

CHINA WAS LARGEST MARKET FOR PANAMA PAPERS LAW FIRM

BEIJING: Nearly a third of the business of Mossack Fonseca, the law firm at the centre of the Panama Papers scandal, came from its offices in Hong Kong and China, reports say, making the Asian giant its biggest market.

Shell companies incorporated through the Hong Kong and China offices of the Panamanian law firm accounted for 29 percent of its global active companies, according to the International Consortium of Investigative Journalists (ICIJ), which coordinated a year-long investigation into a trove of 11.5 million documents.

The investigation found that relatives of at

least eight current or former members of China's Politburo Standing Committee, the ruling party's most powerful body, have been implicated in the use of offshore companies.

Such vehicles are not illegal in themselves and can be used for legitimate business needs. But they commonly feature in corruption cases, when they can be used to secretly move ill-gotten gains abroad. Under President Xi Jinping, Beijing has launched a much-publicized anti-graft drive but has not instituted systemic reforms such as public declarations of assets.

Xi's brother-in-law and family members of two current members of the Politburo Standing

Committee (PSC), Zhang Gaoli and Liu Yunshan, have offshore holdings, ICIJ reported. Relatives of past PSC members Jia Qinglin, once the fourth-ranked leader in China, Li Peng, who led the Tiananmen Square crackdown, Hu Yaobang, ex vice-president Zeng Qinghong, and Tian Jiyun were named by the Guardian, which took part in the investigation.

The documents also named movie star Jackie Chan, billionaire heiress Kelly Zong Fuli, and shopping-mall magnate Shen Guojun. Chinese media have largely avoided reporting on the leaks and social media have been scrubbed of references to them, with foreign

news broadcasters such as the BBC blacked out when they report on the issue.

Mossack Fonseca has offices in eight Chinese cities including Hong Kong, its website showed, more than any other country. Its locations in China include the major financial centers of Shanghai and Shenzhen, as well as port cities Qingdao and Dalian, and lesser-known provincial capitals such as Shandong's Jinan and Hangzhou in Zhejiang, along with Ningbo, also in the eastern province.

In a statement, Mossack Fonseca denied any wrongdoing and said it has always complied with relevant laws and regulations. — AFP



LOS ANGELES: Hunter March hosts "Top Five Live," AwesomenessTV's daily live entertainment show on go90. — AP

VERIZON DIPS ANOTHER TOE INTO ONLINE VIDEO PROGRAMMING

LOS ANGELES: Could the next "House of Cards" be coming to your phone? That's what Verizon hopes now that it's paid more than \$100 million for a piece of the online-video studio AwesomenessTV. It's the latest attempt by a maturing, mainstream corporation to find growth in non-traditional video programming that can reach younger audiences on Smartphone and tablets.

In 2014, for instance, Disney acquired online-video producer Maker Studios for a tab that eventually hit \$625 million. An AT&T joint venture bought Full screen, a similar production company, for an undisclosed sum the same year. Hollywood's DreamWorks Animation bought AwesomenessTV in 2013, paying a total of \$113 million after the studio hit promised deal targets. In some ways, these arrangements are modern - albeit much smaller - versions of classic media deals struck by companies anxious to draw bigger audiences. Think Twitter buying the rights to Thursday Night Football, Time Warner Cable doing likewise with Los Angeles Dodgers baseball, or cable company Comcast buying NBC Universal.

The investment gives Verizon a 24.5 percent stake in AwesomenessTV and more original video for its Go90 streaming service, which launched in September. It will also help it make use of its \$4.4 billion purchase of AOL last year, which gave Verizon a new capability to deliver ads on top of video.

"Verizon has concluded that trying to extract more and more money out of data usage charges is a dead-end street," said analyst Craig Moffett of research firm MoffettNathanson. Instead, it's been focused on selling ads targeted to where its users happen to be, which is "why they bought AOL and why they launched Go90," he said. Now the company is focused on building up its library of stuff to watch - and, of course, to sell ads against. AwesomenessTV CEO and founder Brian Robbins said the money will allow it to spend more to make short-form shows with top-level talent. That, in turn, will help it build an audience older than the teen "Generation Z" crowd it now attracts with shows like "Cheerleaders" and "Guidance."

The idea, Robbins said, is to make shows on par with the "high end of premium subscription services - HBO, Netflix or Showtime." Verizon would reserve some of that programming for a new paid Go90 tier it plans to launch later this year or early next. But the investment - valued at roughly \$159 million - is tiny relative to Verizon Communications Inc.'s \$217 billion market value, and at best represents a baby step by the mobile carrier. — AP

APPLICATIONS FOR JOBLESS AID FALL TO LOW LEVEL OF 267,000 EMPLOYEES REMAIN DESPITE LOW GROWTH

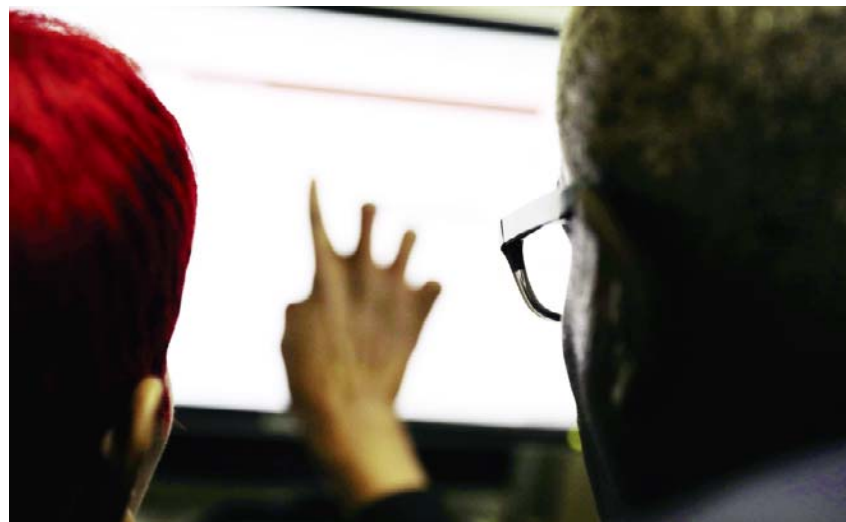
WASHINGTON: Fewer Americans sought unemployment aid last week, evidence that employers are holding onto their workers despite signs of weak growth.

THE NUMBERS: Applications for US jobless benefits fell 9,000 to a seasonally adjusted 267,000, the Labor Department said yesterday. The four-week average, a less-volatile figure, rose 3,500 to 266,750. The number of people receiving benefits was mostly unchanged at 2.19 million. The benefit rolls have fallen 6.5 percent in the past year.

Applications have been below 300,000 for 57 straight weeks, the longest streak since 1973.

THE TAKEAWAY: Applications are a proxy for layoffs, so the figures point to a stable job market with steady hiring and few job cuts. Businesses appear unfazed by the economy's current weakness, with some analysts forecasting that growth may slip below a 1 percent annual rate in the first three months of this year.

That suggests many companies may see the slowdown as temporary. Hiring has remained solid, as employers added 215,000 jobs in March. The unemployment rate ticked up to 5 percent, from 4.9 percent, but for mostly a good rea-



ATLANTA: Georgia Department of Labor services specialist Louis Holliday, right, helps a woman with a job search on a computer at an unemployment office. — AP

son: Many people who hadn't been searching for work launched job hunts last month. Most found jobs, but not all were immediately hired. That boosted the number of unemployed.

KEY DRIVERS: The steady job gains have continued despite evidence growth is slowing. Americans barely increased their spending in February for the third straight month. Home sales

have leveled off. And orders for manufactured goods fell last month, partly because of weaker overseas demand.

Growth was just 1.4 percent at an annual rate in last year's fourth quarter, and may have slowed further in the first quarter. Yet many economists expect ongoing job gains and lower prices at the gas pump to lift consumer spending in the coming months and boost growth. — AP

EU TO GIVE STATES MORE POWERS ON VAT RATES, TO TACKLE FRAUD

BRUSSELS: European Union states will have more powers to set sales tax rates, the European Commission said yesterday, presenting a broad reform of Value Added Tax rules which also aims to curb widespread fraud involving VAT.

The plan follows repeated pressure from EU states to scrap the existing system based on a centralized EU-wide rate-setting mechanism, which limits countries' powers to decide reduced levies for specific products, ranging from ebooks to sanitary products.

Two options remain under discussion, the bolder of which would give states the freedom to set rates as they prefer "so long as it does not generate tax distortions", the Commission said in its plan. EU Economics Commissioner Pierre Moscovici told reporters that he favored the more ambitious option. A definitive decision will be made by next year. In either case Britain will retain its right to apply zero rates of VAT, a legacy entitlement that it shares with other older member states but which London is unusual in using

so widely, notably on foods and medicines.

The Commission will also make a proposal by the end of the year to increase the number of products and services exempt from VAT. "This would solve the tampon tax issue," an official said, explaining that this measure would allow Britain to charge no VAT on female hygiene products, which are currently taxed at a reduced 5 percent rate.

This follows a commitment made at the EU leaders' summit in March to end the tampon tax row that had become a political football for Britons campaigning to leave the EU in a June referendum. The Commission will also propose this year a cut in VAT on eBooks and online news publications to align prices with their paper versions.

The Commission's action plan on VAT also proposes to changing the way the tax is collected on trade between EU states. At the moment the tax is collected by the state where the goods or services are sold and exporters are exempt. — Reuters