

Business

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Microsoft buys ZeniMax Media for \$7.5bn

Acquisition adds muscle to Microsoft's Xbox arm

SAN FRANCISCO: Microsoft on Monday announced it will acquire ZeniMax Media for \$7.5 billion, adding muscle to its Xbox arm ahead of a fierce battle in the market for new gaming consoles.

ZeniMax is the parent company of Bethesda Softworks, publisher of popular game franchises including Dishonored, Doom, Fallout and Elder Scrolls.

"Gaming is the most expansive category in the entertainment industry, as people everywhere turn to gaming to connect, socialize and play with their friends," said Microsoft chief executive Satya Nadella. "Bethesda has seen success across every category of games, and together, we will further our ambition to empower the more than three billion gamers worldwide."

The rising cloud

Buying ZeniMax "checks a lot of boxes" for Microsoft, according to Baird analyst Colin Sebastian. The acquisition strengthens the Xbox games portfolio as competition for people's play time increases and boosts Microsoft's efforts to be the premier platform for cloud-based gaming, the analyst said in a note to investors. The deal should also free Bethesda to focus on making hit games while Microsoft tends to the work of hosting titles in the cloud for play across a variety of devices. Xbox team head Phil Spencer has promised to bring top Bethesda titles to the Xbox Game Pass service. While it is possible Bethesda may publish games for PlayStation, at least those already in development, it is doubtful any titles would be available to competing cloud gaming services, Sebastian said in a note to investors.

All about the games

Adding blockbuster franchises from ZeniMax as exclusives would give the new generation Xbox console more appeal when it takes on the latest PlayStation. Pricing of the consoles is similar, and PlayStation is thought to have an edge but players are



NEW YORK: Microsoft logo is displayed outside the Microsoft Technology Center near Times Square in New York City. Software giant Microsoft on Monday announced it had acquired ZeniMax Media for \$7.5 billion. — AFP

strongly driven by game content.

"If you were going to buy a PlayStation to play Bethesda games, now you are not," said Wedbush analyst Michael Pachter. Since most major video games are playable on personal computers powered by Windows software, that would be unlikely to change once Microsoft owns ZeniMax and its studios.

Consoles, however, are another matter. PlayStation fans devoted to franchises such as Elder Scrolls or shooter Wolfenstein could find them unavailable on the consoles going forward.

"If you want to play Elder Scrolls 6, you will have to

buy Xbox," said Pachter. The extent to which ZeniMax games will remain available on PlayStation will depend on how the company's contracts are written with Sony. "Generations of gamers have been captivated by the renowned franchises in the Bethesda portfolio and will continue to be so for years to come as part of Xbox," Spencer said in announcing the deal. In addition to Bethesda Softworks, ZeniMax also owns Bethesda Game Studios, id Software, ZeniMax Online Studios, Arkane, MachineGames, Tango Gameworks, Alpha Dog, and Roundhouse Studios, employing more than 2,300 people worldwide. — AFP



Fierce battle for new gaming consoles likely

"Bethesda brings an impressive portfolio of games, technology, talent, as well as a track record of blockbuster commercial success," Microsoft said in statement. The company will pay for the acquisition in cash with the deal expected to close by the mid-2021. The deal comes as Microsoft prepares to release its Xbox Series X in mid-November, its first update to the gaming console since 2013.

Sony's eagerly awaited PlayStation 5 will also launch in November, setting up a holiday-season clash with Xbox as the gaming industry thrives during the pandemic. The competing consoles will be released within two days of each other ahead of the Christmas rush, both aiming to capitalize on a rare bright spot in the economic carnage caused by the coronavirus crisis.



This handout computer-generated image released Monday by the European multinational aeronautics company Airbus shows three prototypes of zero-emission hydrogen-powered aircraft. — AFP

Airbus aims for hydrogen-powered plane by 2035

PARIS: Airbus is aiming to put the world's first hydrogen-powered commercial plane into service by 2035, the European aircraft maker's boss said in remarks published Monday. Hydrogen is a clean fuel, emitting only steam, but whether it is green depends on the carbon footprint of the fuels used to produce it.

France and other European countries are investing billions of euros in the development of green hydrogen, with the highly polluting transport industry a prime area for its intended use. "It is our ambition to become the first aircraft maker to enter such a plane into service in 2035," Airbus CEO Guillaume Faury told Le Parisien newspaper. The development of decarbonized hydrogen fuel is a "priority axis of

development" for Airbus, he said. The manufacturer has already been using hydrogen technology to power its satellites and the Ariane rocket.

Developing an aircraft that uses carbon-free fuel would not require "any major technological breakthrough", Faury said. The production technology would, however, still need around five years to reach maturity, and suppliers and industrial sites would need another two to be ready, he said.

"We could therefore implement the program around 2028," he said. Aviation generates up to three percent of the world's emissions of carbon dioxide, the main driver of climate change.

Hydrogen use would require some major design changes for aircraft, as the fuel requires about four times the storage space of kerosene for the same energy content. The French government has earmarked 1.5 billion euros (\$1.75 billion) for the development of carbon-free aircraft as part of a support plan for the aviation sector, which has been brought to its knees by the fallout from the coronavirus pandemic. Overall, France is planning to invest seven billion euros in the development of hydrogen solutions, with neighboring Germany setting aside nine billion. — AFP

ment positions to go in the first quarter of 2021. The company's negotiations with unions are proving difficult however, and German media have said pilots at subsidiary Germanwings could be among the first to face redundancy in 2021.

German union Verdi, which represents ground staff, accused Lufthansa of lacking a clear vision for the future. "It's clear to everyone that things can't go on without cuts," Verdi's Mira Neumaier said in a statement. "But the company will not be saved through job cuts alone."



FRANKFURT: German airline Lufthansa aircraft standing at the airport in Frankfurt am Main, western Germany, amid the novel coronavirus pandemic. — AFP

Lufthansa to cut more jobs as virus pummels travel

FRANKFURT: Lufthansa said Monday it will slash more jobs on top of 22,000 previously announced cuts and put more planes out of service as the coronavirus continues to crush travel demand.

The German airline group said in a statement it was losing some 500 million euros (\$590 million) a month, and bookings were declining after a brief rebound over the summer.

To cut costs, Lufthansa now plans to reduce its roughly 800-strong fleet by 150 planes by 2025, compared with an earlier plan to scrap 100 aircraft. "The previously announced personnel surplus amounting to 22,000 full-time positions will increase as a result of the decisions taken," it said.

The group did not give a figure for the additional job cuts, but sources close to the negotiations put the number at around 5,000. Lufthansa said it would engage in talks with labor representatives to "limit the number of necessary redundancies".

Managers will also be hit, with one in five manage-

TikTok's promise of 25,000 new US jobs sets lofty goal

WASHINGTON: Even as dealmakers bicker over who will actually own TikTok Global, another question emerged after President Donald Trump agreed over the weekend to keep the wildly popular video-sharing app running in the United States for another week: how can they possibly create 25,000 new jobs in the United States?

That vow, repeated by the president on Saturday at a campaign rally in North Carolina, was part of a concession that dealmakers offered to convince Trump to green-light a transaction in which a new board comprised of US citizens would oversee a new US-based company and co-owned by Oracle Corp and Walmart Inc.

But the lofty hiring target will be tough to justify, experts said. Such a high number suggests an expectation for massive revenue growth at a time when TikTok faces unprecedented global challenges. If TikTok operated at anywhere near the efficiency of other internet companies such as Twitter, TikTok would need to generate up to 19 times more revenue over the next few years.

TikTok is expected to generate about a billion dollars in revenue by the end of 2020, Reuters previously reported. Many of the new American jobs will likely be in engineering, content moderation and security roles, given the US government's intense focus on the app's data privacy policies, said Dan Ives, a technology analyst at Wedbush Securities.

"From a security and infrastructure perspective, they're going to have to hire a few thousand alone to focus on that issue...given the sensitivity," he said. TikTok recently announced a \$1 billion creator fund that will pay popular TikTok influencers for making videos. — Reuters

Lufthansa, which also owns Swiss, Brussels and Austria Airlines, was saved from bankruptcy through a German government bailout worth nine billion euros in June. But the airline has repeatedly warned that the government rescue would not be enough to stave off painful cuts as the sector weathers an unprecedented crisis. "The outlook for international air traffic has significantly worsened in recent weeks," Lufthansa said, in a nod to the rapid uptick in coronavirus cases across Europe.

'Not realistic'

Lufthansa said its previous assumption that travel demand could reach half of last year's in the fourth quarter "no longer seems realistic". Its homebase Germany is also planning new rules from October, requiring travellers arriving from risk zones to go into quarantine for at least five days before taking a test. Lufthansa would prefer it if corona tests were expanded prior to departure, saying it would be a "better alternative than changing inconsistent entry and quarantine regulations".

Germany's new quarantine plans would essentially rule out intra-Europe weekend city hops—something which had resumed over the summer months.

"The continuing high level of uncertainty in global air traffic makes short-term adjustments to the current market situation unavoidable for the foreseeable future," said the group. — AFP

Cook: Fires, storms show impact of climate change

SAN FRANCISCO: Apple chief Tim Cook said Monday he views the recent increase in fires, hurricanes and floods as strong proof that climate change is real. The disasters should sway those denying science that shows greenhouse gases are dangerously changing weather patterns, Cook said in a talk streamed during an online event by The Atlantic magazine.

Cook reasoned that wildfires raging on the US West Coast, hurricanes slamming the South, and flooding in the Northeast and Mid-Atlantic regions make a compelling case for climate change. "All of these together, I do believe will convince the people that are not currently convinced about climate change," Cook said.

His remote interview with Atlantic editor-in-chief Jeffrey Goldberg was recorded last week, when smoke from wildfires turned day to night in California and ash fell like snow in some places. "It's horrendous," Cook said.

"It's a reminder of how serious climate change is and what's at stake." Cook declined to answer whether he had any luck convincing US President Donald Trump that climate change is real during any of their conversations, saying those exchanges were private.

"I don't want to talk about it in detail, but if you sort of back up from it, my whole philosophy is engagement," Cook said. "I think it's even more important to engage when you disagree on something."

Trump suggested global warming will reverse itself and dismissed climate change as a cause of ferocious fires engulfing swathes of the West Coast during a briefing with local officials in California last week. The president, who flew into Sacramento in central California during a reelection campaign swing, pushed back against state leaders who said that climate change underlies the ever-stronger blazes.

On arrival in McClellan Park, near Sacramento, Trump repeated his argument that the wildfires are due instead to insufficient maintenance of forest areas to make them less combustible.

But at the briefing, California governor Gavin Newsom, a Democrat, countered that the fires are driven mostly by global warming. "It will start getting cooler. You just watch," Trump insisted to Wade Crowfoot, the head of the California Natural Resources Agency.

The official responded: "I wish science agreed with you." "I don't think science knows, actually," Trump said. It was Trump's first visit to California since the devastating blazes began there and in the states of Washington and Oregon. — AFP



CUPERTINO: A handout still image from the keynote video released by Apple inc shows Apple CEO Tim Cook kicks off a special event at Apple Park in Cupertino, California. Apple chief Tim Cook said Monday, he views the recent increase in fires, hurricanes and floods as strong proof that climate change is real. — AFP