Lexus unveils first EV, the UX 300e

First product under the banner of Lexus electrification strategy

KUWAIT: Lexus introduced its first battery electric vehicle (BEV), the UX 300e, at the Guangzhou International Automobile Exhibition, held in Guangzhou recently.

Since introducing the RX 400h in 2005, LEXUS has been a pioneer in vehicle electrification technology, playing a leading role in offering products that possess both performance and environmental friendliness. At the 2019 Tokyo Motor Show, Lexus unveiled its global electrification strategy, called "Lexus Electrified", which targets a fundamental leap in vehicle performance, handling, control and driver enjoyment.

In particular, the technology of Lexus Electrified enables integrated control of powertrain, steering, suspension, and brakes, realizing the ultimate potential of the motor control technology cultivated in HV. With this technology, we can control the driving force to provide ideal vehicle posture according to each driving situation. Lexus endeavors to continue providing enjoyable and safer driving vehicles.

As the first production model under the Lexus Electrified banner, the all-electric UX 300e was developed for excellent on-road performance. Lexus engineers kept the distinctive design and the utility characteristics of the UX crossover intact and focused on the opportunities to build on the performance advantages unique to EVs. The UX 300e's high-output motor provides a natural-yet-brisk acceleration character, and the high-capacity batteries located directly underneath the floor of the cabin deliver a low center of gravity and 400 km-driving range. Combined with the newest connectivity technology, the UX 300e maximizes the advantages of EVs while realizing driving performance and convenience in a single package.

Lexus has always focused on providing exhilarating performance, and the case is no different with development of a BEV.

UX 300e Motor specifications

Placement	Model	Max output (kW [ps])	Max torque (Nm [Kgf·m])
Front	4KM	150 [204]	300 [30.6]

UX 300e Battery specifications

Type	Capacity	Range	Charging speed	
			Standard (AC) charge	Quick (DC) charge
Lithium Ion	54.3 kWh	400 km*	Max 6.6 kW	Max 50 kW

Starting from the refined Lexus driving signature of the UX, Lexus engineers were able to leverage the new electric drivetrain to even further enhance the vehicle's on-road performance. At the same time, UX 300e has one of the quietest cabins in its class, as befits the sound management heritage of the Lexus DNA.

Legendary Lexus reliability inherited from hybrid heritage

In developing the UX 300e, Lexus utilized the knowledge acquired developing the brand's industry-leading hybrid sys-

tems and applied the same level of quality and comfortable operation to its first production EV as it always has with other vehicles. The Lexus engineering team delivered outstanding battery reliability and adopt the latest connectivity technology to maximize everyday usability and the functionality with smartphones.

The UX 300e is scheduled to go on sale in the Chinese and European markets in 2020, and in Japan early in 2021.

France, US set 2-week target for resolving digital tax spat

PARIS: France and the United States have given themselves two weeks to try to resolve a row over a French digital tax, French Finance Minister Bruno Le Maire said yesterday, emphasizing that Paris has the European Union's backing on the issue.

Washington has threatened to impose duties of up to 100 percent on imports of champagne, handbags and other French products worth $2.4 billion after a US government investigation found the French tax would harm American technology companies.

"I had a long talk with US Treasury Secretary Steven Mnuchin. We have decided to step up efforts to try and find a compromise, within the OECD, on digital tax," Le Maire told reporters after a meeting in Paris with EU Trade Commissioner Phil Hogan. "We gave each other precisely 15 days, until our next meeting, which is planned on the sidelines of Davos at the end of January," the minister said, referring to the World Economic Forum that is held in the Swiss ski resort.

France decided in July to apply a 3 percent levy on revenue from digital services earned in France by firms with revenues of more than 25 million euros ($28 million) in France and 750 million euros worldwide. "This is a more general issue between the United States and Europe," Le Maire said, stressing other EU nations were planning their own national digital taxes. He said any international agreement on digital taxation would immediately supersede the French tax.

"Do we want a deal on the digital tax within the OECD or are we bracing ourselves for a confrontational mode which won't be a conflict between France and the United States but a trade conflict between the European Union, a lot of European states, and the United States?"

Le Maire said he hoped there would be no US sanctions during the two-week window convened with Mnuchin, adding that any decision by Washington to take action would in effect bring an end to the discussions. On his first official visit to Paris as new EU Trade Commissioner, Phil Hogan said the European Commission "will stand by France" in its digital tax dispute with Washington.

He also said he had discussed trade with China and reform of the World Trade Organization (WTO) with Le Maire, and that he plans to meet his US counterpart in Washington to try to find common ground on these topics. "We want to see a reform of the WTO and we share the US analysis on this," Hogan said. Last month, Washington reaffirmed its commitment to the WTO but called for longstanding concerns with the trade body's appellate court to be addressed.

"A WTO reform is one of France's top priorities. Because it's better to solve trade issues within a multilateral body than in a bilateral way," Le Maire said. "France is ready to support all efforts allowing a jump-start of WTO reform negotiations and the solving of the problems affecting its dispute settlement body." —Reuters

US economic slowdown hits energy consumption

LONDON: US manufacturers and freight hauliers were hit last year by the sharpest slowdown since the 2008/09 recession and it filtered through into a noticeable dip in energy consumption. Use of electricity, natural gas and diesel by industrial customers all showed large declines, or at least sharp slowdowns, in the nine months ending in September 2019. In July to September, industrial users' total energy consumption fell 1 percent compared with the same period a year earlier, according to statistics from the US Energy Information Administration.

That was the biggest decline since the mid-cycle manufacturing slowdown in 2015/16 and before that the recession of 2008/09. Within the total, industrial consumers' electricity consumption fell by almost 5 percent in the third quarter from a year earlier, easily the biggest decline since the recession.

Power consumption exhibits a lot of short-term variability based on both the weather (which affects heating and cooling demand) and the state of the economy, so the data must be interpreted with care.

But industrial users' consumption showed a much more pronounced third-quarter slowdown than for residential customers, which suggests most of the weakness was economic rather than weather-related. In contrast to electricity, industrial users' gas consumption continued to grow, mostly because of the strong increase in demand from petrochemical producers.

Even so, gas consumption rose by just 0.75 percent in July-September compared with a year earlier, down from a growth rate of 7 percent year on year in early 2018.

Diesel slump

The manufacturing and freight slowdown has also hit petroleum demand, especially consumption of the middle distillate fuel oils such as diesel used by manufacturers, railroads and trucking firms. Economy-wide distillate consumption was down almost 3.4 percent in August-October compared with a year earlier.

Like electricity use, distillate consumption closely tracks industrial output and manufacturing surveys, so the slump in fuel use confirms the severe hit to manufacturing activity in the middle of last year.

Slackening distillate demand has been reflected in a slowdown in refining activity and reduced profitability for many refining firms, including some of the oil majors. US oil refineries processed 17.0 million barrels per day (bpd) of crude oil and other inputs during 2019, down 300,000 bpd (1.8 percent) compared with the previous year. US refinery processing was below year-ago levels for 41 out of 52 weeks in 2019, a sign of tepid consumption.

The manufacturing and freight recession was even worse across Europe and Asia, as rising tariffs and

intensifying business uncertainty have taken their toll on investment and activity. The result has been a worldwide slump in distillate consumption that has hit refining throughput, margins and profits for refiners across North America, Europe and Asia.

Royal Dutch Shell and Exxon Mobil have both warned investors in recent weeks that fourth-quarter profits will be lower than previously forecast, citing lower demand for refined fuels and petrochemicals.

2020 Outlook

Most traders are anticipating a cyclical acceleration in oil and energy consumption this year as the manufacturing and freight sectors put last year's slowdown behind them. The United States and China have announced a Phase 1 trade deal that should reduce some tariffs and avoid the imposition of others, as well as create a more stable business environment. The US Federal Reserve and other major central banks have also cut interest rates over the last 6-9 months and provided other forms of credit stimulus to extend the business cycle expansion.

And fiscal policy is likely to become more expansionary, as the United States enters a presidential election year and European governments try to boost disappointing growth. Encouraging optimism, industrial production data from the start of the fourth quarter appeared to indicate the cyclical downturn was bottoming out, creating conditions for an upturn at the start of 2020.

More recently, manufacturing surveys have shown lingering weakness in the United States and China, which could push back an acceleration in energy consumption to later in the year. —Reuters

Eden far from a paradise as bushfires hit economy

EDEN, Australia/SYDNEY: The peak summer holiday period should bring boatloads of cruise-ship passengers and other holiday makers to the Australian coastal town of Eden, with visitors thronging stores like Lynn Baxter's newsagent. This year, Eden is anything but a paradise for Baxter and other business owners on the town's smoke-filled main street. Just days after the entire town, including tourists, was evacuated in the face of fierce wildfires, most shops remained shuttered. Dead birds and burnt leaves littered the beachfront.

"It's a seasonal town," Baxter told Reuters from behind the counter of her shop, adding that income was down 85-90 percent. "This money, through this time of year, gets us through winter and we don't have it now. Don't know what we're going to do."

The situation in Eden is playing out in other towns across Australia where huge bushfires have burnt through more than 10.3 million hectares (25.5 million acres) of land, killed 25 people and left thousands homeless. Weeks into the crisis, the economic costs are mounting, potentially wrecking the central bank's hopes for a "gentle turning point" of renewed growth in gross domestic product this quarter.

"The fires have come at a time when there was already a lot of uncertainty about Australia's economic outlook," AMP's Sydney-based head of investment strategy Shane Oliver said in a telephone interview.

Oliver estimated a minimum 0.4 percent hit on gross domestic product (GDP) in the March quarter, which could mean growth stalled completely in the period and prompt a further interest rate cut as early as February. "The impact on tourism is expected to be more lasting while the impact on consumer spending is the biggest unknown," Oliver said.

Australia's A$1.95 trillion economy is already limping after 28 years of recession-free expansion as cash-strapped consumers shun everything from clothes to cars while a three-year drought has hurt the farm sector.

The downturn prompted three rate cuts by the Reserve Bank of Australia (RBA) last year to an all-time low of 0.75 percent. Financial futures now imply a 50-50 chance of a fourth easing next month. In signs of the early impact of the fires, data released yesterday showed a gauge of Australian consumer confidence slumped last week to its lowest level in more than four years.

Job advertisements suffered their largest monthly drop in seven months in December, a fall that ANZ senior economist Catherine Birch linked to the bushfire crisis.

Treasurer Josh Frydenberg said he expected the full economic impact of the fires to be "very significant".

"All those businesses in those communities who have been impacted, been hit at exactly the wrong time of the year, when they're the busiest time," he told the Australian Broadcasting Corporation.

Smoke on the waterfront

In Eden, the reopening of the town following the weekend evacuation and the fact that it escaped any major fire damage has made little difference to businesses. At least two cruise ships have bypassed the port in the past week as smoke blankets the waterfront. Eric Wolske moved to the town with his partner two years ago, buying an antiques shop as an investment.

"Well compared to last year this time, business obviously is down," Wolske told Reuters, adding he was banking on a cruise ship due to berth later this month.

Tourism accounts for more than 3 percent of Australia's annual GDP and many hotels and resorts have suffered extensive damage, while many national parks are closed. In the cities of Sydney, Melbourne and Canberra the smoke has dented the country's clean and green image and led to the cancellation of some entertainment events.

Agricultural businesses have also been affected, with the sizeable dairy industry struggling to secure milk supplies. Insurers have received 8,985 bushfire-related claims in New South Wales, Victoria, South Australia and Queensland since Nov. 8. The claims are estimated to have a loss value of A$700 million.

Still, Oliver said there was light at the end of the tunnel. "We can see a revival from June quarter as rebuilding activity kicks in helped by insurance payouts and welfare payments," said Oliver, who still expects two RBA rate cuts this year. —Reuters