

Business

Cuba marks six decades under stifling US economic sanctions

Blockade erodes communist nation's fortunes

HAVANA: Cuba yesterday marked 60 years under a US economic blockade that has deeply affected the communist nation's fortunes and shows no signs of being lifted.

Decreed by US president John F Kennedy on February 3, 1962, the embargo on all bilateral trade came into effect four days later. Its purpose, said Kennedy's executive order, was to reduce the threat posed by the island nation's "alignment with the communist powers."

Despite failing to force a change in tack from Havana since then, the sanctions remain in place six decades later, and are blamed by Cuban authorities for damage to the country's economy amounting to some \$150 billion. Cuba is experiencing its worst economic crisis in 30 years, with inflation at 70 percent and a severe shortage of food and medicines as the Covid-19 pandemic dealt a hefty blow to a key source of income: tourism. Long lines for essential goods are common, as food imports have been slashed due to dwindling government reserves. Havana blames the sanctions for all the island's woes.

The message that "the embargo is a virus too" has been hammered home by authorities for months, as they organize caravans of cars, bikes and motorcycles to criss-cross the country and denounce the sanctions. But detractors say inefficiencies and structural problems in



WASHINGTON: In this file photo taken on October 24, 1962, US President John Fitzgerald Kennedy signs the order of naval blockade of Cuba, in the White House, Washington DC, during the Cuban missiles crisis. — AFP

the economy controlled by the one-party state are also to blame.

'Counterproductive'

"The real blockade was imposed by the Cuban state," said activist Rosa Maria Paya of lobby group Cubadecide, which she directs from exile. The embargo would only be lifted, she believes, through "a transition to representative democracy."

Cuba has little productive capacity and relies on

imports for about 80 percent of its food needs.

A monetary reform launched a year ago to try and alleviate pressures on Cubans brought about a significant wage increase in a country where most workers are employed by the government, but further fueled price inflation. Since 2000, food has been excluded from the US blockade, and between 2015 and 2000, Cuba imported some \$1.5 billion worth of food from its neighbor.

But the purchases have to be paid in cash and upfront, onerous conditions for a country with limited reserves. According to Carlos Gutierrez, a Cuban-American and former US Secretary of Commerce, the embargo has proven to be "counterproductive."

"Absolutely nothing has been obtained from Havana" in response, he said.

Geopolitical interests

Instead, Cuba has looked to US rivals such as China and Russia for support. Two weeks ago, Cuba's President Miguel Diaz-Canel and his Russian counterpart Vladimir Putin discussed "strategic partnership" in a phone call. And Russian Deputy Foreign Minister Sergei Riabkov recently said Moscow would not rule out a military deployment to Cuba—a few hundred kilometers (miles) from Miami in the US state of Florida—if tensions with Washington over ex-Soviet

state Ukraine escalated.

For some, such posturing recalls the Cold War and the Cuban missile crisis between the United States and the former Soviet Union, which brought the world to the brink of nuclear warfare and was a major motivation for the blockade against Cuba. Conflict was averted when Moscow agreed to remove Soviet missiles from Cuban soil. The US blockade started out as a "strategic and military instrument" in the context of war, said political scientist Rafael Hernandez.

And although the Cold War is over, it is still the United States' "geopolitical interests" that determine its stance towards Cuba, he said. US domestic politics also play a role, with the vote of a large and vocal anti-Havana Cuban expat community holding the potential to swing battleground states such as Florida.

Somewhat relaxed under a brief period of detente under Barack Obama, sanctions were strengthened by his successor Donald Trump, who added 243 new measures. And despite campaign promises, current President Joe Biden has done nothing to relieve the blockade, instead announcing new measures against Cuban leaders in response to a clampdown on historic anti-government protests last July. For the US administration, said James Buckwalter-Arias of the Cuban-American Association for Engagement, "electoral considerations weigh heavier than humanitarian duty." — AFP



LONDON: A pedestrian walks past a pawnbroker's shop in Brixton, south London yesterday. The Bank of England said Britain's annual inflation rate would peak at 7.25 percent in April, compared with 5.4 percent last December, which was already near a 30-year high. — AFP

'Worst to come' on soaring UK food prices: Tesco boss

LONDON: The "worst is still to come" over soaring food prices, Britain's biggest retailer Tesco has warned as fears grow over a cost of living crisis caused by decades-high inflation. John Allan, chairman of the supermarket giant, warned Sunday that prices of Tesco products could spike by an average five percent in the coming months, further squeezing household budgets.

Britain is experiencing the highest rate of annual inflation in nearly 30 years, while the cost of living is set to soar further from April owing to a tax hike on UK workers and businesses plus increases in energy

bills. "The worst is still to come because... we are impacted by rising energy prices. Our suppliers are impacted by rising energy prices," Allan told the BBC.

"So the likelihood is that that inflation trigger will rise but we're doing all we can to offset it." The British government last week unveiled financial support for households after the UK energy regulator lifted prices to reflect the soaring natural gas and electricity markets. British trades union umbrella body the TUC on Monday said that one in eight workers would struggle to afford the basics in the coming months, citing its own survey. "Millions of low-paid workers face a perfect storm this April," said TUC general secretary Frances O'Grady.

"The government must do far more to help struggling families get through the tough times ahead." UK annual inflation stands at 5.4 percent, far above the Bank of England's 2.0-percent target. The BoE last week delivered a successive interest rate hike—and forecast Britain's annual inflation rate would peak at 7.25 percent in April. — AFP

law for the past fourteen years and still today". The Swedish tech startup filed its suit with the Patent and Market Court in Stockholm after the European Union General Court ruled that Google "breached EU antitrust laws by manipulating search results in favor of their own comparison shopping services."

In November, the EU court upheld a 2.4-billion-euro fine the European Commission had slapped on Google in 2017, saying results from Google's own comparison service were "displayed in a more eye-catching manner."

PriceRunner said it was seeking damages for profits it lost in Britain since 2008 as well as in Sweden and Denmark since 2013. PriceRunner said Google had a "monopoly-like position" within the European Economic Area (EU plus Iceland, Liechtenstein and Norway), with over 90 percent of the market share for internet search engines. The price comparison site is based in Sweden but also operates in Denmark, Norway and the UK. It has previously said it plans to expand to more countries.

In November, Swedish fintech Klarna bought PriceRunner for an undisclosed sum, with media reports putting the price at over \$1 billion. — AFP

Sweden's PriceRunner sues Google for \$2.4bn

STOCKHOLM: Swedish price comparison site PriceRunner said yesterday it was suing tech giant Google for 2.1 billion euros (\$2.4 billion) for promoting its own shopping comparisons in search results.

Europe has cracked down on the business practices of Big Tech in recent years, while the EU is moving forward with legislation to tighten regulation. US behemoths are facing fines and legal challenges in many European nations. The Swedish tech startup said it expected the "final damages amount of the lawsuit to be significantly higher", given that "the violation is still ongoing."

Chief executive Mikael Lindahl said the lawsuit was also a fight "for consumers who have suffered tremendously from Google's infringement of the competition



LILLE, France: Google President, Global Affairs and Chief legal officer Kent Walker (left) and Markus Reinisch (center), VP Public Policy Europe, Middle East and Africa at Meta (Facebook), sit next to an empty chair of the Twitter representative, as they participate in an informal meeting of the EU Ministers responsible for Justice and Home Affairs (JHA). — AFP

Ottawa declares emergency over 'out of control' truckers' protest

OTTAWA: The ongoing truckers' protest in the Canadian capital is "out of control," the Ottawa mayor said Sunday, announcing a state of emergency as the city center remained blocked by opponents of anti-COVID measures.

The protesters, who first reached the capital on January 29, have parked their big rigs on city streets and put up tents and temporary shacks—paralyzing the capital to the consternation of officials and the mounting frustration of many residents. Mayor Jim Watson announced a state of emergency that "reflects the serious danger and threat to the safety and security of residents posed by the ongoing demonstrations and highlights the need for support from other jurisdictions and levels of government," a statement from the city said.

Earlier in the day, Watson had described the situation as "completely out of control," adding that the protesters "have far more people than we have police officers." "Clearly, we are outnumbered and we are losing this battle," he told CFRA radio. "This has to be reversed; we have to get our city back."

Watson called the truckers "insensitive," as they have continued "blaring horns and sirens and fireworks, and turning it into a party." The demonstrations began as protests by truckers angry with vaccine requirements when crossing the US-Canadian border, but have morphed into broader protests against COVID-19 health restrictions and the government of Prime Minister Justin Trudeau.

Locals have complained of the ceaseless sound of air horns and of being harassed, insulted or blocked by

the protesters. The truckers and their supporters have dug in, however, saying the protests will continue until the COVID-related restrictions are lifted.

Police on Sunday announced new measures to stop people from helping the protesters keep up their sit-in. "Anyone attempting to bring material supports (gas, etc.) to the demonstrators could be subject to arrest," the force tweeted, adding Sunday night that several arrests had been made.

'Extremely disruptive'

Similar, if smaller, demonstrations hit the cities of Toronto, Quebec City and Winnipeg on Saturday. Police in Quebec City said some 30 big trucks were blocking a major artery and had been warned they would face fines if they did not move soon. Later Sunday police said on Twitter that all the trucks had left but protest organizers promised to return in two weeks, once the ongoing Quebec Winter Carnival was over. In an emergency meeting Saturday with Ottawa officials, police chief Peter Sloly complained that he lacked the resources to end what he called a "siege," and asked for reinforcements.

Ottawa police are due to soon be reinforced by some 250 Royal Canadian Mounted Police—a federal force. "This group is a threat to our democracy," city council member Diane Deans said of the protesters on Saturday. "What we're seeing is bigger than just a city of Ottawa problem, this is a nationwide insurrection. This is madness."

The police said Sunday that they had issued some 450 tickets since Saturday morning, for a variety of mostly minor infractions including excessive noise and use of fireworks, though one truck that turned out to be stolen was seized. They said "extremely disruptive" protesters had in some cases endangered public safety, causing "unacceptable distress" to local residents.

Police have opened 97 investigations into possible criminal offenses, the statement said. In addition, it said, the police are "actively working with Canadian, US and international security agencies/authorities to investigate email-based threats to public officials." —AFP



OTTAWA, Canada: In this file photo, supporters arrive at Parliament Hill for the Freedom Truck Convoy to protest against COVID-19 vaccine mandates and restrictions in Ottawa, Canada. — AFP

Stocks steady as traders mull rate outlooks

LONDON: Stock markets largely steadied yesterday with sentiment dominated by the outlook for interest rate rises as inflation soars. A forecast-busting US jobs report Friday reinforced optimism that the world's top economy was well on the recovery track, but also ramped up expectations of an interest rate hike by the Fed in March.

It comes as surging global inflation resulted in the Bank of England last week hiking its main interest rate for a second meeting in a row, while the European Central Bank signalled that it may raise borrowing costs this year. "There are plenty of reasons for investors to be cautious," said Russ Mould, investment

director at AJ Bell.

"Strong US jobs data last week might suggest the Fed pushes up rates faster and harder than currently expected. Ongoing tensions between Ukraine and Moscow also hang over markets." With US inflation data this week tipped to show prices rising at a pace not seen in 40 years, traders are becoming increasingly anguished that Federal Reserve rate hike plans could jeopardize the recovery.

There is mounting talk that the US central bank will have to hike borrowing costs at least four times this year—with some predicting as many as seven rises could occur. Elsewhere yesterday, oil prices retreated after European benchmark contract, Brent North Sea crude, hit \$94 — the highest level for more than seven years. Expectations that energy demand will continue to improve as the world economy reopens, as well as a cold snap in the United States and uncertainty over the Russia-Ukraine stand-off are expected to keep crude futures well supported according to analysts. Still, signs of a breakthrough in Iran nuclear talks could help staunch the surge, they added. —AFP