

Business

UK jobless rate rises for first time since COVID lockdown

Official employment data shows smaller-than-expected fall

LONDON: Britain's unemployment rate rose for the first time since the coronavirus lockdown began in March but data published yesterday also suggested the increase in joblessness was, so far at least, not surging. The unemployment rate increased to 4.1 percent in the three months to July from the 3.9 percent it had clung to since early 2020, in line with the median forecast in a Reuters poll of economists. The government's huge coronavirus job subsidy scheme, which is now being wound down, has prevented many layoffs.

Experimental figures showed the number of staff on company payrolls fell by a monthly 36,000 in August. That was more than job losses of 20,000 in July but still only a fraction of mass layoffs in April and May. The ONS had previously reported 114,000 job losses for July, but revised this down sharply after receiving more data.

Overall, the payroll numbers fell by 695,000 between March and August. Samuel Tombs, an economist with Pantheon Macroeconomics, said the payroll numbers were likely to fall much further in September and October when employers will have to pay more towards the cost of the furlough scheme. "The number of people searching on Google for phrases including 'redundancy' rocketed to a record high in July, consistent on past form with the official measure of redundancies peaking in September," he said.

Official data for the three months to July showed a much smaller-than-expected fall in the number of

people in employment at 12,000, just a tenth of the median forecast in the Reuters poll.

The Office for National Statistics said its figures might be "slightly impacted" by a change in the way it interviews households since the COVID-19 pandemic swept Britain. The surveys, which now rely on telephone calls rather than face-to-face interviews, under-represent people who rent their homes and over-represent homeowners who are less at risk of unemployment, the ONS said. Sterling briefly rose after the data was published. Economists expect more jobs to be lost as the government's huge job retention subsidies are wound down before expiring at the end of October. The Bank of England has forecast that the unemployment rate will hit 7.5 percent at the end of this year. "This is a difficult time for many as the pandemic continues to have a profound impact on people's jobs and livelihoods," finance minister Rishi Sunak said in a statement.

"That's why protecting jobs and helping people back into work continues to be my number one priority." The number of job vacancies rose to 434,000 in the three months to August, about 30 percent higher than in the April-to-June period but almost half their level before the pandemic. Companies in sectors such as tourism and high-street retailers, have announced major job losses. London's City Airport said on Monday it needed to cut up to 239 jobs or 35 percent of its staff, echoing expected staffing reductions at Heathrow. Britain's biggest domestic bank Lloyds is making 865 redundancies. — Reuters



LONDON: Commuters wearing masks are seen on a London Underground tube. Britain's unemployment rate rose for the first time since the coronavirus lockdown began in March. — Reuters

Gulf Bank announces winners of Al-Danah weekly draw

KUWAIT: Gulf Bank held its weekly draw on 13 Sept and announced the names of the winners for the week of 6 - 10 September 2020. The weekly draw consists of five winners who receive KD 1,000 each, every week.

The winners this week are:

Abdullah Saad Faraj Alsaywadi
Ahmad Nwairan Khalaf Alenezi
Khadeejah Abdulmohsen Shareef Alenezi
Venkata Suryanarayana Murty Bandaru
Dari Nouri Ahmad Albahar

Al-Danah is now offering its biggest prize yet, with an annual draw prize of KD 1,500,000. The annual draw will be held on 14 January 2021, and the last chance to deposit into an Al-Danah account to participate is 30 September 2020.

Gulf Bank encourages customers to increase their chances of winning with Al-Danah by depositing more into their Gulf Bank accounts using the new ePay (Self-Pay) service, which is available on Gulf Bank's online and mobile banking services. Al-Danah offers a number of unique services to customers, including the Al-Danah Deposit Only ATM card, which allows account holders to deposit money into their accounts at their convenience. Account holders can also calculate their chances of winning the draws through the 'Al-Danah Chances' calculator available on the Gulf Bank website and app. Furthermore, loyal Al-Danah customers are rewarded with loyalty chances. Loyalty chances are the total chances accumulated from the previous year, which are added to the customer's chances the following year. Therefore, the total chances earned by Al-Danah customers in 2019, have been added to their 2020 chances, and the same process will take place in 2021, and so on. Terms and conditions apply.

Gulf Bank's Al-Danah account is open to Kuwaiti and non-Kuwaiti residents of Kuwait. Customers require a minimum of KD 200 to open an account and the same amount should be maintained for customers to be eligible for the upcoming Al-Danah draws. If the customer's account balance falls below KD 200 at any given time, a KD 2 fee will be charged to their account monthly until the minimum balance is met. Customers who open an account and/or deposit more will enter the weekly draw within two days. To take part in the Al-Danah 2020 quarterly and yearly draws, customers must meet the required hold period for each draw.

Funds and firms call for tougher 2030 EU climate target

BRUSSELS: Investors managing trillions in assets and more than 120 business leaders called on the European Union to commit to cut emissions by at least 55 percent by 2030 yesterday, saying anything less would fail to unlock the private financing needed. This would be in line with a proposal due to be put forward on Thursday by the European Commission to curb EU greenhouse gas emissions by at least 55 percent from 1990 levels by 2030, draft plans seen by Reuters.

The existing target is a 40 percent cut, and some poorer fossil fuel-dependent EU states are unwilling to commit to deeper cuts. — Reuters

Daimler to pay \$2.2bn in diesel emissions cheating settlements

WASHINGTON: Daimler AG will pay \$2.2 billion to resolve a US government diesel emissions cheating investigation and claims from 250,000 US vehicle owners, court documents show.

The German automaker and its Mercedes-Benz USA LLC unit disclosed on Aug. 13 it had reached a settlement in principle resolving civil and environmental claims tied to 250,000 U.S. diesel cars and vans after the automaker used software to evade emissions rules.

Daimler said in August expected costs of settlements with US authorities would total \$1.5 billion, settling with owners will cost another \$700 million and also disclosed "further expenses of a mid three-digit-million EUR (euro) amount to fulfill requirements of the settlements. Deputy Attorney General Jeff Rosen said the settlements, which follow a nearly five-year investigation, will "serve to deter any others who may be tempted to violate our nation's pollution laws in the future."

In court documents, Daimler agreed to pay



WASHINGTON: Daimler AG will pay \$2.2 billion to resolve a US government diesel emissions cheating investigation and claims from 250,000 US vehicle owners, court documents show.

250,000 owners up to \$3,290 each to get polluting vehicles repaired and agreed not to oppose paying \$83.4 million in attorneys fees and expenses for the owners' lawyers. Owners will get \$800 less if a prior owner files a valid claim. Daimler noted in court papers it denies the allegations "and does not admit any liability. The settlement does not include an external compliance monitor, it added. The German automaker still faces an ongoing criminal back investigation and could face additional US financial penalties.

The settlements require Daimler to address the vehicles' excess emissions as part of binding consent decrees. Daimler will issue recalls and extend-

ed warranties but is not required to buy back vehicles unless it is unable to offer an emissions fix within a required timetable.

The Justice Department said Daimler failed to disclose at least 16 auxiliary emissions control devices, the government alleged, allowing "vehicles to perform in a variety of consumer-desirable ways, including allowing for fewer (diesel exhaust fluid) tank refills (and) better fuel mileage." The settlement includes an \$875 million civil penalty levied under the Clean Air Act and \$546 million to fix the polluting vehicles and offset excess emissions, court papers show. Daimler will pay California \$285.6 million in total.

Diesel vehicles have come under scrutiny in the United States since Volkswagen AG admitted in September 2015 to installing secret software on 580,000 US vehicles that allowed them to emit up to 40 times legally allowable emissions. In September 2019, Daimler in Germany agreed to pay a fine of 870 million euros (\$1 billion) for breaking diesel emissions regulations. Both Volkswagen and Daimler have halted sales of US passenger diesel vehicles. Fiat Chrysler Automobiles NV in 2019 reached a settlement worth about \$800 million to resolve claims by regulators and owners that it used illegal software that produced false results on diesel-emissions tests. Fiat Chrysler said in July it was in talks to resolve an ongoing Justice Department criminal probe. — Reuters



BEIJING: People walk past the Tencent booth at the China International Fair for Trade in Services (CIFTIS) in Beijing. — AFP

China's Tencent expands in SE Asia amid tensions

SINGAPORE: Chinese tech giant Tencent said yesterday it was opening a new Singapore office to serve as a Southeast Asia hub, as the firm reels from setbacks in the US and India. The firm is the latest Chinese tech leader to expand in the region of 650 million with a rapidly growing middle class, and using the city-state as a base.

Tencent announced the new office in a statement, and said it was "expanding its business presence in Singapore to support our growing business in Southeast Asia and beyond". The company, which already has offices in Malaysia, Thailand and Indonesia, said it was recruiting for various positions.

Bloomberg News, citing anonymous sources,

reported the company's plans for establishing a regional hub in Singapore had been accelerated by geopolitical tensions. In the US, President Donald Trump has announced a ban from mid-September on Tencent's social media platform WeChat, as well as TikTok, which is owned by Chinese tech giant ByteDance.

India has banned scores of Chinese apps, including Tencent's hit games PUBG Mobile and Arena of Valor, after troops engaged in a series of clashes at the neighbors' disputed Himalayan border.

Other firms looking to bolster their presence in the city-state include ByteDance, which plans to spend billions of dollars to expand its presence there, while Alibaba is in talks to invest in Singapore-based ride-hailing firm Grab, Bloomberg reported. Many international companies have chosen to base their regional headquarters in Singapore, and observers believe instability in long-time rival Hong Kong could give it a boost in attracting firms.

Leaders in Singapore, which is majority ethnic Chinese, have been careful to maintain good ties with both the US and China. — AFP

Iran to back OPEC if its interests are protected

LONDON: Iran supports the Organization of the Petroleum Exporting Countries (OPEC) as long as the group protects Iranian interests alongside other members, Iran's OPEC governor Amir Hossein Zamaninia said on Monday. Sixty years after its formation, OPEC's founding members, Iran and Venezuela, have been sidelined by US sanctions while its kingpin, Saudi Arabia, has shown it would rather appease Washington than risk losing US support, according to current and former OPEC officials.

"All OPEC members should denounce, in words and in practice, use of oil as a political tool for imposition of sanctions and pressures on producing countries," Zamaninia was quoted as saying by the oil ministry's news agency SHANA. Iran's share of OPEC output has nearly halved to 7.5 percent since 2010 while Venezuela's has collapsed to 2.3 percent from almost 10 percent, according to Reuters calculations based on OPEC data. Saudi Arabia's share, meanwhile, has risen 7 percentage points to 35 percent.

"We support OPEC as long as the interests of the Islamic Republic of Iran are served in a balanced way with other members. Otherwise, membership of no international organization is mandatory," Zamaninia said. He added that he believed remaining in OPEC and strengthening the organization was currently in Iran's interests.

To tackle a drop in demand, OPEC and its allies - a grouping known as OPEC+ - agreed to a record supply cut of 9.7 million barrels per day (bpd) that started on May 1, while the United States and other nations said they would pump less.

In August, OPEC+ eased its cuts to 7.7 million bpd as demand partially recovered. The OPEC+ Joint Ministerial Monitoring Committee (JMMC) will meet on Thursday to discuss the performance of the deal so far. OPEC said on Monday world oil demand will fall more steeply in 2020 than previously forecast due to the coronavirus and recover more slowly than expected next year, potentially making it harder for the group and its allies to support the market.

Zamaninia said "As long as the world economy has not returned to pre-coronavirus state, it would be impossible to offer a realistic outlook about the future of global oil demand." — Reuters