

Business

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CLOMBO: Motorists queue along a street to buy fuel at a Ceylon petroleum corporation fuel station in Colombo.— AFP

IMF urges bankrupt Sri Lanka to tackle corruption and raise taxes

Millions labor through chronic shortages

COLOMBO: Sri Lanka should stamp out corruption and substantially raise taxes to rescue its economy, the International Monetary Fund said Thursday after bailout talks with the bankrupt island nation. Representatives from the global lender of last resort have just concluded a 10-day visit to the capital Colombo to map out a resolution to the South Asian country's unprecedented economic crisis.

Their meetings follow months of lengthy blackouts and days-long queues for petrol as a financial crunch leaves Sri Lanka without the funds to meet

its energy needs. But the IMF said more work was needed to set the nation's finances right and repair its runaway fiscal deficit before a deal could be struck on a funding arrangement to address its balance of payments crisis. "Given the low level of revenues, far-reaching tax reforms are urgently needed," the lender said in a statement.

Sri Lanka needed to "reduce corruption vulnerabilities", contain spiraling inflation and bring an end to costly energy subsidies that had long been a drain on the government budget without hurting more vulnerable citizens, the statement added. "The

authorities have made considerable progress in formulating their economic reform program and we are looking forward to continuing the dialogue with them," it said.

Sri Lanka has already reversed drastic 2019 tax cuts introduced by President Gotabaya Rajapaksa which have been blamed for precipitating the economic crisis. It has also scaled back energy subsidies, with the cost of fuel rising by up to 400 percent this year, and in April the government defaulted on its \$51 billion foreign debt. Sri Lanka's 22 million people have labored through chronic shortages of

food, pharmaceuticals and other essentials this year, and already severe hardships have worsened in recent weeks.

The island nation is almost completely without petrol and the government has shut down non-essential public services in an effort to conserve fuel. The UN estimates that about 80 percent of the public are skipping meals to cope with food shortages and record prices. Protests have demanded Rajapaksa's resignation for the government's mismanagement of the crisis, but the president has so far refused to stand down.— AFP

CBK provides banks with new notes for Eid Al-Adha

KUWAIT: The Central Bank of Kuwait (CBK) announced the completion of the process of providing all local banks with new Kuwait currency notes of various denominations to meet the needs of citizens and residents on the occasion of approaching Eid Al-Adha. CBK stated that those wishing to obtain new currency notes should visit their appointed bank branches during the official working hours. CBK congratulated all citizens and residents on this occasion, asking the Almighty Allah to bestow blessings and peace on the State of Kuwait and the Islamic world.



PARIS: The logo of mobile app 'Snapchat' is displayed on a tablet in Paris.— AFP

Subscription version of Snapchat makes debut

SAN FRANCISCO: US tech firm Snap on Wednesday launched a subscription version of Snapchat as it looks to generate more money from the image-centric, ephemeral messaging app. Snapchat+ is priced at \$4 a month and will provide access to exclusive features, the California-based company said in a blog post. It said that these would include priority tech support and early access to experimental features. The subscription version of the service is making its debut in Australia, Britain, Canada, France, Germany, New Zealand, Saudi Arabia, the United Arab Emirates, and the United States, Snap said.

Snap in February reported its first quarterly profit, but two months later warned that it saw the economic outlook as having darkened considerably. The company said that more than 332 million people around the world use Snapchat daily. "This subscription will allow us to deliver new Snapchat features to some of the most passionate members of our community," Snap said in the blog post.— AFP

British Airways owner to buy 14 Airbus jets

LONDON: British Airways parent IAG said Thursday it has ordered 11 Airbus A320neo aircraft and three A321neos worth \$1.7 billion, as the aviation sector seeks to recover from the pandemic. The airline conglomerate, which also owns Aer Lingus and Iberia, has converted options to buy the fuel-efficient single-aisle jets after negotiating a "substantial" discount, it said in a statement.

The planes, due for delivery in 2024 and 2025, will replace older A320ceo aircraft in IAG's short-haul fleet. This is in addition to the conversion of eight options in March for six A320neos and two A321neos. "These modern, more fuel-efficient aircraft will bring both cost efficiencies and environmental benefits to IAG airlines," the company added in the statement.

The firm will announce engine selection and financing options nearer to the delivery time. Thursday's news is a boost to Airbus after IAG last month ordered 50 fuel-efficient 737 MAX jets worth \$6.25 billion from the European planemaker's fierce US rival Boeing. The Boeing deal was a vote of confidence in the crisis-hit MAX jet after two deadly crashes in 2018 and 2019.

The raft of orders come amid signs of recovery in the aviation sector, which was ravaged by the Covid pandemic. British low-cost carrier EasyJet this month



LONDON: A British Airways Boeing 787 comes in to land at Heathrow airport in west London.— AFP

exercised options to buy 56 A320neo aircraft worth \$6.5 billion and due for delivery between 2026 and 2029. IAG in May forecast a return to annual profit after narrowing COVID-induced losses as travel restrictions were eased. The group had collapsed into losses during 2020 and 2021 as the pandemic grounded planes and slammed demand.

Nevertheless, airlines and airports are currently struggling to recruit sufficient staff as skies reopen

after the lifting of pandemic lockdowns, which saw the industry slash thousands of jobs. Against this backdrop, British Airways workers at London's Heathrow airport voted last week to strike over pay, as surging inflation erodes wages and sparks industrial unrest. The staff in customer-facing roles like check-in voted by more than 90 percent in favor, trade unions said, threatening a "summer of strikes" as Britain's cost-of-living crisis worsens.— AFP

Hong Kong history: From backwater to trading metropolis

HONG KONG: Modern-day Hong Kong is best known for its sprawl of skyscrapers and role as a bustling financial hub and regional trade conduit off the southern coast of mainland China. But the territory was once a quiet backwater of rural hamlets and fishing communities, where mountainous terrain dominated sparse human settlement. Twenty-five years since the city was handed back to China by colonial power Britain, here are key points in its evolution:

Ancient history

Remnants of burial grounds and early rock carvings show human life in Hong Kong as far back as the Stone Age. The territory is thought to have come into the fold of the Chinese empire under the Han dynasty between 206 BC and 220 AD. Increasing numbers of Han Chinese from the mainland began to settle in Hong Kong, alongside boat-dwelling communities also thought to have originated from southern China.

Trade boom

Hong Kong's sheltered main harbor became a place to replenish supplies for trading ships plying the maritime silk road between Asia, Africa and the Middle East, flourishing from around the 7th century. As well as silk, China exported porcelain and tea and received everything from spices to plants and textiles. Hong Kong's outlying islands were also a haven for Chinese pirates—its current territory includes 260 islands, many of them uninhabited.

European arrival

Portuguese, Dutch and French traders arrived on the south coast of China in the 1500s and Portugal set up a base in Macau, which neighbors Hong Kong. But in the 18th century, China imposed restrictions on the Europeans in a bid to contain their influence. Britain was angered after an imperial edict banned its trade in opium from India to China, which had led to the spread of addiction. After Chinese authorities seized a vast haul of the drug, Britain attacked in 1840 and reached northern China, threatening Beijing, in the First Opium War. To make peace, China agreed to cede Hong Kong Island to Britain in 1841. The Kowloon peninsula followed in 1860 after a second Opium War, and Britain extended north into the rural New Territories in 1898, leasing the area for 99 years.

British rule

Hong Kong was part of the British empire until 1997, when the lease on the New Territories expired and the entire city was handed back to China. Under British rule, Hong Kong transformed into a commercial and financial hub boasting one of the world's busiest harbors. Anti-colonial sentiment fuelled riots in 1967 that led to some social and political reforms by the time it was handed back to China, the city had a partially elected legislature and retained an independent judiciary. Hong Kong boomed as China opened up its economy in the late 1970s, becoming a gateway between the ascendant power and the rest of the world.

Return to China

After lengthy negotiations, including between former leader Deng Xiaoping and British ex-prime minister Margaret Thatcher, the two sides signed off on the future handover of Hong Kong in 1984. The Sino-British declaration said Hong Kong would be a Special Administrative Region of China and would retain its freedoms and way of life for 50 years after the handover date on July 1, 1997. Beijing says Hong Kong's One Country, Two Systems model remains intact. But critics, including Britain and other Western powers, say China has eviscerated the city's unique freedoms, especially in the wake of huge democracy protests that broke out in 2019.— AFP