

Business

G20 advances on digital tax after US drops key obstacle

Yellen's announcement suggests deal by mid-2021 is now possible

MILAN: The G20 looked closer to an agreement Friday on a global digital tax after a change of heart from the United States removed a key stumbling block in the discussions. Under previous president Donald Trump, the US had insisted on a so-called safe harbor clause that would have effectively allowed big tech companies to comply voluntarily with a digital tax, blocking progress on a deal.

But in a videoconference with G20 colleagues, new US Treasury Secretary Janet Yellen said her country "will engage robustly" in the talks and "is no longer advocating for 'safe harbor'...." a Treasury official told AFP. A global digital tax would target US Internet giants such as Amazon, Facebook and Google, which have long been accused of exploiting loopholes to minimize their tax bills.

Negotiations on the issue, held under the auspices of the Organization for Economic Cooperation and Development (OECD), have been deadlocked, with the United States and European Union on opposing sides of the argument. Yellen's announcement suggests that a deal by mid-2021, as pledged by a G20 summit in Saudi Arabia last year, is now possible, the French and German finance ministers both said. Italian Economy Minister Daniele Franco - whose country holds the G20 presidency - said a deal could "hopefully" be struck at a July 9-10 meeting of G20 finance ministers and central bank chiefs in Venice.

Vaccines and debt problems

Friday's video conference had a broader purpose of aligning G20 countries' plans to relaunch their economies after the coronavirus pandemic and to limit the harm to the worst-off nations shut out of the race for vaccines. On Thursday, Washington urged wealthy G20 countries to launch

a truly global, coordinated vaccination campaign. "Without access to vaccines, low-income countries in particular will experience further tragic loss of life and needlessly delay their economic recoveries," Yellen wrote in an open letter to her G20 finance counterparts.

Yellen also signalled openness to issuing new so-called Special Drawing Rights (SDRs) at the International Monetary Fund (IMF) to less developed countries, reversing another Trump position. Several G20 countries have already suggested the move, after the financial instruments - which can be exchanged for US dollars, euros, Chinese renminbi, Japanese yen or British pounds - proved their worth as crisis firefighting tools in 2009.

But Italy's Franco said there was no substantive progress on this front. He also signalled there was no decision on a further extension of a moratorium on debt interest payments for the poorest countries, currently set to expire on June 30. According to World Bank President David Malpass, the moratorium has so far been less effective than hoped, because the private sector and the China Development Bank have not come on board. So far just 46 of the 73 eligible countries have delayed debt interest payments worth a total of \$5.7 billion.

Threat of 'Great Divergence'

The debt question concerns minuscule amounts compared with the \$14 trillion mobilized by G20 countries to reboot their own pandemic-hit economies. The recovery "from the worst recession since World War II" will be "long and uncertain", IMF chief Kristalina Georgieva warned in an interview with Italy's La Stampa newspaper. "The prospects for recovery are diverging dangerously across countries", against the backdrop of "a slow rollout of vaccines even as new mutations are



ROME: Italy's Economy Minister Daniele Franco prepares for the streamed G20 Finance Ministers and Central Bank Governors meeting on Friday. —AFP

spreading", she said.

"So, my deepest concern is that the Great Lockdown of 2020 could morph into a Great Divergence in 2021 and beyond," Georgieva added. The IMF has forecast a 5.5 percent rebound in worldwide GDP this year, followed by 4.2 percent growth in 2022. The G20 gathering also covered international finance issues, because even though

markets have proved resilient through the health crisis, borrowing costs have risen sharply since early February.

The European Central Bank (ECB), however, issued a reassuring message Friday, as its executive board member Isabel Schnabel said it could broaden its support for the economy in case of a sharp rise in interest rates. —AFP

Burgan Bank 'mega hit' offer on Apple AirPods Max from Best Al-Yousifi

KUWAIT: Burgan Bank's prepaid and credit cardholders can now benefit from the exclusive monthly 'Mega Hit Offer' through its partnership with Best Al-Yousifi, the leading electronics store in Kuwait. The bank's valued customers will be given the chance to purchase the latest Apple AirPods Max for a special discounted price on Sunday, February 28, 2021.

The offer provides limited quantities of the highly demanded headset and is valid for 24 hours only. Customers can benefit from the 'Mega Hit Offer' while making other purchases only through the Best Al-Yousifi website or mobile application. As the only bank in Kuwait to provide this special offer, the selected product's price can also be viewed on Burgan Bank's social media platforms on the same day of the offer.

TikTok agrees \$92m deal to settle US privacy lawsuits

SAN FRANCISCO: TikTok has agreed to pay \$92 million in a deal to settle a cluster of US class-action lawsuits accusing the video-snippet sharing platform of invading the privacy of young users. A legal filing Friday in federal court in the state of Illinois urged a judge to approve the settlement, which includes TikTok being more transparent about data gathering and better training employees about user privacy. The litigation combined 21 class-action cases taking aim at TikTok and its China-based parent company ByteDance. "The TikTok app infiltrates its users' devices and extracts a broad array of private data including biometric data and content that defendants use to track and profile TikTok users for the purpose of, among other things, ad targeting and profit," Illinois attorneys said in a filing.

Attorneys estimated in a filing that the settlement would apply to 89 million TikTok users in the United States, with most of them eligible for pay-outs of 96 cents each if they all filed claims for settlement money. TikTok software identified users' faces to let people apply special effects to videos, but also gleaned insights about age, gender and race for content recommendation and other features, legal filings contended.

Attorneys also accused TikTok of sending or storing data in China where its parent company is based. TikTok has denied any misuse of data, saying it only uses anonymous markers to detect where faces are and left that data on users' devices, according to legal paperwork. Attorneys told the judge that ByteDance had been motivated to settle due to pressure by US officials to sell TikTok.

The administration of US President Joe Biden has reportedly shelved a plan by his predecessor Donald Trump to require the sale of TikTok to US tech giant Oracle with Walmart as a retail partner. Trump had aimed executive orders at TikTok and other Chinese online services allegedly posing security risks because of ties to the Beijing government.

A Trump administration move to ban downloads of TikTok had been stalled amid legal challenges. TikTok, the wildly popular app with an estimated 100 million US users, has repeatedly defended itself against allegations of data transfers to the Chinese government, saying it stores user information on servers in the United States and Singapore. —AFP

Colombia apiarists say avocado buzz is killing bees

ARMENIA, Colombia: For the second time in two years, Gildardo Urrego is scooping up piles of dead bees after an invisible evil invaded his hives in north-west Colombia, wreaking havoc among his swarms. Urrego has no proof, but he suspects the culprit is pesticides which have been fuelling a commercial avocado and citrus boom in the country.

Hundreds of hives have been killed off in Colombia in recent years, and some investigations have pointed to fipronil, an insecticide banned for use on crops in Europe and restricted in the United States and China. It is used to control all manner of insects, including ants and ticks, and has been blamed for several bee massacres around the world.

Urrego's apiary in Colombia's Antioquia Department produces honey flavored with pollen from nearby passion fruit orchards. In 2019, he lost 10 of his 19 hives. This time, he said, a third of his 12 hives were wiped out - a loss of some 160,000 of the industrious little pollinators. "There is a theory that, yes, this is due to poisoning, there are some crops around here that perhaps have not managed their agrochemicals well and so this area was affected," he told AFP.

In recent years, bees in North America, Europe, Russia, South America and elsewhere have started dying off from "colony collapse disorder", a mysterious scourge blamed partly on pesticides along with mites, viruses and fungi. The UN warns that nearly half of insect pollinators, particularly bees and butterflies, risk global extinction.

Myanmar civil servant strikes start to bite

YANGON: Public hospitals are deserted. Government offices left dark. And the trains don't leave the stations. Despite risks to their lives and livelihoods, many Myanmar civil servants are refusing to work for the junta, as a growing civil disobedience movement seeks to thwart the generals by paralyzing the bureaucracy.

"The military needs to prove that they can manage the country well as a government. But if we... the civil servants don't work, their plan to take power will fail," Thida, a public university lecturer who asked to use a pseudonym, told AFP Monday as cities were brought to a standstill by the largest strike yet. In the three weeks since the coup, Thida has refused to teach her online classes. She joined the nationwide walkouts kicked off by medical workers, many of whom are now in hiding to evade arrest.

From the capital to seaside ports, work stoppages in the private sector have hollowed out offices and factories and forced many bank branches shut. But it is the civil servants' swelling ranks within the resistance that has the junta particularly rattled. Without them, it is unable to collect taxes, send out elec-

tricity bills, test the population for COVID-19 or simply keep the country running. The specter of a financial crisis - already brewing because of the pandemic downturn and a decline in foreign investment - looms large.

Cracks starting to show

It remains unclear how many of the roughly one million public sector workers are participating. One crowdsourced survey found members of all 24 government ministries are now involved, while the UN special rapporteur on Myanmar has estimated three-quarters of the civil servants are on strike. Their absence is beginning to bite.

Nearly one-third of the nation's hospitals are no longer functioning, coup leader Min Aung Hlaing said this week. Decrying medical professionals' failure to fulfill their duties, he hinted that working doctors and teachers would soon receive cash rewards, according to remarks reported by state media Tuesday.

One doctor told AFP that staff shortages meant his hospital has had to turn away new patients. Medical "cover teams" have formed to provide emergency treatment to protesters under fire from rubber bullets and live ammunition. Paper pushing in government departments has all but halted, according to local media reports, and around the country clerks, drivers and administrators have been dismissed over their absence.

Free fertilization

About 1.4 billion jobs and three-quarters of all crops around the world, according to a 2016 study, depend on pollinators, mainly bees, which provide free fertilization services worth billions of dollars. Some 300 km south of Antioquia, in the Quindio Department, Abdon Salazar has no qualms pointing the finger at fipronil as he counts his losses.

"Over the last two years, we have calculated more than 80 million dead bees," he said as he walked among the 300 vibrating hives of his business Apicola Oro (Golden Beekeeping). "We are talking some 800 hives, 100,000 bees per hive, it is a very large quantity, an alarming quantity." Salazar and other beekeepers in the region are increasingly having to clear out mounds of dead bees from their apiaries which are surrounded by avocado and citrus plantations in an exceptionally fertile and biodiverse part of the world.

Toxic neighbors

In Quindio, hive collapse has coincided with the expansion of monoculture in recent decades, according to Faber Sabogal, president of the Asoproabejas beekeepers' organization. According to the local government, five multinational companies bought large tracts of land in the region between 2016 and 2019 to profit from the growing global appetite for Hass avocados.

Exports skyrocketed from 1.7 tons in 2014 to 44.5 tons in 2019, and this year, Colombia became the largest supplier of the creamy, green delicacy to Europe. But bees are the collateral damage, becoming contaminated as they buzz through pesticide-treated plantations looking for food, say beekeepers. "They bring this poison to the hive and kill everyone else," said Salazar.

Economic impediments

Asoproabejas members have videotaped



SANTA FE DE ANTIOQUIA, Colombia: Beekeeper Gildardo Urrego shows poisoned bees at his apiary on Jan 31, 2021. —AFP

dozens of mass bee die-offs in several regions of Colombia, mainly in the west. Last year, the state-owned Colombian Agricultural Institute (ICA) was notified by beekeepers of 256 suspected hive poisonings in Quindio alone. Some 10 million insects were lost. ICA regional manager Jorge Garcia said the body examined samples from six apiaries and found that "the fipronil molecule is one of the causes of mortality." The alert was raised with ICA headquarters in Bogota, which is working on a suspension order, he told AFP.

Withdrawing the poison altogether has been difficult "because the companies producing agrochemicals will be affected economically," said Salazar.

Maria Latorre, spokeswoman for Colombia's agrochemical union, said a fipronil ban would provoke "a very negative situation for the productive structure" of the 33 crops that rely on it. The body denies that fipronil is harmful to bees, but said it would welcome a "review" of its use "on crops that have had incidents". —AFP



MANDALAY, Myanmar: Protesters wear traditional hats with the words "Freedom from fear" during a demonstration against the military coup on Friday. —AFP

"The military didn't anticipate that a large part of the civil service would walk out and leave them without a state apparatus," said an analyst who asked to remain anonymous as the junta has detained more than 700 of its critics. "The impact of the movement doesn't necessarily depend on all of the bureaucracy participating, but on key parts paralyzing the military's ability to collect revenue and distribute it across the state machinery."

The Myanmar Economic Bank (MEB), which distributes government salaries and pensions, has been hobbled by walkouts, but state media said it was

a "baseless rumor" that compensation would not be forthcoming.

Pressure campaign

In a sign of the generals' growing uneasiness, official media outlets have printed near-daily summonses for civil servants to return or face legal action, while overnight arrests have targeted civil disobedience movement participants. Hotlines allow members of the public to report anyone encouraging such action. "All civil servants from ministries who are participating in the civil disobedience movement are getting pressure," the MEB staffer said. —AFP