# Russia fines Google over anti-trust charge

**MOSCOW:** Russia's anti-trust authority yesterday fined Google 438 million rubles ($6.75 million) after finding it guilty of abusing its dominant market position by forcing smartphone makers to install its search engine on Androids. The Federal Antimonopoly Service (FAS) in September last year deemed Google in breach of a law on "protecting competition" after an investigation following a complaint by Russia's largest search engine, Yandex. Yandex asked the anti-trust authorities to prevent Android phones from being automatically bundled with Google's search engine. The FAS said that Google has two months to pay the fine. Yelena Zayeva, the head of its department for regulating communications and IT was quoted in the statement as saying the ruling "will allow the development of competition on the mobile software market in Russia, which will have a positive effect for consumers."

All companies whose production is on sale in Russia have to observe the law on competition, "including transnational corporations," Zayeva added. Google said in a statement sent to AFP: "We have received notice of the fine from FAS and will analyze closely before deciding our next steps." "In the meantime, we continue to talk to all invested parties to help consumers, device manufacturers and developers thrive on Android in Russia," Google said.

The tech giant's Android operating system dominates the smartphone market with a share of around 80 percent, which enables Google to offer search and other services to handset users. Russia's anti-trust authority had been holding consultations with Google aimed at reaching an amicable agreement, but this required Google to admit guilt. Google has insisted that consumers are free to choose whether to use its services.

Google has been hit by similar anti-trust charges in other countries, particularly in the European Union, which has launched three cases against Google, one of which is specifically about using the dominance of the Android mobile phone operating system to restrict competition. Russia's anti-trust authority this week also launched legal proceedings against US tech giant Apple over the alleged fixing of resellers' prices for iPhones in the country. Apple said in a statement sent to AFP: "Resellers set their own prices for the Apple products they sell in Russia and around the world." — AFP

# S Korea says further rate cut is possible

**SEOUL:** South Korea's central bank governor yesterday held out the prospect of yet another reduction in interest rates which are already at a record low following a cut in June. At its monthly meeting, the monetary board of the Bank of Korea (BOK) opted to keep its key rate unchanged at 1.25 percent for August. The decision was widely expected, but Governor Lee Ju-Yeol made it clear the bank was not ruling out an even lower rate in the future if the economy required an additional boost.

"It is true that we will be nearing the lower limit if we continue to reduce the key rate," Lee told a press briefing. "But we do not believe we have exhausted all our monetary policy options," he was quoted as saying by the Yonhap news agency. Most analysts believe the rate will remain unchanged for several months at least, as the BOK board assesses the impact of its last cut and a 20-trillion-won ($17-billion) stimulus package unveiled in late June. Asia's fourth-largest economy posted marginally improved growth in the second quarter as exports and domestic consumption picked up.

According to the BOK, the economy grew 0.7 percent in the April-June period from the previous quarter and 3.2 percent compared to a year earlier. "The board forecasts that the domestic economy will sustain its trend of modest growth going forward," the board said in a statement yesterday. But there is growing concern over the level of household debt which stood at nearly $1.12 trillion at the end of March. "I do believe there may be a need to come up with additional measures if necessary, because I believe such a steady and prolonged rise in household debt is not desirable," Lee said.

**Singapore cuts 2016 forecast**

In other news, Singapore yesterday narrowed its economic growth forecast for this year, citing concerns over the weaker global outlook and the impact of Britain's vote to leave the EU. Gross domestic product (GDP) for the city-state, regarded as a bellwether for Asia's other trade-reliant economies, is forecast to expand 1-2 percent instead of 1-3 percent as projected earlier, the trade ministry said.

Both trade and services in Singapore, including the crucial financial sector, are vulnerable to global shocks. "The global economic outlook has weakened slightly since three months ago in May," the ministry said in a statement. "The UK's vote in June to leave the European Union has dampened and also added uncertainties to the global growth outlook," it added. Analysts have said that Britain's exit from the EU, known as Brexit, could have dire economic repercussions well beyond the country and Europe.

Singapore's trade ministry said that except for the United States, most key world economies, constituting Singapore's main export markets, are expected to see slower growth in the second half of the year compared with the first six months. In Asia, China's growth is expected to slow in the second half relative to the first, with full-year expansion projected to be lower than in 2015, the ministry said. Domestically, the growth of externally oriented services sectors, such as finance and insurance and wholesale trade, has slowed, the ministry said. A rebound in the key manufacturing sector may not be sustained because of the sluggish global economy, while the outlook for construction is weak, it added. "In line with weaker global growth outlook, and barring the full materialization of downside risks, the 2016 growth forecast for the Singapore economy is narrowed to 1.0 to 2.0 per cent, from 1.0 to 3.0 per cent," the ministry said. —Agencies


**HONG KONG: Pedestrians walk past signage for the Cheung Kong Center. —AFP**

# Hong Kong tycoon Li beats forecasts, profits increase

**HONG KONG:** Billionaire Hong Kong businessman Li Ka-shing yesterday saw profits up in the first half of 2016, beating analysts' expectations, with a major boost coming from his European and Asian telecoms operations. But the 88-year-old tycoon warned of "considerable challenges" after Britain voted to leave the European Union. Li had advocated the UK to stay in Europe. His flagship company CK Hutchison Holdings counts Britain as its biggest earnings contributor, with telecoms outfit 3 Group Europe now a major force-it had 26.8 million active customers by the end of June, the firm said in a statement yesterday.

Despite post-Brexit uncertainty, Li reassured his operations in both the UK and Europe were resilient, and expected to yield "stable and reasonable" returns. "The key fundamentals of the group as a whole remain solid," said Li in a statement. CK Hutchison Holdings controls assets in telecoms, utilities, ports and other industries in over 50 countries. Net profit for the company, excluding earnings from discontinued operations, rose 1.94 percent to HK$15.23 billion ($2 billion) in the first six months of 2016, compared with HK$14.94 billion a year earlier.

That beat the HK$14.8 billion median estimate in a survey of six analysts by Bloomberg. Revenue stood at HK$180.51 billion down eight percent from HK$197.02 billion, as gains were weighed by a number of factors including low oil and gas prices and general market volatility. Li's Hong Kong-based retail businesses also came under pressure from a drop in tourism from visitors from mainland China, Li said in a statement.

In separate results, Cheung Kong Property saw net profit up 25 percent to HK$8.61 billion thanks to rents from commercial properties, while revenues surged by 45 percent. Yesterday's positive results were tempered by a decision earlier in the day by Australia to block Li's joint bid to buy the electricity network in its most populous state. It came after the government introduced tougher rules for the sale of major Australian state-owned infrastructure to private foreign investors. Li also had his bid to buy British telecoms giant O2 blocked by European regulators in May on anti-competition concerns. A sweeping revamp of Li's empire last year saw Cheung Kong change its name to CK Hutchison Holdings. Property-related business came under the control of CK Property, a newly listed company. Hutchison Whampoa, trading on the city's bourse since 1978, was delisted. —AFP