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OUR UPCOMING WORKSHOPS!

WORKSHOP	DATE	COUNTRY
IFRS 9 for Banks & Other Financial Institutions	6 September 2017	Jamaica

Please contact Prudence Charles (pcharles@caricris.com) or Sita Sonnyram (ssonnyram@caricris.com) to register

Latest Rating Actions by CariCRIS

- The Government of Saint Lucia's ratings for its proposed bond issues assigned at *Cari***BBB**
- Goddard Enterprises Limited's rating reaffirmed at *Cari***AA-**
- Development Bank of Jamaica Limited's rating reaffirmed at *Cari***BBB+**
- The Government of Saint Lucia's rating reaffirmed at *Cari***BBB**
- The Government of the Commonwealth of Dominica's rating reaffirmed at *Cari***BB+**
- Bourse Securities Limited's rating reaffirmed at *Cari***A-**
- Eastern Caribbean Home Mortgage Bank's rating reaffirmed at *Cari***BBB+**
- RHAND Credit Union Co-operative Society Limited's rating reaffirmed at *Cari***BBB-**
- Point Lisas Industrial Port Development Corporation Limited's rating reaffirmed at *Cari***A+**
- The Government of the British Virgin Islands' initial issuer rating assigned at *Cari***AA-**
- NCB Capital Markets Limited's initial issue rating assigned at *Cari***BBB-**
- VENTURE Credit Union Co-operative Society Limited's rating reaffirmed at *Cari***BBB-**
- Millennium Investments Limited's rating reaffirmed at *Cari***BBB+**

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- Attract investors to raise money in capital markets
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Petrotrin investigating lease operators
State-owned Petrotrin is investigating whether the company has been fleeced out of millions of dollars by lease operators who allegedly charged them for oil they did not deliver.

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Manufacturers feeling pain, financial firms not so much*
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Jamaica Producers To Roll Over $1.5b Debt - New Bond To Be Listed On JSE
Jamaica Producers Group Limited is refinancing debt used to acquire its large stake in port operator Kingston Wharves Limited.

Jamaica Broilers To Replace IT Systems, Link Divisions Under Three-Year Restructuring Plan
Poultry company Jamaica Broilers Group, led by the Levy family, is executing a three-year plan to restructure its management and operations.

Scotia Group gets OK to take over Scotia Investments
Scotia Investments Jamaica Ltd's (SIJL) minority shareholders are now due a $38 per share windfall after accepting a scheme arrangement to sell their shares to majority owner Bank of Nova Scotia (BNS) last week Wednesday.

Barbados

BL&P seeks rate change

The Barbados Light & Power Company (BL&P) Limited has submitted an application to the Fair Trading Commission (FTC) seeking a review of the fuel clause adjustment (FCA), which it says could save customers over $3.7 million.

The Bahamas

Insurers Warn Of 20-25% Rate Increase If Irma Hits

Bahamian insurers yesterday warned Hurricane Irma could cause a 20-25 per cent increase in premiums and "capacity" issues, depending on the hit Florida and this nation take.

Belize

Pump prices to spike soon due to Hurricane Harvey

Catastrophe sent US pump prices to 2-year high – how high will they go in Belize?

Dominica

Gov't gives all clear signal; work resumes on Wednesday

The government has given the all clear signal and said work should resume with immediate effect as Hurricane Irma moves away from the island and a Tropical Storm Warning discontinued for Dominica.

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United States

Candy maker Mars looks to curb greenhouse gas emissions across supply chain

Candy manufacturer Mars Inc is aiming to cut greenhouse gas emissions and address other sustainability issues across its supply chain in a bid to help meet goals from the Paris climate agreement.

United States Cont'd

Kohl's to sell Amazon devices at 10 LA, Chicago stores

U.S. department store operator Kohl's Corp said on Wednesday it would sell Amazon.com Inc devices at 10 stores in Los Angeles and Chicago starting in October.

China

China's Anbang, HNA considered buying insurance group Allianz

China's Anbang Insurance Group Co Ltd [ANBANG.UL] and HNA Group Co Ltd [HNAIRC.UL] separately considered buying stakes in German insurer Allianz SE (ALVG.DE) as part of plans to create a global financial empire, people with direct knowledge of the matter said.

China to spend over $1 trillion on planes over next 20 years: Boeing

Chinese airlines are likely to buy more than 7,000 planes worth $1.1 trillion over the next 20 years, as they grow their fleets to meet robust demand for domestic and international travel, Boeing Co (BA.N) said in a bullish forecast on Wednesday.

Japan

Toshiba board reaches no verdict on new Western Digital chip proposal

Toshiba Corp's (6502.T) board, under pressure to clinch a deal for its prized memory chip unit soon, met on Wednesday to review a revised bid proposed by Western Digital Corp (WDC.O) but no agreement was reached, people familiar with matter said.

Japan stocks end nearly flat, retail bargain-hunting offsets N.Korea losses

Japanese stocks ended nearly flat on Wednesday as retail investors' buying in small-to-mid sized stocks offset losses incurred when the market tumbled to four-month lows on heightened tensions in the Korean Peninsula.

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Petrotrin investigating lease operators

Wednesday 6th September, 2017 – Trinidad and Tobago Guardian

State-owned Petrotrin is investigating whether the company has been fleeced out of millions of dollars by lease operators who allegedly charged them for oil they did not deliver.

Revealing this during a press conference in San Fernando on Monday, Oilfield Workers Trade Union (OWTU) president general Ancel Roget called for more transparency at the company.

Reminding the public of the major issues which OWTU brought to the fore, he said, "The issue of the fiasco with respect to stealing of oil with all of those lease operators, we raised those issues. They are not increasing Petrotrin crude oil production. They are charging Petrotrin for oil that they do not deliver to Petrotrin."

Saying that the OWTU will not remain silent and allow the corruption to go on, Roget said, "Right now an investigation is underway. We call for that investigation to be transparent and completed so that the public will know all of the underhand dealings that continue there. There is still corruption in Petrotrin."

Roget said they were still awaiting word from the Fraud Squad regarding an investigation into a major scandal in the South West Soldado developmental project deal.

"It was the OWTU in the face of a major scandal (under the UNC government), a major deal that took place with respect to South West Soldado in the awarding of a contract without knowing the contractor, without doing proper due diligence, but which contract was undertaken giving away millions of dollars to a Mexican contractor who had the responsibility to procure a barge, a floating production facility. To date they can find neither the contractor nor the facility, but Petrotrin paid money."

He recalled the union brought the matter to the attention of government with no response.

"We took a compilation of all of that information and forwarded that to the Fraud Squad in a number of interviews and brief interactions with the Fraud Squad which then committed to investigate. OWTU pressed for that matter to come to some kind of conclusion. That is yet to be completed."

When then Energy Minister Kevin Ramnarine was questioned about the deal, he said an internal probe was underway.

Ramnarine added that Petrotrin was trying to recover the money and he was awaiting the outcome of the investigation into allegations that Petrotrin breached its own rules and contract requirements, and paid an upfront commissioning fee of US$1.25 million (TT$7.94 million) to the Mexican shipping firm.

"It is alleged that a senior Petrotrin official pushed through the deal and within weeks of the disputed August 29, 2012, Petrotrin payout, US$750,000 of the US$1.25 million upfront commission was paid into a Houston bank account in Texas, USA, in the name of Membersource Credit Union, and was allegedly transferred to two private bank accounts at the Ellerslie Plaza branch of Scotiabank." Roget said.

The Guardian got no response to an email sent to Petrotrin requesting a response to these issues.

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Agostini's jumps $0.50

Wednesday 6th September, 2017 – Trinidad and Tobago Guardian

Overall Market activity resulted from trading in 16 securities of which 5 advanced, 3 declined and 8 traded firm.

Trading activity on the First Tier Market registered a volume of 1,152,722 shares crossing the floor of the Exchange valued at $18,345,168.97.

Sagicor Financial Corporation was the volume leader with 452,106 shares changing hands for a value of $3,840,314.40, followed by MASSY Holdings with a volume of 211,025 shares being traded for $10,323,313.00.

NCB Financial Group contributed 180,000 shares with a value of $907,700.00, while FirstCaribbean International Bank added 154,417 shares valued at $1,235,336.00.

Agostini's registered the day's largest gain, increasing $0.50 to end the day at $20.51. Conversely, ANSA McAL registered the day's largest decline, falling $0.20 to close at $65.80.

Clico Investment Fund was the only active security on the Mutual Fund Market, posting a volume of 27,562 shares valued at $567,761.40. Clico Investment Fund remained at $20.60.

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Manufacturers feeling pain, financial firms not so much*

Wednesday 6th September, 2017 – Trinidad Express

MANUFACTURERS in T&T seem to be feeling the most pain from the double-barrelled impact of the three-year economic downturn and the current administration's economic policies, which have raised corporate taxes and levies.

Express Business analysis of the impact of current tax policy on the performance of some local public companies found that financial institutions, on the other hand, seem to have found ways to increase their profitability, despite the burden of higher taxes.

The analysis looked at the after-tax performance of ten companies listed on the T&T Stock Exchange: five manufacturing entities and five financial institutions.

The focus was on the 2017 financial reporting of the companies because the new tax bracket of 30 per cent on individuals whose chargeable income exceeds $1 million per year and companies with chargeable profits in excess of $1 million per annum started on January 1, 2017.

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Jamaica Producers To Roll Over $1.5b Debt - New Bond To Be Listed On JSE

Wednesday 6th September, 2017 – Jamaica Gleaner

Jamaica Producers Group Limited is refinancing debt used to acquire its large stake in port operator Kingston Wharves Limited.

It will result in the early redemption of the JPG Variable Rate 2019 Notes on September 29, and the delisting of the bond from the Jamaica Stock Exchange.

"We are taking the opportunity to lock in fixed lower long-term interest rates on debt used to finance our acquisition of KW," Managing Director of Jamaica Producers Jeffrey Hall said on Tuesday.

Hall explained that initially Producers' long-term debt for Kingston Wharves was $2 billion. The debt now stands at $1.5 billion and it is this balance that will be refinanced.

"The investment continues to give excellent results and we are satisfied that we are effectively managing the debt incurred to undertake it," said Hall. "We are rolling over $1.5 billion," he said

The food and logistics conglomerate's latest earnings report for the second quarter indicate that the group holds $3.3 billion in long-term loans, overall. Its audited accounts for 2016 indicate its debt include two corporate bonds.

Corporate Bond 1 represents a $1 billion loan, secured by shares in Kingston Wharves Limited, and repayable by year 2020.

Corporate Bond 2, the bond that JP is refinancing, represents a $1 billion loan secured on shares in Kingston Wharves, repayable in 2019. It pays interest at the Weighted Average Treasury Bill Yield, or WATBY, plus 250 basis points. The WATBY resets at each semi-annual interest payment but the effective interest rate is capped at 12 per cent for the first two years and thereafter at 14 per cent until maturity.

Hall said that the refinanced rates are fixed.

"The rates are comparable to existing rates but the benefit to us is that they are locked in for five years," he said.

JP will issue a new bond and list it in due course.

In 2015, the National Commercial Bank sold off its shareholdings and exited its investment in Kingston Wharves, which allowed Jamaica Producers to become its largest shareholder, moving from 30 per cent to 42 per cent ownership. Last year, JP reclassified the port company from an associate to a subsidiary, a move that has strengthened its own financials.

The conglomerate reported a two-thirds spike in revenue in its second quarter, a gain that largely came not from its own operations, but the contribution of the port subsidiary.

Specifically, more than half the profit reported by Jamaica Producers in the quarter was contributed by its logistics investments, the star of which is Kingston Wharves. The group made $377.6 million net profit of which $158 million was apportioned to the parent company.

Jamaica Producers holds $10.8 billion in equity on its own, but the incorporation of Kingston Wharves doubles that to $21.8 billion, the conglomerate's financials indicate.

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Jamaica Broilers To Replace IT Systems, Link Divisions Under Three-Year Restructuring Plan

Wednesday 6th September, 2017 – Jamaica Gleaner

Poultry company Jamaica Broilers Group, led by the Levy family, is executing a three-year plan to restructure its management and operations.

Already, the company has conferred the title of president on the division heads of its country operations. And as a complement to the new management structure, it will be rolling out software upgrades to link all divisions.

"The team is working well and we have seen the results for financial year ending 2017. We continue to make changes as necessary," said Vice-President of Finance Ian Parsard.

Jamaica Broilers is not saying how big a budget it is working with for the three-year restructuring programme, but the company's information technology systems is a big component of it.

Parsard said the group's last major upgrade to its workflow or enterprise resource planning software, ERP, stretched back to the turn of the century.

"IT systems have a useful life; sometimes upgrades or changes are required as the technology providers no longer support older versions of hardware and software. JBG's last major installation of an ERP system was over 15 years ago. We are exploring options to replace or upgrade the current ERP and will be looking to implement the most efficient processes to serve our customers and to deal with back end accounting as well," Parsard said. "A project cost and impact study are not yet complete," he added.

As for the management changes: "We will continue to review our structure and focus on our people to deliver the best product and services for our customers, as well as deliver the results our shareholders demand," Parsard said.

Back in May, Jamaica Broilers announced that Conley Salmon would become president of the Jamaica operation. Previously, Salmon was vice-president of marketing for feeds and agricultural supplies. Dave Fairman continues to run the Haiti operations as president. That country makes up the bulk of Broilers' 'other Caribbean' operations, which includes St Lucia.

Stephen Levy, the brother to Jamaica Broilers CEO Christopher Levy and son to Chairman Robert Levy, is now president of the United States operations. Levy previously headed up Wincorp International, one of three US subsidiaries within the group.

New recruits were brought on board last year, including Lennox Channer as vice-president of accounting and Sheldon Mundle as chief information officer. This followed the promotion of Joan Forrest-Henry as vice-president of sales and marketing for the Best Dressed Chicken division, and Allen Chambers, vice-president of poultry operations at Best Dressed Chicken.

JBG indicated that building a stronger, more robust platform from which to operate would streamline the "way we do things" across the three country divisions.

Overall, the poultry company expects the 2017-18 financial year to be one of "consolidation", according to its newly released annual report.

The report cited economic stability in Jamaica and to a lesser extent Haiti, as harbingers for growth in the year ahead, but was also bullish on the US operations, where it continues to explore avenues for further expansion. The company operates hatcheries in that market. At year ending April 2017, the US contributed $1.3 billion to operating profit, Haiti and other Caribbean operations contributed $943 million, and Jamaica $2.9 billion.

The three segments earned $4.9 billion overall, which when adjusted for unallocated corporate expenses, resulted in $3.2 billion in operating profit.

At the bottom line, the group made $2.27 billion net profit from $44 billion of sales. That compares to profit of $1.7 billion in FY2016 from sales of $38 billion.

The Jamaica operations increased revenue by 12 per cent in the year, fed by its chicken, feed and baby chick product lines.

The US operations grew revenue by 23 per cent, mainly driven by the hatchery assets acquired at the end of financial year 2016. And the other Caribbean operations grew 20 per cent.

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Scotia Group gets OK to take over Scotia Investments

Wednesday 6th September, 2017 – Jamaica Observer

Scotia Investments Jamaica Ltd's (SIJL) minority shareholders are now due a $38 per share windfall after accepting a scheme arrangement to sell their shares to majority owner Bank of Nova Scotia (BNS) last week Wednesday.

The vote virtually seals the takeover of the company once known as Dehring, Bunting and Golding (DB&G), which numbers among its founders' two leading Opposition politicians — Mark Golding and Peter Bunting — by the Toronto-based BNS and its local subsidiary Bank of Nova Scotia Jamaica Ltd.

According to a release from BNS, the minority shareholders voted 'yes' in favour of the Scheme of Arrangement, whereby shares held by them are to be cancelled and, in consideration of which, they shall receive $38 per share or the US$ equivalent from the Scotia Group Jamaica Ltd.

The release said that an Extraordinary General Meeting, which commenced at 2 pm Jamaica time, and 3 pm Trinidad & Tobago time, was held at the Jamaica Pegasus Hotel in New Kingston on July 30, and simultaneously video-linked for shareholders based in Trinidad & Tobago at the Hyatt Regency Hotel, Port of Spain.

"The preliminary results indicated that the shareholders of the company overwhelmingly approved the scheme, with 83 per cent of persons attending giving approval in person or by proxy, representing 99.95 percent of the shares voting in favour," the release said.

"We thank all our shareholders for the interest shown in the company and the Scheme of Arrangement that was proposed, and would like to assure all our clients that Scotia Investments remains committed to delivering the high-quality advice and service to which you have become accustomed," Jeffrey Hall, Scotia Investments chairman, commented.

The process started in June this year, when Scotia Investments Jamaica reported that it would team with its parent company in Toronto, Canada, to purchase all outstanding shares and make the company a private entity after delisting from regional stock exchanges.

In July ratification took a major step when Mayberry Investments Ltd (MIL) and Mayberry West Indies Ltd, which owned approximately 2.2 per cent of its shares, announced that it would support the deal.

Mayberry's CEO Gary Peart commented that the offer was fair and reasonable, and that MIL was satisfied with it based on its own due diligence.

“We welcome the cash returns from this transaction, which we will use to finance other investment opportunities, “ Peart greeted the offer.

It was explained then that while Scotia owned 77 per cent of SIJL up to then, even with Mayberry's support it still needed less than one per cent more, mainly from pension fund investments including the National Insurance Fund, to make the 80 per cent approval from shareholders that was necessary for delisting. However, this was subject to a Supreme Court judgement.

On July 24 the Supreme Court issued an order permitting SIJL to convene a meeting of its shareholders, pursuant to which the company would become a wholly owned subsidiary of the Scotia Group. Under the Scheme of Arrangements, if approved by the shareholders, stock units held by individuals other than Scotia Group would be cancelled and Scotia Group would pay each stockholder $38 per cancelled share. Shareholders in Trinidad and Tobago would be paid in United States currency only, while those in Jamaica would have the option to elect to receive payment in Jamaican or US currency.

Scotia says it will now seek to confirm a hearing date with the Supreme Court of Jamaica to sanction the results of the vote and obtain the court's final approval for the Scheme of Arrangements to take effect.

Once sanctioned by the court, the scheme becomes effective and the company will confirm with shareholders the distribution of monies based on the details of the Scheme of Arrangement.

SIJL started as DB&G in 1992 and converted to a public company that same year, having listed on the Jamaica Stock Exchange. However, in 2006 SIJL made a successful bid for majority ownership, taking over 77 percent of the shareholding.

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Gov't gives all clear signal; work resumes on Wednesday

Wednesday 6th September, 2017 – Dominica News Online

The government has given the all clear signal and said work should resume with immediate effect as Hurricane Irma moves away from the island and a Tropical Storm Warning discontinued for Dominica.

However, schools remain closed and will open on Thursday.

"The Tropical Storm Warning issued for Dominica has been removed and as such, the government of Dominica has issued an all clear for Dominica," Cecil Shillingford, Disaster Risk Consultant, stated on Wednesday morning.

He stated that it means work will resume with immediate effect.

He pointed out that those who are in shelters can return home and all shelters should be closed.

"Residents are asked to proceed with extreme caution when moving around today and the coming days, given that heavy rains and winds could have caused some instability," Shillingford remarked. "Also we will continue to experience showers and high seas as Irma continues to move away."

He cautioned fishermen from going out to sea and thanked all who ensured Dominica remained safe during the passage of Irma.

"Just to repeat, work will resume with immediate effect, that is from now, and schools will remain closed today and will reopen tomorrow, September 7," Shillingford said.

The government had suspended work in the civil service at noon on Tuesday due to the passage of Irma.

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China's Anbang, HNA considered buying insurance group Allianz

Wednesday 6th September, 2017 – Reuters

China's Anbang Insurance Group Co Ltd [ANBANG.UL] and HNA Group Co Ltd [HNAIRC.UL] separately considered buying stakes in German insurer Allianz SE (ALVG.DE) as part of plans to create a global financial empire, people with direct knowledge of the matter said.

The conglomerates weighed buying a majority stake in the world's fourth-largest insurer by market value - worth over $95 billion - while HNA was also open to a minority stake, said two people who were involved in the discussions.

The separate talks, which were at an early stage and did not result in formal bids, were called off earlier this year on expected regulatory hurdles in Germany and China and due to little interest shown by Allianz's management, they said.

It's "highly unlikely" those plans would be revived in the near future, one of the people said.

A bid to acquire a controlling stake in Allianz, one of nine insurers of global systemic importance, would have ran into political and regulatory hurdles, as the insurer is a German stalwart that holds a huge amount of capital and is an important pillar for local pensions.

The people spoke to Reuters on condition of anonymity due to sensitivity of the issue.

HNA's plans to buy a stake in Allianz, which is not seen as a takeover candidate due to its size and importance in Germany's financial sector, was first reported on Wednesday by German daily Sueddeutsche Zeitung.

Representatives at Allianz, Anbang and HNA - which has announced over $50 billion in deals since 2015 including stakes in Deutsche Bank AG (DBKGn.DE) and Hilton Worldwide Holdings Inc (HLT.N) - all declined to comment when contacted by Reuters.

Although the talks did not continue for long, the plans for possible separate bids for Allianz reveal ambition among Chinese conglomerates including Anbang and HNA to create a global empire through large, debt-fuelled acquisitions.

Massive overseas deals has resulted in Chinese regulators ramping up scrutiny this year of outbound acquisitions - ranging from football clubs to movie studios - of groups including Anbang, HNA, Fosun and Dalian Wanda.

The government has increased restrictions on overseas acquisitions in recent months and has leant on domestic banks to reduce lending that helped fuel the shopping spree and saw local firms spending a record $221 billion on assets overseas in 2016.

Reporting by Sumeet Chatterjee; Additional reporting by Matthew Miller and Tom Sims; Editing by Clara Ferreira-Marques and Christopher Cushing

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China to spend over $1 trillion on planes over next 20 years: Boeing

Wednesday 6th September, 2017 – Reuters

Chinese airlines are likely to buy more than 7,000 planes worth $1.1 trillion over the next 20 years, as they grow their fleets to meet robust demand for domestic and international travel, Boeing Co (BA.N) said in a bullish forecast on Wednesday.

Its latest estimate of 7,240 aircraft purchases for the period to 2036 is 6.3 percent higher than the U.S. planemaker's previous prediction of 6,810 planes last year.

"China's continuous economic growth, significant investment in infrastructure, growing middle-class and evolving airline business models support this long-term outlook," Randy Tinseth, Boeing Commercial Airplanes vice president of marketing, said.

"China's fleet size is expected to grow at a pace well above the world average, and almost 20 percent of global new airplane demand will be from airlines based in China," Tinseth said in a statement.

Boeing and European rival Airbus (AIR.PA) have been jostling for market share in China, the world's fastest growing aviation market, with both opening assembly plants in the country.

Both firms have profited heavily from the aggressive fleet expansion plans of Chinese airlines, which are now experiencing falling passenger returns on routes, thanks to stiffer competition and capacity increases.

The U.S. firm said it expects three-quarters of the 7,240 plane orders to be for single-aisle aircraft, thanks to strong demand for travel within China and throughout Asia. The widebody fleet would require 1,670 new planes, it added.

Tinseth said he expected more demand for widebody aircraft, adding that the falling returns now being experienced by airlines was temporary. "They are big investments, it takes time, and they will get there," he said.

He added that there was more optimism on the long-term economic outlook, given better-than-expected economic growth in China this year, while the cargo market was also seeing a resurgence.

Reporting by Pei Li in BEIJING and Brenda Goh in SHANGHAI; Editing by Sam Holmes and Clarence Fernandez

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Toshiba board reaches no verdict on new Western Digital chip proposal

Wednesday 6th September, 2017 – Reuters

Toshiba Corp’s (6502.T) board, under pressure to clinch a deal for its prized memory chip unit soon, met on Wednesday to review a revised bid proposed by Western Digital Corp (WDC.O) but no agreement was reached, people familiar with matter said.

The latest twist in a tortuous series of revised bids and changing alliances among suitors has seen Western Digital - which has been at loggerheads with Toshiba - offering to drop out of the bid it is organizing if that will help get a deal done and other conditions are met, separate sources said on Tuesday.

Those conditions include no other rival chipmaker being part of the consortium and a stronger position for the U.S. firm in their joint chip venture, they said.

Scrambling to cover billions of liabilities at its U.S. nuclear unit, Toshiba needs an agreement in the next few weeks. According to one person with direct knowledge of the situation, Toshiba’s board is aiming to vote on the new proposal at a meeting next week.

Sources declined to comment as they were not authorized to speak on the matter. Toshiba declined to comment on the auction process.

Western Digital, which has invested heavily in their chip joint venture, had been on the backfoot for much of the auction this year as Toshiba entertained other higher bids. Relations between the two frayed to the point where the U.S. firm, which argues no deal is possible without its consent, initiated legal action.

Toshiba shares rose nearly 5 percent on hopes that Western Digital’s compromise, in which it would stay in the consortium but no longer offer financing, would help seal a deal.

But whether the revised proposal will be enough to get the Western Digital-backed consortium, which also includes U.S. private equity firm KKR & Co LP (KKR.N) as well as Japanese government-backed investors, over the finishing line is unclear.

Toshiba remains wary that Western Digital is still angling to take control of the unit - worth $17 billion to $18 billion - at some point in the future, sources familiar with the matter said.

Just last week, Toshiba said it had not narrowed the pool of suitors and was also looking at a bid from U.S. private equity firm Bain, which has roped in Apple Inc (AAPL.O) to bolster its offer, as well as one from Taiwan's Foxconn (2317.TW).

It was not known if those bids were also reviewed by Toshiba's board on Wednesday.

One source said the Western Digital consortium was now sounding out Apple's interest in providing some financing to the chip business, although another source said this did not sound feasible.

The value of the revised offer from the Western Digital-backed consortium was not immediately clear.

Under its earlier proposal, the U.S. firm was offering to contribute 150 billion yen ($1.4 billion) through convertible bonds as part of the consortium's $17-18 billion offer, sources have said.

But Toshiba insisted that Western Digital limit the size of its stake in the chip unit to 15 percent over the next 10 years - a condition that the U.S. firm declined to accept, they added.

In exchange for withdrawing from the consortium, Western Digital is asking Toshiba for a larger share of the chip allocation at their plant. It is also demanding that Toshiba ensure the two firms invest jointly in new production lines, sources said.

Toshiba, after the board meeting, said it decided to build a new semiconductor manufacturing facility in Iwate, northern Japan, and was considering whether its chip joint venture partner SanDisk, owned by Western Digital, will take part.

Failure to clinch a sale of the chip unit in the next few weeks could mean that it may not clear all necessary regulatory approvals by the end of the financial year in March, which would likely lead to Toshiba reporting negative equity for two years in a row, increasing its chances of its shares being delisted.

Reporting by Makiko Yamazaki; Additional reporting by Kentaro Hamada and Taro Fuse, Taiga Uranaka, Junko Fujita and Chris Gallagher; Editing by Edwina Gibbs

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Candy maker Mars looks to curb greenhouse gas emissions across supply chain

Wednesday 6th September, 2017 – Reuters

Candy manufacturer Mars Inc is aiming to cut greenhouse gas emissions and address other sustainability issues across its supply chain in a bid to help meet goals from the Paris climate agreement.

Mars is one of a number of U.S. firms, including Walmart Stores Inc and Apple Inc, that have committed to curbing climate change even as sentiment on the issue shifts in Washington. U.S. corporations including Home Depot Inc and General Mills are now major users of renewable energy like solar and wind.

The McLean, Virginia-based firm plans to spend $1 billion as it expands its sustainability goals beyond previously announced targets to cut its own greenhouse gas emissions by 40 percent by 2020 from its level in 2007.

"We expect to have a competitive advantage from a more resource efficient supply chain," Mars Chief Executive Officer Grant F. Reid said in a statement.

The company now said it will cut greenhouse gas emissions across its supply chain by 67 percent by 2050.

Some companies have reaffirmed their commitment to battle climate change in recent months, after President Donald Trump said in June the United States would withdraw from the Paris climate agreement. The move drew praise from fossil fuel groups but criticism from others.

Mars has been sequencing genomes for crops like cocoa to make the plants more productive and has begun to have conversations with suppliers including mint oil manufacturers on potentially transitioning to renewable energy, said Andy Pharoah, Mars Vice President of Corporate Affairs. The company already uses renewable energy to power its operations in U.S. and U.K. markets.

Mars is also targeting reducing poverty in the production of some of its core crops, namely cocoa, rice and mint, and addressing human rights violations in cocoa, palm oil, and fish.

Exploitative labor and deforestation have been persistent issues for crops like cocoa and palm oil, two major ingredients for Mars' candy bars. In addition to candies like M&M's and Snickers, the company makes pet food and Uncle Ben's rice.

"Forced labor has no place in our supply chain, so we are very focused on making progress against that," said Pharoah. "There's a whole range of activities on that. That starts with being open and transparent and calling it out."

Reporting by Chris Prentice; Editing by Phil Berlowitz

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Kohl's to sell Amazon devices at 10 LA, Chicago stores

Wednesday 6th September, 2017 – Reuters

U.S. department store operator Kohl's Corp said on Wednesday it would sell Amazon.com Inc devices at 10 stores in Los Angeles and Chicago starting in October.

Kohl's said it would provide 1,000 square feet of space in the stores that would be manned by Amazon employees selling devices such as Fire tablets and voice-controlled speaker Echo.

Kohl's, which has reported declining sales for six straight quarters, is the latest retailer to join hands with Amazon, the e-commerce company that has put a dent into sales at retailers across the United States.

Sears Holdings Corp signed a deal in July to sell its Kenmore home appliances on Amazon.com and integrate the brand's smart gadgets with Amazon's digital assistant Alexa.

Kohl's shares were slightly higher at $40.60 in premarket trading.

Reporting by Vibhuti Sharma in Bengaluru; Editing by Sai Sachin Ravikumar

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Japan stocks end nearly flat, retail bargain-hunting offsets N.Korea losses

Wednesday 6th September, 2017 – Reuters

Japanese stocks ended nearly flat on Wednesday as retail investors' buying in small-to-mid sized stocks offset losses incurred when the market tumbled to four-month lows on heightened tensions in the Korean Peninsula.

The Nikkei ended 0.1 percent lower at 19,357.97, after getting as low as 19,254.67 - the lowest level since May 1.

The broader Topix ended 0.1 percent higher at 1,592.00 after trading in negative territory most of the day.

But retail investors, who sold small-to-mid cap stocks earlier this week, were seeing buying them back as they hunted for bargains, traders said.

The Mothers market of start-up shares outperformed, ending 0.4 percent higher, after hitting the lowest in more than four months.

The Nikkei Jasdaq index also gained 0.4 percent

A top North Korean diplomat warned that his country was ready to send "more gift packages" to the United States as world powers struggled to find an effective response to Pyongyang's latest nuclear weapons test.

"Japanese stocks' valuations are cheap and companies' fundamentals are not bad, but foreign investors see Japanese shares losing attraction because they are susceptible to East Asian risks," said Norihiro Fujito, a senior investment strategist at Mitsubishi UFJ Morgan Stanley Securities.

"There are expectations that the Bank Of Japan would buy exchange-traded funds when the market falls, but foreigners' selling is so big that it would offset the central bank's market-supporting operation."

The BOJ bought a total of 147.8 billion yen worth of ETFs over the past two days. Meanwhile, foreign investors have been net sellers of Japanese cash stocks for the past five weeks, offloading shares worth a total of 790.9 billion yen, Japan Exchange data showed.

Automakers were sold, with Toyota Motor Corp falling 0.9 percent and Nissan Motor Co dropping 0.6 percent.

Elsewhere, Japan Post Holdings and Recruit Holdings gained 1.9 percent and 7.8 percent, respectively, after Nikkei Inc said it will include the stocks in the Nikkei 225 as of Oct. 2.

On the other hand, the index provider said it will remove Hokuetsu Kishu Paper Co and Meidensha Corp from the index, sending their share prices down by 6.1 percent and 6.8 percent respectively.

CyberAgent dived 6.0 percent as investors had expected that the stock would be added to the index after some brokerages hinted in their reports that CyberAgent would be included.

Separately, the labour ministry said Japanese workers' wages fell in July from a year earlier due to a drop in summer bonus payments, casting doubts over the sustainability of a recent improvement in consumer spending.

The data had little impact on the market, traders said. (Reporting by Ayai Tomisawa; Editing by Eric Meijer)

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Insurers Warn Of 20-25% Rate Increase If Irma Hits

Tuesday 5th September, 2017 – Tribune 242

Bahamian insurers yesterday warned Hurricane Irma could cause a 20-25 per cent increase in premiums and "capacity" issues, depending on the hit Florida and this nation take.

Anton Saunders, RoyalStar Assurance's managing director, warned that "significant damage" in Florida could have greater local insurance market implications than if Irma copied Hurricane Matthew in striking New Providence and Grand Bahama.

Florida and the Bahamas largely share the same global reinsurers, and Mr Saunders said a multi-billion dollar damages payout in the 'Sunshine State' would make these companies more reluctant to continue coverage here given this nation's close proximity.

Bahamian insurers, due to their relatively thin capital bases, purchase huge quantities of reinsurance to enable them to underwrite property and other assets that have a collective multi-billion value.

Mr Saunders thus emphasised that any capacity withdrawal as a result of Florida-based losses would make it difficult for Bahamian insurers to obtain the reinsurance needed, putting even greater pressure on catastrophe premium rates than if Irma's destruction was confined to the Bahamas.

"We have two scenarios," he told Tribune Business, describing Florida as worst for the insurance industry. "If it's localised to the Caribbean and the Bahamas, the rates will be increased depending on the loss. It will be between 20-25 per cent.

"If it hits Florida, all bets are off. If Irma hits Florida, and Florida sustains significant damage, our concern would be if we will have sufficient capacity available for the Bahamas. That's more our concern; whether it hits Florida and if there's sufficient capacity for the Bahamas going forward."

Irma is potentially the third major hurricane in three years to score a direct hit on the Bahamas, following Matthew last year and Joaquin in 2015.

"We just hope and pray that if something happens it's minor, and we are crossing our fingers that we will be spared this one," Mr Saunders said.

"If it hits Florida, it's not a matter of rates; it's a matter of capacity. How much are we going to get? That's even worse."

Tim Ingraham, Summit Insurance Company's president, backed Mr Saunders' analysis by agreeing that Bahamian property and casualty rates will "head north" should Irma emulate Matthew's estimated $600 million damages.

He added that the storm, currently with Category Four winds, would be "more of a game changer" for the Bahamas and its reinsurance market than Hurricane Harvey should it hit Florida.

"That would be more of a game changer than Harvey is at this point," Mr Ingraham told Tribune Business. "Even if we escaped and Florida got hit, that certainly will be a different thing for us.

"A lot of reinsurers that do business here also do business in Florida. That's the difficulty; being so close to Florida." The Summit chief added that Irma's impact on the Bahamas, and potential level of damages, will be determined by the path it takes through the 700-island archipelago.

"If it goes over the islands to the south, it will not be as significant," Mr Ingraham said. "If it starts to come up the chain like Matthew, we could see extensive losses, depending on what path it follows and the rain coming from it.

"If that happens, rates will start heading up. Rates have remained fairly level this year following Matthew, except for properties and areas that suffered losses. If we see another one on that scale, we will start to see rates head north. If it's a huge hit, that's more than likely."

Mr Ingraham said Summit was still accepting new underwriting business, given that the Bahamas had yet to be placed under any Irma-related hurricane or tropical storm advisories.

"We're watching and waiting to see where it goes over the next day or two before making any firm determination or decision," he added. "We will write until alerts are issued for those areas. Nothing's been issued yet."

Mr Saunders, though, said RoyalStar had stopped underwriting new property and casualty risks, and changing existing coverage, on Sunday. "With social media driving the hype, a lot of people out there are panicking," he told Tribune Business, "so we think it's in the best interests of our partners and reinsurers to cease new business at this time."

The RoyalStar chief added that all policies due for renewal, and quotes, would be honoured. Predicting that Irma would match Matthew's losses ($600 million in damages, $400 million in insured claims) if it followed the same path, he added that underwriters and loss adjusters could have difficulty in determining when property damage was incurred.

"The challenge will be to determine if those people who had damage from Matthew repaired their properties, so that you are not paying double claims on the same loss," Mr Saunders told Tribune Business.

Mr Ingraham, meanwhile, added of Irma: "After two years in a row of dealing with these things, it's not something we look forward to; not just from an insurance perspective, but a personal perspective.

"The stress of it all can get to you if you're dealing with it on an annual basis. From my perspective, I hope this one misses us and gives us a break this year."

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Pump prices to spike soon due to Hurricane Harvey

Wednesday 6th September, 2017 – Amandala

Catastrophe sent US pump prices to 2-year high – how high will they go in Belize?

Hurricane Harvey's shutdown of oil refineries in the Texas area—responsible for about 25% of all crude oil in the USA—has already sent pump prices up to the highest level in the USA in two years.

Fuel shortages caused by Harvey are also affecting Belize, as it does import a substantial quantity of refined fuel from Houston suppliers on a regular basis in addition to buying refined fuel from Venezuela under the Petrocaribe Accord, said a press release issued today by the Government of Belize.

The Ministry of Finance has given no indication what the extent of the increase will be, although reports in the US and Canada say that the increases there were in the region of 12%. There is a huge price differential due to added taxes here, between prices charged at gas stations in the US (where regular gas costs an average of US$2.64) and those in Belize (where the same product costs consumers in excess of US$5.00 a gallon).

Financial Secretary Joseph Waight told Amandala today that Belize is expecting to receive supplies from El Salvador by this weekend. Belize would be buying fuel (primarily diesel) from that Central American country's stockpile, which will automatically mean higher prices (due to freight costs) than if Belize were to source the fuel from its traditional sources – the US and Venezuela, he explained.

As we have previously reported, supplies from Venezuela have been waning due to that country's internal challenges, forcing Belize to increase its purchases from the US market.

The affected Texas oil refineries are not expected to resume normal operations and return to full output for some weeks to come, which means that Harvey could adversely impact future pump prices as well.
According to the official Government of Belize statement, they are "working closely with the key supplier, PUMA, to ensure that such increases are kept to a bare minimum and remain for the shortest possible time."

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BL&P seeks rate change

Tuesday 5th September, 2017 – Barbados Today

The Barbados Light & Power Company (BL&P) Limited has submitted an application to the Fair Trading Commission (FTC) seeking a review of the fuel clause adjustment (FCA), which it says could save customers over $3.7 million.

A notice this week from the FTC said the utility company was seeking to recover costs associated with the commissioning of a 5MW energy storage in St Lucy, and it was seeking to do so by way of the FCA.

"The Barbados Light & Power Company Limited has submitted an application to the Fair Trading Commission for approval to recover the costs associated with the commissioning of a 5MW energy storage device via the fuel clause adjustment. This application will result in a review of the fuel clause adjustment decision dated October 11, 2013 and is made in accordance with Section 16 of the Utility Regulation Act, Cap 282 of the Laws of Barbados," the FTC said.

The fuel clause adjustment, which is monitored by the FTC, is a mechanism designed to recover the cost of fuel used in the generation of electricity. It adjusts the price that customers pay for each kilowatt-hour of electricity as the cost of fuel used to generate electricity rises and falls.

The regulatory body said those wishing to intervene in the proceedings have until 4 p.m. on Monday, September 11, 2017 by way of a letter.

The fuel clause adjustment has been averaging just over 22 cents per kWh.

In a statement to Barbados TODAY Monday afternoon the utility company said the application to the FTC was another demonstration of the company's commitment to facilitate greater penetration of renewables and reduce the cost of electricity to customers.

"The installation of the battery storage will result in no additional cost to customers and furthermore, is estimated to save customers over $3.7 million in fuel charges," the BL&P said.

"The company remains committed to its plan to invest in ways to make electricity generation cleaner and intends to work with all stakeholders to be a part of the energy solution for Barbadians," it added.

BL&P commissioned study released in early 2015 had suggested that a 5MW or 12MW energy storage could have significant economic benefits, reducing thermal fleet production cost by about $5 million or $11 million per year.

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