

## Business

# Boeing grounds some 737 MAX jets temporarily after 'potential' issue

## 'Electrical issue' new setback for Boeing's top-selling model

NEW YORK: US aircraft manufacturer Boeing said on Friday it had recommended that 16 airlines flying its 737 MAX planes address a "potential electrical issue" in a new setback for the top-selling model. Major carriers began temporarily removing some of their MAX planes from service after the aerospace giant flagged the electrical issue-which is not a concern for all of the aircraft.

The potential problem requires "verification that a sufficient ground path exists for a component of the electrical power system," Boeing said. Electrical systems must be grounded to avoid overloads that can cause serious failures. Boeing shares fell Friday, although the likely impact of this latest issue appeared limited. A note from the investment website Briefing.com said it was encouraging that a major Boeing customer, Southwest Airlines, expects only a minimal disruption.

"However, the news is another blow for customers' and investors' confidence in the company," Briefing said. Boeing managed to get the 737 MAX back in the skies late last year after it was grounded for 20 months following two fatal crashes, and recently announced an order for 100 of the aircraft as the airline sector begins to recover from the coronavirus pandemic.

The manufacturer discovered the latest issue on a plane in production "during normal build activity," a Boeing spokeswoman said. It is "premature" to discuss the time needed to address the issue, and "could take a matter of hours or a few days" before planes are returned to service," she said.

### Airlines checking planes

Boeing did not say which airlines were concerned, nor did it specify the number of aircraft involved. The company notified the US Federal Aviation Administration of the issue on Thursday night, an FAA



RENTON, Washington: A Boeing 737 MAX 8 aircraft is pictured at the Boeing Factory in Renton, Washington. Boeing said Friday, it had recommended that 16 airlines flying its 737 MAX planes address a "potential electrical issue," a new setback for its top-selling model. — AFP

spokesperson said. "The FAA is in contact with the airlines and the manufacturer and will ensure the issue is addressed," the agency said. "Passengers should contact their airlines about specific flight cancellations or delays."

Southwest Airlines, which announced a large order of new MAX planes last month, said it removed from service a "subset" of its MAX fleet. "While Southwest has not experienced any known operational chal-

lenges related to the issue, 30 of the airline's 58 737 MAX 8 aircraft are affected by the notification," the carrier said. "Southwest anticipates minimal disruption to our operation."

United Airlines, which also has ordered additional MAX planes since the jet was approved by regulators to resume service, said it is "voluntarily and temporarily removing 16" of its MAX planes from its schedule. "We have been in touch with the FAA and Boeing and will

continue to work closely with them to determine any additional steps that are needed to ensure these aircraft meet our rigorous safety standards and can return to service," United said. "We are working to swap out aircraft to minimize the impact to our customers." American Airlines said it removed 17 aircraft "to complete necessary inspections and make any changes recommended or required by Boeing or the Federal Aviation Administration," a spokeswoman said.

All three US carriers still have MAX planes in their fleet not affected by the issue.

### Deadly crashes

The 737 MAX has been a huge hit with airlines, and was Boeing's best-selling aircraft until it was grounded in March 2019 following the second of two crashes that together claimed 346 lives. And after the COVID-19 crisis hammered the air transport sector, airlines cancelled hundreds of orders.

Investigators said a main cause of both crashes was a faulty flight handling system known as the Maneuvering Characteristics Augmentation System or MCAS. Boeing continues to face litigation from families of victims who died in crashes on Lion Air and Ethiopian Airlines flights. The FAA in mid-November cleared the MAX to return to service following upgrades to the plane and pilot training protocols. Other national regulators have followed suit since then.

Recent MAX orders by Southwest, Ryanair and others have underscored the appeal of the single-aisle MAX in the nascent airline industry recovery following the pandemic travel shutdown. Aviation experts expect demand for domestic and short-flight service to recover before international flying. Shares of Boeing fell 1.0 percent to \$252.36. — AFP



WASHINGTON: An activist dressed as Argentina's Evita Peron takes part with others in a rally calling for debt reform during the virtual Spring Meetings of the World Bank and International Monetary Fund, outside of IMF headquarters in Washington, DC. — AFP

## IMF warns more funding needed to safeguard global economy

WASHINGTON: Warning that the recovery from the pandemic crisis is not yet over, the IMF on Thursday called on policymakers to continue to spend money to shore up the global economy and ensure no one is left behind. Without that aid, and additional financing from both the fund and the World Bank, developing nations and the poor in many countries could struggle to rebound from the downturn caused by COVID-19, the International Monetary Fund said at the conclusion of its spring meeting. Continued support is needed to "mitigate and heal economic scars," IMF managing director Kristalina Georgieva told reporters.

"We want to make sure everybody has a fair shot to a better life." That means accelerating access to vaccines and taking advantage of the opportunity presented by the crisis to invest in green technology, which can create good paying jobs and address climate change. US Treasury Secretary Janet Yellen joined the call, urging "significant" new spending to ensure a solid rebound from the damage inflicted by the COVID-19 pandemic. While the economic outlook has "improved significantly," especially due to substantial government support, "the job is not yet done, given high uncertainty and the risk of permanent scarring," Yellen said.

"I urge major economies to not just avoid removing support too early, but to strive to provide significant amounts of new fiscal support to secure a robust recovery," she said. The IMF now projects global growth of six percent this year after the 3.3 percent contraction last year, and credited the \$16 trillion in global public spending during the pandemic with

keeping the worst peacetime recession in a century from being three times as severe. Yellen highlighted the \$1.9 trillion US aid package President Joe Biden signed last month, as well as his proposal announced last week to spend \$2 trillion on infrastructure and jobs.

Boosting resources Yellen said that with stimulus already boosting the recovery from the pandemic shutdowns, the US economy "could reach full employment as soon as next year," but many developing countries do not have similar resources to support their economies. Georgieva warned about a "dangerous divergence" in low-income countries' prospects compared to rich nations, which could worsen if advanced economies like the United States raise interest rates sooner than expected.

She also praised the IMF members who agreed to allow the fund to issue \$650 billion in new Special Drawing Rights, an additional pool of IMF currency that will add to nations' reserves and boost their ability to access financing. The IMF is expected to present a proposal to its board in June, and Georgieva said the fund is working with rich nations to shift some of their share of those reserves to help aid developing nations, which "face a crucial policy transition from crisis to recovery." The officials again stressed that ending the health crisis remains central to the economic recovery, and the closing statement from the IMFC, the fund's steering committee, lamented the "uneven access to vaccines." The committee emphasized "the need for strong international cooperation to accelerate vaccine production and support affordable and equitable distribution to all." — AFP

## LuLu Hypermarket launches special promotion during Ramadan

KUWAIT: LuLu Hypermarket, the leading retailer in the region, has embarked on a special promotion drive to welcome the holy month of Ramadan. The promotion, which will run throughout the entire month of Ramadan has already begun with a precursor 'Ahlan Ramadan' offer being launched on 31 March.

During the promotion period, special offers will be available on all items categories at the hypermarket, including on items from the Grocery, Fresh Fruits and Vegetables, and Household sections, as well as on items from the Hot-Foods and Roastery sections. The annual special Ramadan promotion at LuLu Hypermarket is a widely anticipated promotional campaign that shoppers in the country eagerly look forward to each year. The promotion allows shoppers to purchase their extra needs during the holy month in a convenient and easily accessible environment, while being assured of the finest quality products at very competitive prices.

This year, in view of the ongoing pandemic and the



need to adhere to all health guidelines issued by the authorities, the hypermarket is requesting all shoppers to use face-masks and maintain proper social distancing within the hypermarket. This would make the special Ramadan shopping time a safe experience for everyone.

## German firms unveil lavish post-blast Beirut port plan

BEIRUT: A German delegation on Friday unveiled a spectacular multi-billion-dollar project to rebuild Beirut port and its surroundings but admitted it was contingent on far-reaching government reforms. Swathes of the port and adjacent neighborhoods were destroyed when fire ignited poorly stored ammonium nitrate on August 4, causing one of the world's largest ever non-nuclear explosions and killing more than 200 people. The ambitious German project was met with skepticism by some observers who argued Lebanon's leaders were showing no sign of providing the most basic conditions for foreign investment.

The plan put forward by two German firms envisions moving most port activity away from the city center and re-urbanizing the most damaged areas. Speaking at a press conference in Beirut, Colliers Germany managing director Hermann Schnell listed "affordable housing for families, green space and good infrastructure" among other features. The project envisions beaches and a "central park" alongside restored architectural heritage, all wrapped in a plan that would generate 50,000 jobs and billions in profit. The German pitch saw an "opportunity for a new city", mapped out in a presentation that featured what it said were successful examples of redeveloped ports in cities like Cape Town, Bilbao and Vienna.

Lars Greiner of Hamburg Port Consulting (HPC) said the concept would "develop the port precinct of Beirut into a world class, state-of-the-art port" that would be more automated, cost-efficient and ready for regional trade growth. The private initiative is the first large-scale, comprehensive plan after last year's blast and has the support of Germany, whose ambassador attended the press conference. Other international players are also working on alternative or complementary proposals. French shipping giant CMA CGM, which leads container operations in Lebanon, submitted its own master plan in September.

"Such a huge project... can only be built if there is accountability and transparency," German ambassador Andreas Kindl said at the news conference. The project envisions the creation of a trust overseen by independent international appointees to manage funding from the European Investment Bank and other investors.

"I don't see these proposals... becoming reality anytime soon," economist and anti-government activist Jad Chaaban told AFP. "Who today is prepared to invest one penny in a country whose collapse is in full swing, which has no government and defaulted on its debt?"

The German team admitted the corruption that has defined Lebanese politics for decades was an obstacle. "What's on the table is incredible... The only thing that you really need to do is make sure that there is transparency, that's it," HPC managing director Suiheil Mahayni told AFP.

"We don't dream, we have a clear vision... But if some pre-conditions are not fulfilled and don't allow full transparency, it's not going to work," he said. — AFP

## Brazil eyes record grain harvest as China demand booms

SALTO DO JACUI, Brazil: Brazil is on track to harvest record amounts of soy, corn and other grains this year, fueled by newly booming demand for commodities, particularly from China. Farmers in the world's number one soy producer and number three corn producer have been harvesting at a record pace, capitalizing on prices that have leapt to multi-year highs on world markets after plunging because of the coronavirus pandemic last year.

The South American giant got off to a slow start because of a drought last season in key grain-belt states, but now has a bumper crop coming in thanks to superb weather. "Grain production in Brazil continues at the record pace we have seen through the 2020-21 harvest season, with growth of 16.8 million tons, or 6.5 percent, over the last harvest," the government's agricultural supply agency, Conab, said Thursday in its latest update. Brazilian grain farmers expanded their total crop land this year by 68.5 million hectares (169.3 million acres), a 3.9-percent increase, it said.

The soy harvest is forecast to come in at an all-time high of 135.5 million tons, 8.6 percent above last year's crop, which was itself a record. Corn is also on track for a record, with a forecast harvest of 109 million tons, up 6.2 percent. The huge crop has farmers working full-steam in places like Salto do Jacui, which sits at the heart of farm country in the southern state of Rio Grande do Sul, Brazil's third-biggest grain producing state. Working side by side, combines have been plying the golden fields, cropping the sea of soybeans under a bright blue sky. "We're very happy with the results of this year's harvest," said farmer Adroaldo Rossato. "Thanks to great weather we had excellent productivity. And prices are also very high, way above previous years," he told AFP on a break from harvesting.

Much of Brazil's crop will be heading for China, whose rebound from the pandemic has put it back in the market for commodities in a big way. The Bloomberg Commodity Index is up 32 percent over the past year, as Beijing's renewed appetite for raw materials drives prices to multi-year highs.

China has again become a voracious importer of not just soy—which it largely uses for hog feed—but oil, copper, iron ore and coal. The trend has some analysts wondering whether the world is at the start of a new "commodities supercycle."

But it is likely too early to call. "If we are to see the start of a new supercycle, this robust demand growth that we are seeing from China will have to be sustainable for several years," said ING bank head of commodities strategy Warren Patterson in a note. — AFP



SALTO DO JACUI: A worker scatters cropped soybeans in a truck in a field at Salto do Jacui, in Rio Grande do Sul, Brazil. Rio Grande do Sul is the third-largest state producer of grain in the country, which is the world's largest producer of soy. — AFP