

Business

The European Commission ordered **Luxembourg** to collect €250m (\$300m), plus interest, in back taxes from **Amazon**, the latest broadside from the regulator that penalises sweetheart tax deals between EU countries and multinationals. Amazon's main European hub is in Luxembourg. The commission claims that a tax-reducing deal struck in 2003 between the online retailer and the government in Luxembourg, led at the time by Jean-Claude Juncker, who is now the commission's president, amounted to illegal aid.

Showing that it means business in its clampdown on illegal tax benefits, the commission referred **Ireland** to the European Court of Justice for failing to recover €13bn (\$15.3bn) in back taxes from **Apple**, a requirement imposed by the regulator on Ireland.

In a move that could muddle America's **electricity markets**, Rick Perry, the energy secretary, proposed a system to reward power plants for stockpiling 90 days supply of fuel in order to cope with "the threat of energy outages". The scheme would provide what is in effect a giant subsidy to coal and nuclear plants, which are the only type to hoard their fuel, at the expense of natural gas and renewables.

Regulators decided that **American International Group** is no longer a systemically important financial institution. The insurance group received a \$182bn bailout during the financial crisis, and has since pruned its sprawling jungle of assets. Removing AIG's designation as "too big to fail" eases the restrictions it was subject to under post-crisis rules, such as tighter capital buffers.

Britain's GDP growth rate was revised down to 1.5% year-on-year in the second quarter, the weakest pace in four years. And consumer debt is higher than previously thought. The

growth in personal loans from credit cards and car finance are running five times above the growth in earnings. There is £200bn (\$265bn) outstanding in such debt, the most since the financial crisis in 2008.

Thawing out



Iceland's central bank reduced its benchmark interest rate again, from 4.5% to 4.25%. The country has fallen into recession, in part because tourism, which contributes about 9% to GDP, has cooled off. The bank insists that the economy is robust, and is more worried by falling inflation, which dropped to 1.4% in September, from 1.7% in August. Inflation has not hit the bank's target of 2.5% since early 2014.

The bankruptcy of **Monarch Airlines** brought calls from MPs for the British government to lift a ban on flights to Sharm el-Sheikh, an Egyptian resort

by the Red Sea that has been hit by terrorism. Britain's fifth-biggest airline failed to secure a deal with creditors to keep it airborne. Its chief executive laid blame for the collapse on terror attacks that have driven passengers away from popular destinations.

Jeff Immelt stepped down as chairman of General Electric. He had planned to retire at the end of the year, having already handed over the reins as chief executive to John Flannery in August. But the transition process has reportedly gone so smoothly that Mr Flannery is now able to take on the dual role of chairman.

South Korea agreed in principle to amend its free-trade agreement with America. Donald Trump had threatened to withdraw from the deal unless changes were made to curb America's growing trade deficit with the country.

These are not friends Facebook handed Congress 3,000 ads produced by Russian provocateurs that it had unwittingly hosted. The ads were designed to stir political divisions; some were reportedly targeted on the battleground states of Michigan and Wisconsin, which were crucial to

Donald Trump's victory. Facebook promised to do more to identify the source of advertising and is employing another 1,000 people to remove ads, though it gave scant detail about how it will do this.

The number of user accounts breached at **Yahoo** in 2013 is now thought to be 3bn, three times the original estimate of 1bn, which was already the biggest data hack on record.

The *Wall Street Journal* stopped publishing its European and Asian print editions after a steep decline in sales precipitated by a big take up of digital subscriptions. The American print issue will be available in some cities instead.

Time to accelerate Tesla Motors produced just 260 of its new Model 3 in the third quarter, well below its target of 1,500. The company blamed "production bottlenecks", which is not unusual for the launch of new vehicles and which pleased investors, driving up its share price. Still, Tesla is aiming for 5,000 Model 3 cars to roll off the production line each week by the end of the year.

Other economic data and news can be found on pages 84-85

