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Musk says Twitter deal on hold

Elon Musk announced Friday that his Twitter deal is on hold until he receives more information about how many fake accounts there are on the social media platform.

In a follow-up tweet around two hours later, Musk added that he was “still committed to the acquisition,” CNBC wrote.

Twitter’s stock plummeted 18% in premarket trading following the initial announcement, but trimmed some losses after the second tweet. Shares were down about 10% after markets opened.

Tesla CEO Musk announced last month that he intends to buy Twitter for $44 billion and he’s previously tweeted that one of his main priorities would be to remove “spam bots” from the platform.

Even before Friday’s announcement, the company’s market value had fallen to $9 billion beneath the offer price due to concerns about the deal.

Musk, who is expected to serve as Twitter’s temporary CEO if the deal goes ahead, would have to pay a $1 billion breakup fee should he choose to walk away. Musk is worth more than $220 billion.

Twitter estimated in a filing earlier this month that fewer than 5% of its monetizable daily active users during the first quarter were bots or spam accounts.

The San Francisco-headquartered social media company said in the filing that it had 229 million users in the first quarter who were served advertising.

On Tuesday, Musk said that he would lift Twitter’s ban on former President Donald Trump if he takes over the company.

“Permanent bans should be extremely rare and really reserved for accounts that are bots, or scam, spam accounts ... I do think it was not correct to ban Donald Trump,” Musk said at FT Live’s Future of the Car conference. “I think that was a mistake, because it alienated a large part of the country and did not ultimately result in Donald Trump not having a voice.”

Earlier this month, Bill Gates warned that Musk could make Twitter “worse.” Speaking at The Wall Street Journal’s CEO Summit, Gates said it’s unclear how Musk will change Twitter if he takes ownership, while also raising concerns about the spread of misinformation on social media platforms.

Tesla’s share price climbed nearly 7% in premarket trading Friday.

Susannah Streeter, senior investment and markets analyst at Hargreaves Lansdown, said some are likely to query whether fake accounts are the real reason behind this delaying tactic.

“The $44 billion price tag is huge, and it may be a strategy to row back on the amount he is prepared to pay to acquire the platform,” she said in a statement.

Toshiba in early talks with 10 potential buyout ‘partners’

AFP

Troubled conglomerate Toshiba said Friday it has been approached by 10 potential investors as it weighs going private, a move that would be highly unusual in corporate Japan.

The engineering giant was once a symbol of the country’s industrial prowess, producing everything from rice cookers to laptops and nuclear plants, AFP reported.

But more recently it has faced scandals, financial woes and resignations, while management and shareholders have clashed over buyout and spin-off proposals.

Despite the challenges, its earnings are growing, and on Friday Toshiba said annual net profit leapt 70 percent on-year, continuing a recovery from the painful lows of the 2010s.

Shareholders in March shunned a plan to split the company into two, stirring internal turmoil after a shock takeover offer from private equity fund CVC Capital Partners was dropped.

Toshiba said Friday it has been holding confidential, non-binding discussions with 10 “potential partners” who want to suggest “strategic alternatives” for its future.

That could include privatisation “to enhance the company’s corporate value”, the company said in a statement.

Any move by a foreign equity fund to take Toshiba private would likely face regulatory hurdles, because the company handles sensitive sectors such as nuclear power generation and defence equipment.

Annual net profit in the year to March jumped 70.8 percent to 194.7 billion yen ($1.5b) on “increased sales in all business segments, and increased operating income mainly from semiconductors and energy”, Toshiba said.

Powell wins second term as US Fed chief as inflation battle rages

The US Senate on Thursday confirmed Jerome Powell to a second term as head of the Federal Reserve, as the central bank ramps up its fight to crush soaring inflation.

The vote came amid inflation that has hit a 40-year high, fueled by the conflict in Ukraine and sanctions imposed on Russia, as well as COVID-19 restrictions in China that have raised concerns that the global supply snarls may worsen, AFP reported.

The Fed chair has said his primary focus is on getting inflation under control, but acknowledged the effort could be painful.

US President Joe Biden, whose popularity has taken a hit from the soaring inflation and record gasoline prices, has repeatedly said that tackling the issue is primarily a job for the Fed.

Powell, who first joined the Fed board in 2012, led the central bank as it slashed the benchmark interest rate to zero at the start of the pandemic in March 2020 and pumped money into the financial system to prevent a severe downturn in the world’s largest economy.

Now, he is overseeing efforts to cool price pressures affecting American families.

The Fed last week announced its largest rate hike since 2000 and signaled similar increases were likely in the coming months.

The challenge for Powell and the Fed is to turn down the heat on inflation without tipping the US into recession.

While he has expressed confidence the economy is strong enough to withstand the tighter monetary policy, Powell said it will be challenging amid the unprecedented global shocks and “may actually depend on factors that we don’t control.”

In an interview with Marketplace on Thursday, he renewed his warning that “the process of getting inflation down to two percent will also include some pain.”

“The most painful thing would be if we were to fail to deal with it and inflation were to get entrenched in the economy at high levels.”

Powell had continued at the helm of the central bank even after his first four-year term officially expired on February 4.

He has repeatedly stressed the importance of ensuring that economic opportunities extend to disadvantaged groups – a notable change of focus in an economy where black workers face far higher unemployment rates than other racial groups.

The confirmation of Jerome Powell as US Federal Reserve chair for a second term comes amid surging inflation.
AFP

Japan needs to invest $1.2 trillion in decarbonisation over 10 years

Wearing a protective mask amid the coronavirus disease (COVID-19) outbreak, Japan’s Economy, Trade and Industry Minister Koichi Hagiuda speaks at a news conference in Tokyo, Japan, on October 5, 2021.
REUTERS

Japan’s public and private sectors will need to invest a total of 150 trillion yen ($1.2 trillion) in decarbonisation over the next 10 years to help achieve the nation’s ambitious goal of becoming carbon neutral by 2050, the Industry Ministry said on Friday.

The estimate was unveiled as part of an interim report on the country’s clean energy strategy which is expected to be finalised later this year.

“A great competition has already begun in which first movers have an advantage in the decarbonisation area,” Koichi Hagiuda, Japan’s minister of economy, trade and industry, told a panel of specialists which has been discussing the strategy.

It is essential for the government to offer support measures not only for research and development but also in various other areas on an unprecedented scale, allowing the private sector to make investment decisions with foresight, he said.

In April, the ministry said a 17 trillion-yen investment would be needed in decarbonisation for 2030 alone by which time Japan aims to cut its emissions by 46 percent compared to 2013 levels.

Decarbonisation includes renewable energy, cleaner fuels such as hydrogen and ammonia, rechargeable batteries, energy-efficient buildings and electric vehicles.

To attract investment from the private sector, the government plans to provide support through subsidies, regulation and financing, among other measures, especially for new technology to help reduce carbon dioxide emissions and the creation of global supply chains for next-generation fuels.

Given more than 60% of carbon emissions within cities typically come from buildings, a concerted effort to decarbonize real estate is needed sooner rather than later.

In an increasingly challenging and volatile world, the urgent need to decarbonize real estate remains a constant.

With little harmonization or integration, cross-border real estate investors and end-users are struggling to navigate the global net zero carbon regulatory landscape.