

● A New Era of Economic Gambling Is About to Begin p31

● Trade Stocks and Bitcoin for Free! What Could Go Wrong? p54

● Why Modi Hasn't Turned India Into a Superpower Yet p10

Bloomberg Businessweek

February 12, 2018 ● ASIA EDITION



I WAS A NORTH KOREAN HACKER

Inside a secret army p42

■ IN BRIEF

8 ● Alibaba gets into the movies ● Louboutin loses its sole ● Tesla shoots the best-ever car ad—in space

■ REMARKS

10 **Narendra Modi isn't delivering the reforms and growth India needs to become a world leader**

■ VIEW

12 Congress may finally wake from its "Dreamer" nightmare

1 BUSINESS

14 Airbus's best customers want to help build its planes

16 QVC, the king of cable shopping, continues to thrive in the age of Amazon

19 **"Is the pig really flying? What happened to the pig after the typhoon is gone?"**

2 TECHNOLOGY

19 China's battery behemoth prepares to take on Tesla

20 How Canada became a leader in quantum computing

22 Original Stitch has big plans—but its shirts are still too small

23 Inside iPhones and iPads, Apple keeps chipping away at Intel and Samsung

3 FINANCE

25 Children, that's what we call a good old-fashioned market freakout

26 AmEx alums do battle with their alma mater

27 Singapore looks toward an exciting future—as the next Hong Kong

28 What those hedge fund fees are really paying for

4 ECONOMICS

31 Jay Powell's first week at his job is a doozy

33 The bond bears are on the prowl

34 The party's over for China's debt-addicted conglomerates

5 POLITICS

36 Is Candidate Crypto the guy to take Orange County from red to blue?

39 Under Trump, Wall Street loosens the bonds of regulation

41 In the name of national values, Poland alienates allies



FEATURES

42

Life as a hacker for North Korea



48 They work endless hours for pitiful pay. And they have your old age in their hands

54 Can Robinhood get the kids who occupied Wall Street to invest in it?

PURSUIT

59 In fashion, everything old is new again



62 Let us help you spend your bonus

64 Paris is better than ever

66 Critic: The Tate's landmark "Art in the Age of Black Power" comes to Arkansas

67 The One: Bottega Veneta's Manhattan tote

68 Game Changer: Investor Vijay Pande believes machine learning can cure cancer

59 **"They find nothing wrong with recycling clothing. Buying used does not have a stigma whatsoever"**

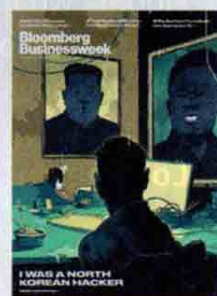
How to Contact Bloomberg Businessweek

Editorial
212 617-8120
Ad Sales
212 617-2900
731 Lexington Ave.,
New York, NY 10022
Email
bwreader@bloomberg.net
Fax
212 617-9065
Subscription Customer Service URL
businessweekmag.com/service
Reprints/Permissions
800 290-5460 x100
or email
businessweekreprints@theygsgroup.com

Letters to the Editor can be sent by email, fax, or regular mail. They should include the sender's address, phone number(s), and email address if available. Connections with the subject of the letter should be disclosed. We reserve the right to edit for sense, style, and space.

Follow us on social media

Facebook
facebook.com/bloombergbusinessweek/
Twitter
@BW
Instagram
@bloombergbusinessweek



Cover: Illustration by Simon Prades



Asia

● Crews in Taiwan rushed to rescue dozens of people trapped under rubble after a 6.4-magnitude earthquake.

● Maldives President



Abdulla Yameen jailed two Supreme Court justices and blocked lawmakers' access to parliament, calling the actions a response to an attempted coup.

● Forty-seven Russian athletes made last-ditch appeals to the International Olympic Committee to compete in the Winter Games in Pyeongchang. The IOC had barred Russia over allegations of widespread doping during the 2014 Games, but said decisions on individual athletes' eligibility would be made on a case-by-case basis.

● China's Zhejiang Geely maneuvered to buy 3 percent of Daimler, the parent of Mercedes.

Geely, which also owns Volvo, has been on a shopping spree, buying the London Taxi Co., Lotus, and Terrafugia, a U.S. startup focused on flying cars.

● Alibaba took a \$743 million stake in Wanda Film, the cinema chain owned by Dalian Wanda, which controls about 14 percent of China's movie-going market. Alibaba's own film division has underperformed in the past year.

Change in share price since Feb. 3, 2017

▲ Alibaba Group ▲ Alibaba Pictures



Europe



● As of Feb. 6, the Berlin Wall had been down for exactly 10,316 days, one day longer than it stood. A day before, officials confirmed the authenticity of a 260-foot stretch of the wall that had survived undiscovered in woods north of the city.

● It's now illegal in Poland to accuse the country of assisting in the Holocaust.

● The sole surviving suspect in the November 2015 Paris terror attacks, Salah Abdeslam, refused to cooperate with the court on the first day of his trial in Belgium for allegedly engaging in a gun battle with police. He also faces charges in France.

As of Feb. 6, such statements qualify as libel and carry a jail sentence of as much as three years. > 41

Americas

● More than four months after parliamentary

elections, German Chancellor Angela Merkel finagled a deal with the center-left Social Democratic Party to form a government. One last hurdle: The SPD's 460,000 members have to approve the deal. The result is expected to be announced in early March.



● “In my wildest imagination, I don’t know why these products exist. Who do they benefit?”

Volatility Index co-creator Devesh Shah criticized financial products tied to the index he helped assemble 15 years ago. Derivative bets based on the Vix may have fueled huge swings in stock markets around the world on Feb. 5. > 25

● The long-awaited *Waymo v. Uber Technologies* trial got started on Feb. 5 with opening arguments from both parties.

● The European Union's highest court ruled that Christian Louboutin's signature red soles were part of the shoes' shape and therefore not protected by EU trademark law. The ruling came in a suit filed by Louboutin against Dutch rival Van Haren. The company won a similar suit against Yves Saint Laurent in the U.S. in 2012.



● Costa Rica's presidential election appeared headed for a runoff between Carlos Alvarado Quesada, the former labor minister, and Fabricio Alvarado, a TV journalist turned Christian singer. The next vote is scheduled for April 1.

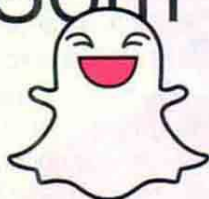


● SpaceX successfully launched the Falcon Heavy, the most powerful rocket in use, sending a Tesla Roadster into orbit. CEO Elon Musk, who hopes the rocket will one day carry people to Mars, took advantage of the occasion to call for a new space race.

● Reinsurance giant Swiss Re confirmed that it's in talks to sell a minority stake to Japan's SoftBank, which is led by mega-investor Masayoshi Son.

● For the first time since Snap went public a little less than a year ago, its earnings exceeded investors' expectations. Fourth-quarter sales grew 72 percent, to

\$286m



Africa

● South Africa delayed President Jacob Zuma's State of the Nation address as its ruling African National Congress attempted to negotiate an early exit for the embattled leader, whose term ends in 2019. In December the ANC elected Cyril Ramaphosa to lead the party.

● Nigerian President Muhammadu Buhari prohibited foreign work visas for jobs that can be filled by residents. The country's unemployment rate has almost doubled in two years and is fast approaching 20 percent.

