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NEW YORK: A "Help Wanted" sign hangs in a store window in New York. US employers added a robust 242,000 workers in February 2016 as retailers, restaurants and health care providers drove another solid month for the resilient American job market. — AP

US TRADE GAP WIDENS TO \$45.7 BILLION

EMPLOYERS ADD 242,000 JOBS; RATE HOLDS AT LOW 4.9%

WASHINGTON: The US trade deficit rose in January as American exports fell for a fourth straight month, the Commerce Department said yesterday.

The gap between exports and imports climbed to \$45.7 billion in January from a revised \$44.7 billion in December. Exports of goods and services fell 2.1 percent in January to \$176.5 billion, lowest since June 2011. Exports of industrial equipment and supplies were down. American exporters have been hurt by weakness around the world and by a strong dollar that makes US products more expensive overseas.

The high dollar should be helping imports by making them cheaper in America. But imports slid 1.3 percent to \$222.1 billion in January, lowest since April 2011. Lower oil prices explain part of the drop. Petroleum imports of \$11.2 billion were the lowest since November 2003. But January imports of autos and auto parts hit a record \$30.6 billion. The deficit in the trade of goods with China rose to \$31.1 billion in January from \$29.7 billion. The goods gap with the European Union dropped to \$12.6 billion from \$13.3 billion in December. Increasing trade deficits drag down US gross domestic product - the broadest measure of economic output. Last year, the gap between exports and imports shaved more than 0.6 percentage points off annual GDP growth of 2.4 percent.

Jobs growth

US employers added a robust 242,000 workers in February as retailers, restaurants and health care providers drove another solid month for the resilient American job market. The unemployment rate held steady at a low 4.9 percent. The Labor Department yesterday also revised up its estimates of job growth in December and January by a combined 30,000. Over the past three months, employers have added a strong 228,000 jobs. The gains show that the US economy has weathered a global economic slowdown and falling financial markets without suffering much blowback. The improvement will help ease fears that arose in recent weeks that a new US recession might be looming.

Yesterday's jobs report is sure to be closely monitored by the Federal Reserve and presidential candidates as a gauge of how well the economy is extending its 61/2-year rebound from the Great Recession. "Neither global headwinds, financial turbulence nor political uncertainty has dimmed American business' enthusiasm for hiring," said Sal Guatieri, a senior economist at BMO Capital Markets. "The solid jobs report should allay recession fears."

Worker pay did slip last month after having picked up in January. But more Americans who had been sitting on the sidelines began searching for jobs last month and found them. Employers expect solid consumer demand in the months

ahead even though the stock market has turned turbulent, oil prices have hurt energy industry jobs and a stronger dollar has reduced export sales.

Retailers added 54,900 jobs last month. Restaurants and bars added 40,200, the health care sector 38,100. Hiring by construction companies, retailers and health care providers has offset layoffs at manufacturers and fossil fuel companies - two sectors squeezed by the pressures of uncertainty in China, sluggishness in Europe, declining oil prices and a stronger dollar. Job losses for the mining sector - an area that includes the battered energy industry - have totaled 140,400 in the past 12 months. And manufacturing has added just 12,000 jobs over that time.

Consumers have provided the foundation for much of the job market's improvement in what's become something of a self-sustaining cycle. More than 2.7 million workers hired over the past 12 months have bolstered spending on autos, housing and meals out. With unemployment remaining low, economists say more companies should begin to raise pay to attract workers, thereby fueling more hiring and increasing people's ability to spend, invest and save.

One of the lingering weaknesses of the recovery has been tepid pay growth. Over the past 12 months, average hourly earnings have risen 2.2 percent. Earnings actually fell slightly between January and February in a sign that an expected

lift-off in incomes has yet to be achieved.

But Ian Shepherdson, chief economist at Pantheon Macroeconomics, noted that wages may have fallen because the survey for the jobs report occurred before Feb. 15, which is payday for people who are paid semimonthly. Still, the hiring has translated into more consumer spending in several key sectors. Auto sales rose 7 percent over last February to 1.3 million vehicles, according to Autodata Corp.

Purchases of existing homes rose 0.4 percent last month to a seasonally adjusted annual rate of 5.47 million, according to the National Association of Realtors. That improvement followed a solid 2015, when sales achieved their highest level in nine years. And spending at restaurants has risen 6.1 percent over the past 12 months. Still, troubles abroad have tempered US economic growth. China, the world's second-

largest economy, is struggling with high corporate debts and slower growth. Oil prices have tumbled amid relatively low demand. The strong dollar has crushed exports, while the stock market has dropped in an extended bout of volatility this year. The Fed is looking for further wage growth. The central bank is considering whether to raise interest rates again in the face of global risks that could imperil broader economic growth. In December, the Fed raised rates from record lows - its first increase in nearly a decade. —AP