

Business

Jazeera Airways agrees new measures to protect airline from COVID-19 challenges

Airline's medical facility at Kuwait Airport is now equipped for virus screening

KUWAIT: The Board of Directors of Jazeera Airways met virtually on March 19, 2020 to discuss the suspension of flights and present conditions in light of the Coronavirus COVID-19 pandemic.

The airline's Board agreed to suspend its previous recommendation to distribute dividends to shareholders for the financial year ending December 31, 2019. The suspension comes as part of measures taken by the airline to enable it to weather through current challenges and protect the business in the long-term.



Board of Directors meets virtually

Commenting on the decision taken by the Board of Directors, Chairman Marwan Boodai, said: "On behalf of everyone at Jazeera Airways, I take this opportunity to first extend our deepest gratitude to Kuwait's Government, and in particular the Ministry of Health, for the immediate measures taken to limit a spread of the virus in the State of Kuwait. We are honored to support their efforts in every way possible.

"As a private sector company, we are taking full

responsibility to ensure our business continuity. Therefore, we have implemented decisive measures to safeguard our financial position caused by the Covid-19 pandemic, including the suspension of the 2019 dividend payment and activating the drawdown of bank facilities, that were not previously tapped, to support Jazeera's ongoing liquidity through the coming months. We have always taken prudent and pivotal actions in difficult circumstances. In such times, placing our employees and customers first is our priority by ensuring they are not affected in the long-run. We are committed to our role as a Kuwaiti national carrier and will continue to perform our part to ensure we can support the economy and uphold our national duty."

In a statement, the International Air Transport Association (IATA), said that over 16,000 passenger flights have been cancelled in the Middle East and the number is expected to increase exponentially with the additional measures in different countries. International bookings in the Middle East are down 40 percent year-over-year in March and April, as of March 19, 2020. IATA's statement revealed that Middle East airlines had lost \$7.2 billion in revenue as at March 11, 2020, while ticket refunds have increased by 75 percent in 2020 compared to the same period in 2019 (February 1 to March 11).

In Kuwait alone, IATA added that consistent with the 'Extensive Spread' Scenario published on March 5, the disruptions from COVID-19 could result in 2.9 million loss in passenger volumes and \$547 million loss in base revenues.

Jazeera Airways is building a dedicated auxiliary



special medical facility - Kuwait Passenger Reception Centre (KPRC) - in coordination with the Directorate General of Civil Aviation (DGCA) and the Ministry of Health at Kuwait International Airport, to screen all inbound passengers and test them for Coronavirus before entering the arrival hall. The new facility is a remote extension of the Jazeera Terminal 5 (T5) and will be ready when the Kuwaiti Government plans the reopening of Kuwait International Airport to passenger traffic.

The airline had announced placing its fleet of 14 aircraft at the disposal of the State of Kuwait to support its efforts to return Kuwaiti citizens to the country as well as serve for transporting medical products

and equipment needed. The airline has always placed its fleet at the service of Kuwait in times of crisis and continues to do so as part of its national duty.

Boodai concluded: "Jazeera Airways has faced previous challenges in its history and is confident that the underlying position of the airline is capable to successfully manage this current period. We believe the situation is temporary and the aviation market as well as Kuwait economy will stabilize and return to growth, as a result of the joint efforts between the government of the State of Kuwait and the private sector, under the patronage of His Highness the Amir of the country, may God protect him and His Highness the Crown Prince.



TOKYO: Pedestrians wearing face masks walk past a quotation board displaying the share price numbers on the Tokyo Stock Exchange in Tokyo yesterday. — AFP

Global shares suffer virus chills, CBs offer cold comfort

SYDNEY/HONG KONG: Asian shares slid yesterday as fears mounted that the global coronavirus shutdown could last for months although markets regained some lost ground late in the session with Australia posting a stand-out jump. European stocks slid further in early trading yesterday as coronavirus-fuelled volatility gripped global equities and other financial markets, with oil prices plunging. London slid 1.6 percent, Frankfurt lost 1.0 percent, Paris shed 1.9 percent, Milan tumbled 2.0 percent and Madrid retreated 2.4 percent.

European stock markets had slumped on Friday as investors banked profits from last week's rally sparked by massive government and central bank action to protect economies from the pandemic.

Australia's benchmark ASX200 saw a late surge, closing up 7 percent after Prime Minister Scott Morrison unveiled a \$130 billion (\$79.86 billion) package to help save jobs.

Most other markets were down but trimmed earlier losses. Japan's Nikkei dropped 1.57 percent, Shanghai blue chips were down 0.94 percent, and there were sharper drops in Southeast Asia, with Singapore's benchmark index down 2.95 percent. That left MSCI's broadest index of Asia-Pacific shares outside Japan nearly flat.

"Markets in Asia are reacting to concerns about the knock-on economic impact of the coronavirus situation in Europe and North America, rather than Asian case numbers," said Suresh Tantia senior investment strategist at Credit Suisse. JPMorgan now predicts that global GDP could contract at a 10.5 percent annualized rate in the first half of the year.

"We continue to mark down IH20 global GDP forecasts as our assessment of both the global pandemic's reach and the damage related to necessary containment policies has increased," said JPMorgan economist Bruce Kasman. As a result, central banks have mounted an all-out effort to bolster activity with rate cuts and massive asset-buying campaigns, which have at least eased liquidity strains in markets.

China yesterday became the latest to add stimulus with a cut of 20 basis points in a key repo rate, the largest in nearly five years. Singapore also eased as the city-state's bellwether economy braced for a deep recession, while New Zealand's central bank said it would take corporate debt as collateral for loans. Rodrigo Catril, a senior FX strategist at NAB, said the main question for markets was whether all the stimulus would be enough to help the global economy withstand the shock.

"To answer this question, one needs to know the magnitude of the containment measures and for how long they will be implemented," he added. "This is the big unknown and it suggests markets are likely to remain volatile until this uncertainty is resolved."

Dollar not done yet

Bond investors looked to be bracing for a long haul with yields at the very short end of the Treasury curve turning negative and those on 10-year notes dropping a steep 26 basis points last week to last stand at 0.68 percent. That drop has combined with efforts by the Federal Reserve to pump more US dollars into markets, and dragged the currency off recent highs.

Against the yen, the dollar was pinned at 107.74, well off the recent high of 111.71. The euro edged back to \$1.083, after rallying more than 4 percent last week. "Ultimately, we expect the USD will soon reassert itself as one of the strongest currencies," argued analysts at CBA, noting the dollar's role as the world's reserve currency made it a countercyclical hedge for investors.

"This means the dollar can rise because of the deteriorating global economic outlook, irrespective of the high likelihood the US is also in recession." The dollar's retreat had provided a fillip for gold, but fresh selling emerged yesterday as investors were forced to liquidate profitable positions to cover losses elsewhere. The metal was last off 0.23 percent at \$1,613.6 an ounce.

Oil prices were again under water as Saudi Arabia and Russia showed no signs of backing down in their price war even as global transport restrictions hammered demand. — Reuters

How to keep your team focused during uncertain times

By Omer Saleem

Big businesses grow and expand as the market environment changes, and do so even more rapidly now than ever with the accelerating tech growth of today. With this growth and expansion comes a new requirement for corporate positions to evolve with the corporation itself, and it has become critical for the overall success that every position is filled by an employee whose workload is role-based and goal-oriented, the goal being overall success. Today's COVID-19 debacle is a prime example of how well-functioning corporations face surprise twists that can make or break a business, and that goes for every one of your business's departments as much as it goes to your business itself.

Productivity is synonymous with getting things done. Whatever scale your business performs at, a structural understanding of the business and a clear yet fluid job designation must be in place. In a corporate setup, productivity works its way from a departmental direction: is the administrative department managing its daily, weekly, monthly...etc. workload efficiently? Is the marketing department targeting the right audience at the right time? These are all questions that once answered, can determine the level of productivity your business is performing at.

Internal operations must not revolve around one department's work in favor of the other. When managers start to feel like their departments are useless, they will feel the same way about their jobs and their subordinates will get that impression as well. As a business, your number one mission is profit and success, which entails your job

description: goal-setting. Upon setting periodic goals managers can set up strategies that optimize the work of employees within the departments.

For individuals the same goes; how will you approach business as usual? How will your performance lead the business to achieving its annual goals? Tasks will automatically take long-term and short-term forms, and business tools will document these and set timelines and deadlines for them. As a result, the following processes will become key to assessing productivity:



Management

Managers connect the base of the company pyramid to its vertex: they communicate the large-scales goals and transform them into tasks. An open approach will help employees determine these tasks' importance, priority, duration and outcome. It comes down to a simple to-do list, and with every check mark indicating completion, your business comes closer to its goals and your assessment of productivity becomes easier.

Human Resources

Employees are a business's most valuable asset. Working in engaging workspaces affects the well-being of an employee which ultimately equates to the bottom line. Lack of wellness drives up costs of healthcare, leads to more sick-days, and loss of productivity.

Communication

Big businesses incorporate technology to maintain communication, a process that must stay open between any two employees regardless of their positions in the company. Open physical spaces and open virtual channels allow for this communication to happen, and cancel out intimidation and hesitation. It also helps inspire everyone to work efficiently and productively. Email updates regarding various situations must be in place. Today's COVID-19 crisis is an example of this; if it is acknowledged, addressed and updated regularly, employees will sense care and feel reassured.

Technical Support

Your business cannot function without the proper tools. If one employee faces a technical malfunction, be it with the computer mouse or in communicating with a client, this failure must be addressed quickly. These scenarios become structured in your business in the long run, and the reactions to them become automatic. However, these reactions must be updated in the form of policies and regulations. If a policy for working from home is in place, then a virus outbreak becomes easier to deal with as employees can just set up offices at home, update their management boards regularly and stay in contact with their managers for new priority tasks or completed tasks that need adjustment or discussion.

It can take a business years to make a mark. While there are traditional methods to achieving success, maintaining it can take some tailoring to fit every business's unique goals and processes. In all cases, however, employees are a business's most valuable asset, which must be valued. — Omer Saleem is Director and Deputy CEO of Proven

Lloyd's underwriters adapt to home working amid lockdown

LONDON: Thousands of London's underwriters took their stamps and fountain pens home last week, which they use to sign insurance contracts, but they won't need them.

Working at home due to the coronavirus lockdown, they have abandoned the normal tools of their trade and are turning to email and other electronic systems to agree terms with the brokers who put business their way. It's a huge change from a normal day at Lloyd's of London in the heart of the capital's financial district, where underwriters receive queues of brokers at their desks to haggle over terms, before sealing the deals with an old-fashioned company stamp and an ink signature.

Each deal can require up to 20 signatures and stamps. With the closure of the underwriters' floor, the world's leading commercial insurance market, Lloyd's - which started life in Edward Lloyd's coffee house in 1688 - has gone fully online for the first time.

The lockdown could prove a watershed moment. If the shift goes off without any major hitches, it will likely smooth the way for the market to go far more digital, underwriters and brokers said.

So the mass working from home is effectively a test of the business's prospects for long-term survival as it looks to cut costs and modernize in the face of overseas competition.

"Edward Lloyd's coffee shop was a social environment where merchant traders could gather - today you have the internet, you have mobile phones," said Bruce Carman, chief underwriting officer of insurance firm

Hive Aero, who has worked in the Lloyd's market for more than 30 years.

"The speed of trade should be far quicker than someone traipsing around the marketplace in leather shoes."

Goodbye to all that?

Lloyd's runs a market of more than 90 underwriting firms, who price specialist risks from ships to sculptures. Hundreds of broking firms arrange insurance deals between their corporate clients and the Lloyd's underwriters. Lloyd's already had a plan to move to electronic exchanges, but

many brokers and underwriters had resisted, arguing complex transactions were more easily handled face to face.

The shutdown highlights how the coronavirus crisis is putting a brake on centuries-old traditions. Lloyd's was focused on shipping when it started 332 years ago and, until the closure, a bell still rang on the underwriting floor when a ship sank at sea, and marine insurers recorded the shipwrecks in a loss book with quill pens. The bell was rung last week to mark the shutting of the so-called "underwriting room" in response to the pandemic.—Reuters

