during the tenure of his predecessor and now Prime Minister Boris Johnson. "You will know my track record which is standing up to the big boys, and they are boys, and make sure everyone plays by the rules," Khan told listeners to a phone-in earlier this year. —Reuters

## UK's Tories plan property tax hike for foreign buyers

**LONDON:** Britain's Conservatives said Friday they will make foreign individuals and companies pay more tax on residential property purchases if they win next month's election. Prime Minister Boris Johnson's party said it would levy an additional three

percent surcharge on the country's stamp duty land tax for buyers who are not tax residents in Britain.

UK residents and foreign buyers currently pay the same level of stamp duty, which is applied at various rates that rise with the value of the transaction. There has been sustained criticism of the level of foreign ownership of properties in Britain, primarily in London, despite drops since the 2016 Brexit referendum amid ongoing economic uncertainty.

There are no official statistics on the sales of residential property to overseas buyers, but studies show they have accounted for as much as a third of purchases in parts of central London in recent

years. Meanwhile, a 2017 York University report showed that 13 percent of new homes across the capital were bought by non-residents in 2014-16. Analysts and political parties agree this inflates house prices and makes it harder for people to get a foothold on Britain's notoriously expensive property ladder.

The Conservatives estimate the stamp duty surcharge will raise up to £120 million (\$155 million, 140 million euros) a year, which they say will help fund programs to tackle rough sleeping. "Britain will always be open to people coming to live, work, and build a life in this great country," said Treasury minister Rishi Sunak. "The steps we are taking will ensure that more people