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NEW YORK: Traders gather at the post of Anthony Matesic (background right) on the floor of the New York Stock Exchange yesterday. US stocks opened higher again, setting the market up to extend its winning streak to a fifth week and erasing most of the year's early losses. — AP

Starwood takes improved bid from Anbang

Marriott's $12.2bn dumped for raised Chinese bid

NEW YORK: Starwood called off a $12.2 billion buyout agreement with Marriott in favor of an offer from a group of investors led by the Chinese insurance company Anbang. The decision came after Anbang upped its offer for Starwood by nearly $370 million yesterday, bringing the total to more than $14 billion. Starwood, which owns the Sheraton and Westin hotel brands, has to pay Marriott $400 million to end the deal.

Marriott has until March 28 to make another offer. Marriott International Inc. said Friday that it still believes its deal with Starwood is superior, and is contemplating its next step. Marriott first offered to buy Starwood in November, which would have created the world's largest hotelier.

Through a series of deals, Anbang has become a fast-growing player in the US hotel industry. It bought New York's Waldorf Astoria for almost $2 billion in 2014. And just this week it offered $6.5 billion deal to buy Strategic Hotels & Resorts Inc., which owns several high-end properties including the JW Marriott Essex House in New York and Hotel Del Coronado in San Diego. The latest offer from Anbang and its partners is worth $83.67 for each share of Starwood, up from its previous offer of $81.50 per share. Starwood shareholders would get $78 in cash for each share they own plus $5.67 in stock for a spinoff of a vacation business. Shares of Starwood Hotels & Resorts Worldwide Inc., based in Stamford, Connecticut, rose $3.41, or 4.5 percent, to $79.81. Shares of Marriott, based in Bethesda, Maryland, rose $1.52, or 2.1 percent, to $73.32.

Starwood's board was persuaded by Anbang's $2 increase in its Monday offer to $78 a share, and said it plans to notify Marriott that their already agreed merger was off. Starwood had agreed to Marriott's $63.74 per share cash-and-stock offer last November for its network of 1,270 properties in 100 countries, including the Westin, Sheraton, Le Meridien and W brands.

But the Chinese giant stepped in the way this week as it announced nearly $20 billion in two proposed hotel takeover deals. The Anbang proposal values Starwood at $13.2 billion and comes as the Chinese giant has also agreed to buy a portfolio of 16 luxury hotel and resort properties from the Blackstone group for $6.5 billion. With the new Anbang offer, Starwood's board said in a statement that it "intends to terminate the Marriott merger agreement and enter into a definitive agreement with the consortium." — Agencies

British govt faces criticism over budget

LONDON: British finance minister George Osborne faced stiff criticism over his budget yesterday as opposition emerged from within his own Conservative party over proposed disability benefit cuts.

Ministers were under pressure as Conservative lawmakers spoke out against a proposed £1.3 billion ($1.9 billion, 1.7 billion euros) a year cut to disability benefits, and Friday newspaper front pages predicted a "rebellion" by backbenchers. "The government needs to rethink its plan to cut disabled benefits," warned David Burrowes, a Conservative lawmaker who led a successful revolt to stop the government liberalizing Sunday trading hours earlier this month, in the Daily Telegraph. "It is unlikely to get the support of the House of Commons given how much concern there is on this matter," fellow Conservative MP Andrew Percy told Channel 4 News.

Ministers indicated that the plans could be watered down following the backlash, with Education Secretary Nicky Morgan saying the disability cut was "still being discussed in government". But Osborne defended his plan as a way to "make sure help goes to the people who need it most". The rumblings came after think tank the Institute for Fiscal Studies warned that wages and living standards could fall and that Osborne risked missing his own target of reaching a public finance surplus by 2020.

The Resolution Foundation, another think tank, also warned that planned tax changes would primarily benefit Britain's richest households. The budget included plans for a levy on drinks with more than five grams of sugar per 100 millilitres to battle obesity rates, which are among the worst in Europe.

Osborne described the idea as "one of those landmark public health decisions that we take as a generation". But it faced immediate opposition from the soft drinks industry, which said that it was already taking action to combat obesity and that other food-and-drink sectors needed to help shoulder the burden. "If the aim is to reduce obesity, this levy flies in the face of evidence from around the world which shows taxes do very little," said Jon Woods, general manager of Coca-Cola in Britain. Only a handful of countries such as France, South Africa and Mexico have attempted such a tax. According to 2015 figures, Britain is one of the worst countries in Europe for childhood obesity with 28 percent of children aged between two and 15 overweight or obese.

During his budget announcement, Osborne said that an average five-year-old child consumes his own body weight in sugar each year. Media reports suggest the tax could add 8p (0.10 euros, $0.11) to a can of cola. The government hopes the tax will raise £520 million a year (661 million euros, $732 million). — AFP