Biden orders release of 50m barrels of oil from US strategic reserves

Coordinated release with other countries to tamp down soaring fuel prices

WASHINGTON: President Joe Biden announced yesterday he has ordered the release of 50 million barrels of oil from the US strategic reserves in a coordinated attempt with other countries to tamp down soaring fuel prices. "This release will be taken in parallel with other major energy consuming nations including China, India, Japan, Republic of Korea and the United Kingdom," the White House said.

A senior administration official told reporters this was "the first time we've done something like this in parallel with other" countries. As the world emerges from the COVID-19 pandemic and subsequent lockdowns, oil production has not kept pace with rocketing demand, pushing prices up.

In the United States, an associated rise in gasoline prices is one of the main culprits in a surge of inflation. Biden's announcement comes as Americans prepare for the holiday season, when travel ramps up. Average fuel prices at filling stations are $3.41 a gallon, the highest level since 2014, according to latest figures from the AAA motorists' association. This represents an increase of $1.29 over gasoline prices a year ago.

The US reserves, held in underground depots in Texas and Louisiana, are the largest emergency supply of oil in the world. A senior administration official said the releases would start in mid- to late December, and that further intervention was possible to steady the market, "responding to a once-in-a-century pandemic."

"As the president has said, consumers are facing pain at the pump right now," the official said. "The president stands ready to take additional action if needed and is prepared to use his full authorities, working in coordination with the rest of the world, to maintain adequate supply as we exit the pandemic."

As output rises, oil prices are already down nearly 10 percent in the last few weeks. But officials echoed Biden's repeatedly stated concerns that despite easing of crude values, prices of gasoline for drivers have only gone up.

This has hurt ordinary Americans, while driving a sharp dive in Biden's approval ratings. "There is mounting evidence that declines in oil prices and the cost of other inputs into gasoline are not translating into lower prices at the pump," said the senior official, who spoke on condition of anonymity.

The official said the government was looking into "anti-competitive practices" and will "examine whether illegal conduct is costing families at the pump." The approach is "two-pronged. First, making sure that, you know, the price of oil is coming down, reflecting the fact that we have to have supply matching demand, but also making sure that those savings are passed through to consumers," he said. "We expect the industry to be passing through the savings to consumers as quickly as possible." —AFP

SALT LAKE CITY, US: In this file photo, a trucker loads his truck with fuel at the Marathon Oil Refinery in Salt Lake City, Utah. —AFP

EU lawmakers back step towards curbs on Big Tech

STRASBOURG: Major EU legislation to impose unprecedented restrictions on how US tech giants do business passed a first and significant hurdle yesterday. A key committee of the European Parliament overwhelmingly approved their version of the Digital Markets Act, legislation that will slap far-reaching rules on Facebook, Google, Amazon, Apple and Microsoft.

Once passed, the landmark law should give the EU unprecedented powers to act quickly against these tech "gatekeepers" and impose a strict list of Do's and Don'ts on their most dominant platforms.

"The current competition rules are not enough," said German MEP Andreas Schwab, who is spearheading the DMA drafting in parliament. The law will mean "game over for unfair practices ... The legislator makes the rules, not private companies", he added in a statement.

The vote is now set to go to the full European Parliament in December, with its companion law, the Digital Services Act, expected to be passed in January. These final laws will be negotiated with EU member states, with ministers expected to greenlight their own versions at a meeting in Brussels tomorrow. The hope is to have them in force on January 1, 2023.

The legislative work is heating up a year after the European Commission first made its proposals and sets the scene for painstaking negotiations between the member states and MEPs in early 2022.

The big tech companies and other interests are lobbying furiously to influence the outcome, and member states will weigh in until the end with their own national priorities. The process was given a shot in the arm with the testimony in parliament earlier this month by Facebook whistleblower Frances Haugen, who urged lawmakers to not lose their resolve. The final negotiations will be presided by France, which has made delivering the new rules into law a major priority of its six-month EU presidency that begins on January 1.

'Significant risks'

In detail, the parliament's version increases the threshold for designating a company as a gatekeeper, reducing the likelihood that the law would capture companies beyond the US giants. It beefs up the powers of national competition authorities, with key member states Germany and France eager to not leave all the power to the European Commission in Brussels.

It could also demand a ban on ads targeted at minors, as well as force platforms make some of their services, including messenger software and social media, operable in rival networks. CCIA, the lobby for big tech, criticized the text, saying that many of the additions added by parliament created "significant risks of unintended consequences for Europe's digital economy."

"We hope the final EU negotiations will ensure that the DMA is workable for all (and) gives companies a fair chance to comply," said CCIA's Kayvan Hazemi-Jebelli. US tech giant are under pressure to change their ways in Europe. In the latest salvo, Italy's competition watchdog imposed fines totaling over 200 million euros ($225 million) on Amazon and Apple yesterday for infringing EU laws through restrictions which penalized sellers of Apple and Beats products. —AFP

Vivendi says no to selling Telecom Italia stake

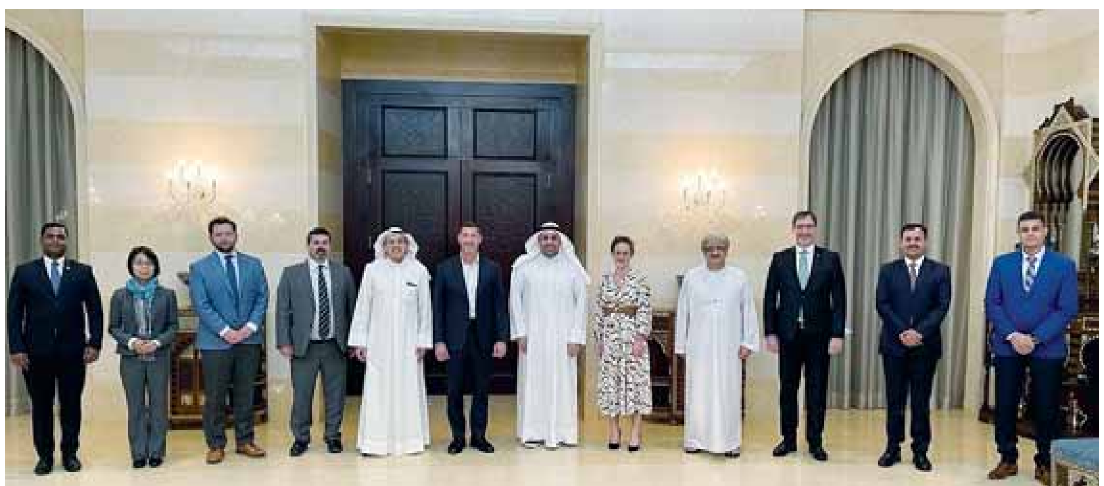
PARIS: French media group Vivendi said yesterday that it has no interest in selling its stake in Telecom Italia following a buyout offer from US private equity fund KKR. The public tender offer by New York-based Kohlberg Kravis Roberts for Telecom Italia's entire share capital sent the stock price of the former public telephone operator soaring on Monday.

But a spokesman for Vivendi told AFP yesterday that "it has no intention of ceding its participation in Telecom Italia". Vivendi is the largest shareholder in Telecom Italia with a nearly one-quarter stake.

"Vivendi has been a long-term shareholder in Telecom Italia from the start and reiterates its desire to work with the Italian authorities and public institutions to ensure the long-term success of Telecom Italia. The share price of Telecom Italia, which were about two percent lower in midday trading in Milan, recovered to trade flat at 0.45 euros after the Vivendi announcement. Telecom Italia has said that KKR's initial offer is for 0.505 euros a share. Italy's economy ministry welcomed the interest by KKR as "positive news for the country" over the weekend and said a working group would be formed to study the matter.

The ministry said it was necessary to ensure that such a project would be compatible with the rollout of ultra-wideband in the country. Any sale would need the approval from government stakeholders, as Telecom Italia's network is considered a national strategic asset. Telecom Italia has said the proposal was subject to around four weeks of due diligence and would require the backing of holders of least 51 percent of both ordinary and savings shares. —AFP

Reconnaissance Research discusses threats of drones and the means to combat them



Founder and CEO of Reconnaissance Research Abdulaziz Al-Anjeri, Deputy CEO Yousef Al-Ghussein and International Expert Dr Scott Crino with other participants

KUWAIT: Reconnaissance Research organized a private panel discussion with some attendees from diplomatic missions in Kuwait. The discussion focused on the issues of the drones' threats and technological means to combat them.

The panel was marked by the presence of the center's guest in Kuwait, International Expert Dr Scott Crino, current Advisor to the US Department of Defense.

The event was attended by founder and CEO of Reconnaissance Research Abdulaziz Al-Anjeri, and Deputy CEO, Yousef Al-Ghussein.

The attendees addressed several topics, namely:

1. The Middle East as a focal point in the drone war.
2. The impact of drones on conventional warfare.
3. Impact of the countries' foreign policy in polarizing terrorist groups.
4. Weaknesses and strengths of the countries in the region in dealing with this kind of threat.
5. Counterintelligence and forensic mechanisms to track and disable drones.

High-level representatives from the embassies of the United States of America, France, Canada, Japan, Turkey, Tunisia, India and Oman took part in the discussion.

Regarding this visit, Al-Anjeri said: "My deputy and I have visited Dr Crino in his office in Washington DC in March 2020, and we had an eye-opening interview with him that got published in September 2020."

"Our event today is part of our belief in the necessity of providing modern knowledge from their sources on topics that have direct impact on the security of Kuwait and its neighboring countries", Al-Anjeri noted.

He added: "We planned to arrange additional number of closed-door discussions at the center that would gather US expert, Dr Crino, with various other groups of specialists and stakeholders in Kuwait to help capitalize on his wealth of current knowledge."

Dr Scott Crino

Turkish lira crashes to new record low

ANKARA: The Turkish lira plunged to record lows against the dollar yesterday after President Recep Tayyip Erdogan said policymakers have no appetite to hike interest rates in response to the currency's fall. The currency fell by 13 percent to almost 13 lira against the dollar.

Turkey is facing the worst currency crisis since August 2018 when the value of the lira hit historic lows after a row with then US president Donald Trump. The Turkish central bank on Thursday cut its policy rate from 16 to 15 percent despite rising inflation and a fast-depreciating currency.

Erdogan has always built his popularity on a reputation of forging strong economic growth and improving the income of families across the country. He defended the current policies in an address to the nation after a cabinet meeting on Monday.

"We see the game played by those over the currency, interest and price hikes ... and show our will to proceed with our own game plan," he said. Analysts believe the blizzard of economic misfortunes in the country could put pressure on the president as he prepares for 2023 elections amid signs of consolidation within the opposition, which has so far failed to seriously challenge him. —AFP