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IN BRIEF

GE reports small loss as costs rise



NEW YORK: General Electric reported a modest first-quarter loss as costs rose and industrial profits dipped, in part due to a big drop in its oil and gas segment. GE reported a loss of \$98 million, compared with the year-ago loss of \$13.6 billion when results were marred by massive charges related to divestments of GE Capital.

This time, results were hit by higher costs and interest and finance charges as the industrial giant proceeds with a massive scaling back of its financial operations.

Revenues were \$25.3 billion, up 6.1 per cent from the year-ago period.

Industrial profits were \$3.3 billion, down 6.9 per cent, with profits lower in oil and gas, as well as in GE's power segment and transportation. — **AFP**

Jet Lite to merge with Jet Airways



MUMBAI: Private carrier Jet Airways said here that it has received shareholders' approval for the merger of its low-cost subsidiary JetLite with itself.

"At the meeting, the equity shareholders of the company have approved the scheme of merger between JetLite (India) Limited and Jet Airways (India) Limited," the carrier said in a BSE filing on Friday. After the due process, the erstwhile Sahara Airlines, which was bought over by Jet Airways for Rs 14.5 billion and re-enshrined as Jet Lite would cease to be a budget carrier and merge with the full service arm of its mother company. — **IANIS**

Twitter eyes Japan, Britain for growth

NEW YORK: In a fresh bid to recover from the stalled users' growth and declining revenue, micro-blogging website Twitter has joined hands with business listing and review site Yelp to supply location services for Japan and Britain inside its app.

The Yelp integration will give Twitter users in Japan and Britain an option of selecting places provided by Yelp when they tag a location in their tweets, technology website TechCrunch reported on Saturday.

The service will soon be available to Twitter on Internet. "Twitter users in the UK and Japan can now simply tap the location icon to add Yelp geotags to Tweets," Chad Richard, senior vice president of business and corporate development at Yelp, posted. — **IANIS**

Payment delays causing 'serious' cash-flow problems: Contractors

CASH-CRUNCH: Crisis has cascading effect on the entire supply chain, warns OSC

CONRAD PRABHU
MUSCAT

April 23: The Oman Society of Contractors (OSC), the umbrella grouping of construction firms operating in the Sultanate, has warned that protracted delays in the final settlement of payments against state-funded infrastructure projects is causing "serious" cash-flow problems for many Omani construction firms.

Worse, the crisis is having a knock-on effect on the wider sector, with associated subcontractors, vendors and service providers also suffering the fallout, according to Shahswar al Balushi, Chief Executive Officer — OSC.

"The issue of payment delays is a very serious problem," said Al Balushi. "We are talking here about millions of Omani rials, which if added up, could run into hundreds of millions of Omani rials. So it's not a small amount!" he added in exclusive remarks to the *Observer*.

In some instances, the accounts of contractors have not been settled even after the actual completion and operationalisation of the projects in question. Facing the brunt, the CEO said, are a number of large contractors, including some that have not been paid for multiple years. Reasons include



contractual disputes, variations, incomplete documentation, and so on, he noted.

"Some of the final payments are in arrears for 2-3 or even five years, and some involve substantial amounts of money. There are also some publicly listed companies that, if you look at their financials in 2015, they reported losses. This indicates that the current situation is not as positive as it used to be in the past."

The issue of payment delays, the CEO explained, has more to do with final settlements against completed contracts.

is that if the client doesn't settle the final accounts within a reasonable timeframe, the contractors will incur interest on these borrowings. At some point, the banks in question will no longer extend their credit lines to the contractors once they become aware of their cash flow problems."

Also of concern for OSC, Al Balushi said, are the implications of the payment crisis for the wider ecosystem encompassing the contractor sector. Once constrained by cash flow problems, the contractors in question will have difficulties making timely payments to subcontractors, material suppliers and other vendors, thereby impacting the entire supply chain, he warned.

For its part, the Oman Society of Contractors has sought the intervention of, among others, the Majlis Ash'shura and Majlis Addawla to help address this crisis. "We have also communicated the matter to the Ministry of Finance, which is relooking at the (standard) contract terms to try to amend them to incorporate FIDIC terms, and we are part of this process. But we think the problem is more with the individual clients who, for some reason, fail to see the difficulty that their contractors face," Al Balushi added.

Q4 RESULT



Reliance net up 16.9 pc in Q4

MUMBAI: India's largest private company, Reliance Industries, said its consolidated profits for the quarter ended on March 31 were 16.9 per cent up at Rs 73.98 billion on improved margins, beating the market expectation of around Rs 70 billion.

The consolidated net profit for the year as a whole for the refining-retail conglomerate stood at Rs 276.30 billion, up 17.2 per cent. In a regulatory filing, it also reported a seven-year high gross refining margin of \$10.8 per barrel, against \$8.6 per barrel in 2014-15.

The consolidated turnover for the year, however, was down — falling to Rs 2690.91 billion, against Rs 3,884.94 billion in the previous year — a decrease of 23.8 per cent. This was attributed to a sharp fall in feedstock and product prices during the year.

But total expenses fell sharply down to Rs 2,452.03 billion from Rs 3,496.18 billion. This was coupled with a record throughput of 69.6 million tonnes in the refining business at a capacity utilisation of 112 per cent during the year. — **IANIS**

India doubles share in global GDP to 2.86 pc

NEW DELHI: India doubled its share in world GDP from 1.43 per cent in 2000 to 2.86 per cent in 2015, industry body PHD Chamber said on Saturday.

"India's GDP stood at \$477 billion in 2000 and increased to \$2,091 billion in 2015, showing more than four-fold increase over a period of 15 years," PHD Chamber President Mahesh Gupta in a statement.

According to the statement, the five countries of BRICS — Brazil, Russia, India, China and South Africa — accounted for a combined GDP of more than \$16 trillion.

"BRICS economies also contributed a significant share in the world GDP which increased from 8.27 per cent in 2000 to 22.53 per cent in 2015," said Gupta. Among the BRICS nations in 2015, China led the pack with a GDP contribution of 15.01 per cent, followed by India (2.86 per cent), Brazil (2.42 per cent), Russia (1.81 per cent) and South Africa (0.43 per cent). Interestingly, the BRICS countries' GDP volume rose significantly from 2000, particularly after the economic crisis in 2008 while India's growth turned out to be phenomenally well.

— **IANIS**

The method used on the San Bernardino iPhone 5c would not work on other models: FBI

US drops NY fight with Apple after gaining access to iPhone

NEW YORK: The US Justice Department on Friday dropped its effort to force Apple Inc to help unlock an iPhone in a drug case in New York after someone provided authorities the passcode to access the device.

In a letter filed in federal court in Brooklyn, New York, prosecutors said that investigators late on Thursday used that passcode to access the iPhone at issue, and as a result "no longer needs Apple's assistance."

The letter marked a sudden end to a closely watched case, in which the Justice Department had been appealing a ruling by a federal magistrate judge holding that he could not force Apple to assist authorities.

The case gained further significance after prosecutors in March dropped a similar effort to force Apple to help access an iPhone used by one of the shooters in December's San Bernardino killings, after a third party provided a way to crack it.

Justice Department spokeswoman



Emily Pierce said the cases have "never been about setting a court precedent; they are about law enforcement's ability and need to access evidence on devices pursuant to lawful court orders and search warrants."

An Apple spokesman declined comment. Previously, the company had argued in court that prosecutors had not provided any evidence to bolster their claim that they had exhausted other methods to get data from the phone. Apple said it was not even clear that they had asked the suspect and his associates.

Though officials said the passcode had just come to light, the development marks the second time the federal government has dropped a contentious fight over the extent of its power over private companies after Apple pressed it to say what methods it had tried.

Prosecutors had been challenging a February 29 ruling by US Magistrate Judge James Orenstein holding he did not have the authority to order Apple to disable the security of an iPhone seized in a drug probe.

The case predated the government

effort to force Apple to help access the phone of Rizwan Farook, one of the two killers in the San Bernardino massacre, which left 14 people dead and 22 wounded. While the Justice Department dropped that bid after a third party provided a way to access the San Bernardino phone — apparently for more than \$1 million — it continued appealing Orenstein's ruling.

FBI Director James Comey has said that the method used on the San Bernardino iPhone 5c would not work on other models, including the iPhone 5s, the type in the Brooklyn case.

The phone belonged to Jun Feng, who has pleaded guilty to participation in a methamphetamine distribution conspiracy, which prosecutors are continuing to investigate.

Unlike the phone used in San Bernardino, Feng's phone had an older operating system, iOS 7, which is not protected under the same encryption technology, which is why Apple could access it. — **Reuters**