

# Business

THURSDAY, DECEMBER 10, 2020

## Boeing 737 MAX returns to sky

### Gol's flight 4104 arrives safely in Brazilian city of Porto Alegre

**ABOARD A BOEING 737 MAX, Brazil:** More than 20 months after it was grounded following two deadly crashes, Boeing's 737 MAX returned to the skies yesterday with an incident-free commercial flight in Brazil, said journalists on board. Low-cost airline Gol's Flight 4104 from Sao Paulo arrived safely in the southern city of Porto Alegre about 70 minutes after take-off using the revamped jet, in a first that Boeing hopes will turn the page on a badly damaging crisis in the wake of the twin crashes.

Most travelers aboard the 88-passenger plane, which had a capacity of 186 passengers, took little notice of the model number painted on its nose. Gol's crew for their part made no mention of the fact that it was the first commercial flight for the 737 MAX since its worldwide grounding in March 2019. "I thought it was a good flight," said passenger Naiara Providello before disembarking to the soothing sounds of Brazilian bossa nova music. "I didn't know the plane's history. I think maybe they should have informed us. But it was a good flight."

#### Safety first

Gol said it was fully confident in the safety upgrades and expanded pilot training program implemented by Boeing as part of aviation regulators' conditions to recertify the plane. "For the past 20 months, we have been carrying out the most intensive safety review in the history of commercial aviation," Gol's vice president for operations, Celso Ferrer, said in a statement.

"Safety comes first and foremost," A Gol spokesman said that any passenger who did not feel comfortable flying on the 737 MAX would be allowed to reschedule at no cost for up to 12

months from the date of purchase.

"Exceptional situations will be evaluated on a case-by-case basis," he said in an email. Gol, the biggest domestic airline in Brazil, said it expected to have its full fleet of seven 737 MAX planes back in the air by the end of the year. The airline is betting big on Boeing's recovery: it has also confirmed 95 firm orders for the 737 MAX, in addition to 20 more already in the US awaiting delivery.

#### We're in the sky!

The MAX was grounded in March 2019 after two crashes that together killed 346 people. The fallout of the 2018 Lion Air and 2019 Ethiopian Airlines crashes plunged Boeing into crisis. Investigators identified a principal cause of both crashes as a faulty flight handling system known as the Maneuvering Characteristics Augmentation System, or MCAS.

Meant to keep the plane from stalling as it ascends, the automated system instead forced the nose of the plane downward. The US Federal Aviation Administration (FAA) ordered Boeing to revamp the jet and implement new pilot training protocols. On November 18, it approved the plane to return to service after the upgrades were put in place.

Brazil's National Civil Aviation Agency (ANAC) followed suit a week later. They are the only two aviation regulators to green-light the plane so far. The European Aviation Safety Agency (EASA) began the process of recertifying it last month. Crew on the Gol flight said they were moved to be involved in such a key moment for the airline industry, which has been battered not only by the crisis at Boeing but by



SAO PAULO: Passengers take their seats before takeoff in a Boeing 737 MAX aircraft operated by low-cost airline Gol at Guarulhos International Airport, near Sao Paulo yesterday as the 737 MAX returns into use more than 20 months after it was grounded following two deadly crashes. — AFP

the upheaval of the coronavirus pandemic. A pilot-one of 140 at Gol who received special training in the United States on the overhauled jet-flashed a thumbs-up from the cockpit window as the first passengers boarded.

However, Gol stuck strictly to routine protocol aboard the plane, going through the usual safety instructions and in-flight rituals with no mention of

the noteworthiness of the occasion. Passengers, who were all in face masks, did not appear to notice when the captain mentioned the plane's model number.

In these troubled times for global travel, however, there was still a moment of magic for at least one flyer. "We're in the sky!" shouted a young boy as the jet took off. — AFP

### Key developments in BoP of Kuwait for 2Q 2020: CBK

**KUWAIT:** The Central Bank of Kuwait (CBK) published yesterday the preliminary data of the State of Kuwait's Balance of Payments (BoP) for 2Q 2020, and the revised data of 1Q 2020. The data revealed a surplus during 2Q 2020 of KD 108.3 million in the Current Account (that sums up receipts and payments on transactions between the domestic economy and other economies in terms of goods, services and income) compared with a surplus of KD 220.3 million during the previous quarter, i.e. a drop by 50.8 percent equivalent to KD 112.0 million.

This downturn is mainly attributable to the decline in the total value of receipts on the credit side of the Current Account by KD 2,269.3 million or 37.4 percent compared with the previous quarter, and the decrease in the total value of payments on the debit side of the Current Account by KD 2,157.3 million or 36.9 percent compared with the previous quarter.

Furthermore, preliminary data

indicated a drop in the surplus of the Balance on Goods by KD 1,681.1 million or 84.1 percent to reach KD 318.6 million during 2Q 2020, compared with KD 2,000.4 million during the previous quarter. The Services Account (net value of services transactions between residents and non-residents that include transportation, travel, communications, construction, other services as well as government services and goods) recorded a decline in the deficit by KD 1,293.4 million or 78.5 percent to reach KD 354.9 million during 2Q 2020, compared with a deficit of KD 1,648.2 million during the previous quarter.

Regarding the Financial Account (recording transfers of financial assets and liabilities between residents and non-residents), preliminary data indicate net capital outflows (growth in residents' net investments abroad) of KD 748.0 million during 2Q 2020, against net capital inflows of KD 679.4 million during the previous quarter.

Summary of the Balance of Payments of the State of Kuwait (KD Million)

Item	1Q 2020	2Q 2020
<b>Current Account, of which:</b>	<b>220.3</b>	<b>108.3</b>
- Balance on Goods	2,000.4	318.6
Capital Account*	-55.6	-11.2
Financial Account**	679.4	-748.0
<b>Overall Balance</b>	<b>91.3</b>	<b>1,734.6</b>

Source: Central Bank of Kuwait.

\*Minus signs of Capital Account values indicate net capital outflows, while positive signs indicate the opposite.

\*\* Negative numbers in the Financial Account statements reflect capital outflows, indicating an increase in external assets or a decrease in foreign liabilities. Positive numbers indicate the opposite.

As a result, the overall position of Kuwait's BoP recorded a surplus of KD 1,734.6 million during 2Q 2020 against a surplus of KD 91.3 million during the previous quarter. From a broader perspective, and taking into consideration the change in the net value of external

assets of some institutions listed under "General Government" and changes in CBK's reserve assets, the BoP's overall position, in a broad definition, indicates a surplus of KD 247.4 million during 2Q 2020 against a deficit of KD 87.7 million during the previous quarter.

### Johnson jets to Brussels in bid to save Brexit deal

**BRUSSELS:** Prime Minister Boris Johnson was headed for Brussels yesterday, with hopes for a post-Brexit trade deal hanging on crisis talks with EU chief Ursula von der Leyen. Johnson's dash back to the city where he made his name as an EU-bashing newspaper reporter marks an almost final chance of a breakthrough before Britain leaves the EU single market.

"A good deal is still there to be done," Johnson told the UK parliament before setting off for Brussels, while insisting Britain would "prosper mightily" with or without agreement. Talks are blocked over the issue of fair competition, with Britain refusing to accept a mechanism that would allow the EU to respond swiftly if UK and EU business rules diverge over time and put European firms at a disadvantage.

"Our friends in the EU are currently insisting that if they pass a new law in the future, with which we in this country do not comply, they want the automatic right... to punish us and to retaliate," Johnson said.

EU negotiator Michel Barnier and his UK counterpart David Frost have narrowed the gaps over eight months but London insists it will reclaim full sovereignty at the end of the year after half-a-century of close economic integration. If Britain leaves

the EU single market in three weeks without a follow-on Free Trade Agreement (FTA) the damage caused by delays to travellers and freight at its borders with the EU will be compounded by import tariffs. In Berlin, Germany's Chancellor Angela Merkel said there was still a chance for a deal. But she warned: "We must not endanger the integrity of the common market."

Merkel said Britain would have to accept that as the UK and EU legal systems move apart after Brexit there must be a way to ensure a "level playing field for tomorrow and the day after tomorrow". "Otherwise we'd end up with unfair conditions for competition which we can't ask of our companies," she said.

#### Demolition claim

Johnson spoke by telephone to Von der Leyen on Monday to secure the last chance dinner invitation after negotiations between Barnier and Frost broke off without agreement. He will travel by plane and arrive late Wednesday for talks at the Berlaymont, the EU headquarters building he once wrongly reported was scheduled for demolition when he covered Brussels as a newspaper journalist in the early 1990s.

But officials on both sides expressed pessimism ahead of the last-ditch encounter. Barnier, meanwhile, gave a downbeat briefing to European ministers ahead of today's EU leaders summit, then tweeted: "We will never sacrifice our future for the present. Access to our market comes with conditions." A senior European source said the question was whether the EU would respond automatically and unilaterally if commercial standards diverge, or



LONDON: Britain's Prime Minister Boris Johnson exits a car as he returns to 10 Downing Street in central London yesterday. — AFP

whether they would leave space to negotiate.

"The sticking point in the negotiations is the equivalence clause requested by the EU to avoid distortions of competition if the UK refuses to align itself over time with EU tax, social and environmental standards," he said. But a UK government source said: "If we can make progress at a political level it may allow Lord Frost and his team to resume negotiations over the coming days." —AFP

### Global markets cheered by hopes for US stimulus

**LONDON:** Asian and European stock markets mostly rose yesterday after the White House put forward a fresh stimulus proposal of \$916 billion, lifting hopes US lawmakers could pass a deal before Christmas. The dollar retreated, while the pound fought back strongly after heavy Brexit-linked losses this week.

The prospect of a rescue package for the world's top economy has helped revive equities, which have drifted for most of the month after November's surge, while the rollout of coronavirus vaccines in Britain and imminent authorization in the US has added to the optimism. Investors were given a strong lead from Wall Street, where the Nasdaq and S&P 500 notched fresh records Tuesday.

Spiking COVID-19 cases around the world and the imposition of tough containment measures nevertheless continue to cast a long, dark shadow over trading floors. "European markets (traded) significantly higher, following a fresh record high on US indices, as investors welcomed the prospect of a solid US stimulus package," said ActivTrades analyst Pierre Veyret.

"The risk-on trading stance is back on most benchmarks after the \$916-billion stimulus package proposal from US Secretary of Treasury Steven Mnuchin offset mounting fears due to rising COVID-19 numbers."

Equities have struggled this week as focus has been on the pandemic but Mnuchin provided a much-needed shot in the arm Tuesday when he said he had presented Democrat House Speaker Nancy Pelosi with a new economic rescue package. The \$916 billion (756-billion-euro) plan is bigger than the \$908 billion proposal put forward last week by a bipartisan group of lawmakers. "With the markets starting to exhibit some year-end fatigue, any stimulus holiday stocking-stuffer will come at a most welcome time and ensure that well-subscribed equity markets will cross the year-end finishing line on a positive note," noted Axi strategist Stephen Innes.

Focus in Europe was also heavily on Brexit. British Prime Minister Boris Johnson has flown to Brussels for talks with EU chief Ursula von der Leyen, just weeks ahead of the December 31 deadline for a post-Brexit trade deal.

"Sentiment is positive... ahead of the meeting between Prime Minister Johnson and the EU Commissioner von der Leyen," said CMC Markets analyst David Madden. "Volatility is likely to be low throughout the session as some traders will probably play the wait and see game. There are no guarantees that a deal will be reached." Britain made a gesture of good faith by withdrawing controversial elements of a legislative package concerning the future border in Ireland. But while EU member Ireland said a pact between the sides on post-Brexit Northern Ireland offered some hope for a broader trade deal, optimism was at a premium. — AFP