

Business

Yellen signals US corporate tax hike, Powell again downplays inflation

Lawmakers brace for Biden's next move after \$1.9 trillion rescue plan

WASHINGTON: US Treasury Secretary Janet Yellen on Tuesday signaled that President Joe Biden is willing to hike corporate taxes to pay for his administration's priorities, while Fed Chair Jerome Powell again downplayed fears that inflation would spike as the economy healed from the COVID-19 pandemic.

The comments from Yellen come as Washington lawmakers prepare for Biden's next move after Congress passed his \$1.9 trillion American Rescue Plan earlier this month, a massive injection of spending intended to support businesses and workers in the world's largest economy, hard-hit by the pandemic. Biden has vowed to soon propose a huge infrastructure package that will help the United States create jobs and fight climate change, but he is under pressure to offset the costs of what are reported to be two pricey bills.

In testimony for the House Financial Services Committee, Yellen indicated that the White House would propose raising the corporate tax rate to 28 percent, and find ways to get US corporations to move more of their business into the United States. "I think a package that consists of investments in people, investments in infrastructure, will help to create good jobs in the American economy and changes in the tax structure will help to pay for those programs," Yellen said.

"We've had a global race to the bottom in corporate taxation and we hope to put an end to that," US media reported on Monday that Biden is considering spending \$3 trillion on infrastructure in the United States, which would be split into two bills, although the White House disputed those reports.

Any new measures could face tough odds in Congress, where Democrats hold a thin margin in the House and are evenly split with Republicans in the Senate. They relied on a special parliamentary tactic to get the American Rescue Plan through the upper chamber.

Inflation fears

The bill was the third major package passed by the United States after the pandemic slammed the economy in March 2020, causing tens of millions of job losses and a sharp downturn in economic growth. Unemployment has declined in the months since and GDP growth is expected to rebound this year. That recovery, along with the American Rescue Plan and a \$900 billion relief measure passed in December, has led stock markets and some economists to worry the strengthening economy will push prices up, leading the Fed to raise interest rates from their zero level sooner than expected.

In testimony before the committee, Powell acknowledged that prices, which have remained muted throughout the downturn, could increase, but he said any spike would be temporary. "We do expect that inflation will move up over the course of this year," said the central bank chief, noting that this would be partly due to major economic sectors recovering from the deep slumps of March and April 2020, when business restrictions to stop Covid-19 were at their most intense.

"Our best view is that these effects on inflation will be neither particularly large nor persistent." The



WASHINGTON, DC: US Treasury Secretary Janet Yellen speaks during a virtual roundtable with Black chambers of commerce from across the country, in Washington, DC. —AFP

rock-bottom rates are seen as one reason why Wall Street has boomed even amid the wider malaise of the pandemic. The Fed last year also released a new

inflation targeting policy that would see it keep rates low until inflation hits 2.0 percent and stays there, in a bid to maximize employment. —AFP

Ooredoo Kuwait extends its collaboration with Infovista

KUWAIT: Ooredoo Telecom, the first to introduce innovative digital services in Kuwait, is accelerating its 5G network deployment using the Infovista radio planning portfolio to upgrade over 2,500 sites across the country. Ooredoo Kuwait is a long-standing partner of Infovista, having previously used the TEMS Network Testing Portfolio to help it optimize mobile network quality and application performance by measuring end user experience.

As part of the newly extended relationship, Ooredoo Kuwait is deploying the Infovista Planet solution as a single network-planning tool across its business, for collaboration, continuity, and efficiency. Planet leverages crowd-sourced datasets,

including a large volume of social media data, for traffic map creation to help Ooredoo Kuwait reach an unmatched level of accuracy when it comes to precise planning for densification to meet the needs of its customers across the country.

Ooredoo Kuwait is guided by its vision of enriching people's digital lives and its belief that it can stimulate human growth by leveraging communications to help people achieve their full potential.

In the context of 5G, Ooredoo Kuwait is one of the first operators that did a pre-commercial 5G launch in mid of 2018, which was followed by the first international 5G video call in the MENA region between Ooredoo Kuwait and Ooredoo Qatar. Ooredoo Kuwait is also the first operator in the country, and among the first in the Middle East to deploy Dynamic Spectrum Sharing (DSS) to fast track the deployment of its 5G network.

Essa Haider, Director Network Planning & Design, Ooredoo Kuwait, said: "The Infovista Planet solution will support Ooredoo Kuwait across our 5G planning and deployment phase allowing us to reduce time to market along with optimizing our 5G site investment. Our relationship with Infovista spans many years and this expansion is based on the technical strength of the solution and Infovista's



Faiq Khan



Essa Haider

long term vision towards a full network automation lifecycle solution which we strongly support."

Faiq Khan, managing director, East Europe, Asia and Africa at Infovista, said: "We are pleased to extend our relationship with the Ooredoo Kuwait to assist in delivering a streamlined 5G rollout and looking forward to collaborating in the future to deliver the automation needed to power its next generation 5G use cases." Infovista is supporting major 5G trials and deployments with Tier 1 mobile network operators and leading 5G network vendors around the globe.

NBK Group CEO speaks at banking, finance roundtable

KUWAIT: Isam Al-Sager, the Group CEO of National Bank of Kuwait (NBK) stated that although negatively impacted as a result of the lower interest rate environment, the lower business volumes and the higher provisions that were mainly precautionary in nature in anticipation for the pandemic's fallout, Kuwaiti banks remained very solid demonstrating ample liquidity, strong capitalization and stable asset quality trends.

During the virtual roundtable organized by Global Finance under the theme "Banking and Finance", Al-Sager said: "Thanks to the efforts of the Central Bank over the past decade, building one of the strongest banking systems in the region, banks can be part of the recovery of economic activity in Kuwait. The solid position that the banking sector enjoys today will be a key enabler to support a macro recovery once the virus is controlled."

We are optimistic with the efforts carried by the government to control the spread of the virus and to accelerate the vaccination of the population in order to bring life back to normal, he mentioned. The imminent economic recovery will reflect positively on some sectors allowing them to be early beneficiaries like consumer, retail, travel and aviation, while others will lag but with limited permanent damage in the future, Al-Sager highlighted. Al-Sager indicated that recent GDP data are showing some recovery compared to previous quarters, and we are expecting 2021 GDP growth to reach around 3 percent, noting that a rebound in government spending on infrastructure projects can also lead to a pickup in non-oil GDP growth and improve economic diversification, in addition to creating opportunities for the private sector.

The future of consolidations

On the impact of COVID-19 pandemic on the future of consolidations at the country and regional level, Al-Sager mentioned that the pandemic has led to extreme instability in markets as it disrupted the global business trends and reshaped many industries. Al-Sager explained that the disruption caused by the pandemic has also affected the banking sector across various geographies and its protracted consequences will remain felt in the future as recovery takes place gradually, noting that the post-COVID world will offer opportunities for cross-border mergers and acquisitions as various financial institutions will face challenges to remain operational while others strive to become larger and more diversified to withstand regional and global competition.



Cross-border consolidation can also create many synergies allowing for cross selling in different markets, cost savings, transfer of knowledge, technology and talent, he added. Al-Sager indicated that higher compliance costs associated with the increase requirements are also adding to the costs for banks, compounding pressure on small and medium-sized lenders to consolidate, referring to the estimates that more than twenty Gulf financial institutions with total assets exceeding \$1 trillion were in merger talks in 2020. Banks in KSA, UAE and Qatar are merging to create larger financial institutions to support the transformational efforts that are underway in their relevant economies, he added. Al-Sager stressed that Kuwaiti banks need to be well-prepared and positioned to leverage any emerging opportunities and remain competitive on the regional front.

Faster and more sustainable recovery

Speaking on the new prominence of Environmental, Social and Governance (ESG) considerations during the pandemic, Al-Sager mentioned that companies' embracement of ESG will undoubtedly lead to a faster and more sustainable recovery. ESG disclosures and transparency help mainly in building public trust and enable all stakeholders to make a better-informed decision, he noted. Al-Sager highlighted the growing importance of ESG practices and reporting, thanks to the growing demand for sustainable investments globally, with more investors focusing on ESG investing.

Additionally, premium valuations and pricing are being paid for companies with a strong ESG program and satisfactory reporting, Al-Sager added, noting that all NBK's recent bond issuances, and its discussions with investors in the process of promotion of these

issuances, reflected their increased focus on ESG practices and disclosures. Al-Sager mentioned that in 2020, ESG funds captured \$51 billion in net money from investors compared to \$21 billion in 2019, whereas more than \$30 trillion of sustainable assets are professionally managed globally.

ESG disclosures have recently been evolving from an optional, best-practice concept into a prerequisite and a reporting requirement by various industry practitioners. Most recently, we have seen various initiatives and proposals by the likes of ESFS (European System of Financial Supervision) and IFRS Foundation (International Financial Reporting Standard) all aiming to improve ESG transparency through a standardized set of sustainable reporting standards, he added. Al-Sager saw that, very soon, all rating agencies will include ESG reporting and scoring into their rating criteria, creating a framework where ESG practices can have a direct impact on credit ratings.

In Kuwait, we have seen significant developments taking place on the Governance front thanks to the CBK's efforts in developing and advancing the framework in the banking sector, he added, noting that the recent appointment of independent board members in banks is a great example of these ongoing developments. Al-Sager concluded that many initiatives were introduced by Boursa Kuwait to promote sustainability reporting by listed companies and potential plans to establish an ESG index to further stimulate ESG disclosures, emphasizing that there is more to be done to accelerate the trend through more country-wide efforts to prepare Kuwait companies to the upcoming changes in the regulations and reporting standards that are focused on ESG.

Huawei's latest smartwatch brings stunning looks

KUWAIT: Huawei's wearable product line-up has always been a fan favorite, especially with its stylish designs, focus on health and fitness and its exceptional battery life. One particular series that stands out is the Huawei Watch Fit series. The new update to this series is the Huawei watch fit elegant, brings more aesthetically pleasing take on the smartwatch with stylish looks, variety of colors along with smarter health management and long lasting battery, serving as not just a fashion accessory but also a functional companion for everyday use.



Stainless steel body

With the launch of its new variant, Huawei decided to not just bring in new color options of Frosty White and Midnight Black, but also add an 'elegant' element with a refined precision forged stainless steel body. This creates a more luxurious look for the smartwatch. At the same time, these new parts don't contribute to its overall weight, ensuring that the Huawei Watch Fit Elegant is light-weight enough for wearing comfort all-day long. Complementing and personalizing this look are customizable watch faces which can be easily set from a Huawei smartphone with a single tap, giving the 1.64 inch rectangular display a more personal touch.

All-day continuous SpO2 monitoring

Keeping track of one's blood oxygen levels is quite important when it comes to staying on top of their health. Having low SpO2 levels causes fatigue, lack of energy, etc. In today's fast paced world with high intensity lifestyles, keeping track of this important health indicator is often overlooked. The Huawei Watch Fit Elegant ensures blood oxygen level tracking happens passively all-day long without impacting the battery. Not only does it monitor these levels, but it also generates an alarm when the bloody oxygen level is low, allowing users to take swift action when needed.

10-day long battery life

Huawei's wearables are known for their long-lasting battery life and the Huawei Watch Fit series has been no stranger to it. Similar to its previous iteration, the Huawei Watch Fit Elegant offers a long-lasting battery life of 10 days, even with heart rate monitoring, sleep tracking and SpO2 monitoring turned on. This is further complemented by Huawei's fast charging technology, which can give an entire day of use in just five minutes of charge.

Smart Health Management and Private Training

The Huawei Watch Fit Elegant lives up to the "FIT" in its name with a wide range of health monitoring and tracking features. Along with the continuous SpO2 tracking, it also supports Huawei TruSeen4.0 for accurate heart measurement and Huawei TruRelax to manage stress levels better. Meanwhile, on the fitness front, it comes with 12 fitness training courses complete with proper instructions to follow. Users can also choose from 96 workout modes based on what physical activity they are engaging in. Additionally, it also features 13 built in running courses, during which it analyzes step count with a built-in GPS and multiple sensors, all of which is put together to give real-time running guidance and training advice.

Smart Life Assistant users can also enjoy a range of intelligent solutions for everyday use. The Huawei Watch Fit elegant not only ensures notifications or calls are not missed out with the help of reminders, but also provides a remote camera shutter and music playback control for an easier experience overall.