

## Business

# China accuses G7 of 'creating division' over trade criticism

## 'Don't boycott G20 summit if Putin attends': British PM

BEIJING: China accused Group of Seven countries on Wednesday of irresponsibly sowing division after the forum condemned Beijing's trade practices in an end-of-summit statement. G7 leaders had slammed China's "non-transparent and market-distorting" international trade tactics on Tuesday, in a statement that also vowed to reduce "strategic dependencies" on the Asian giant. Chinese foreign ministry spokesman Zhao Lijian on Wednesday hit back at the criticism, saying the statement showed the allies were "keen to create divisions and confrontations without any sense of responsibility or morality".

The G7 should "advance globalization" rather than encourage division "at a critical time for the international community fighting the pandemic and striving for economic recovery," Zhao said at a regular press conference. The G7 statement, in which leaders pledged to "foster diversification and resilience to economic coercion, and to reduce strategic dependencies," came hours before the leaders joined a larger group of their counterparts at a NATO summit in Madrid.

There, the 30-member alliance was also poised to toughen its stance against Beijing. The United States has long cast a wary eye at China over its trade practices, which Washington believes are designed to accord an unfair advantage to Chinese companies over foreign firms. Russia's invasion of Ukraine and Beijing's refusal to distance itself from Vladimir Putin has prompted other countries, including export giant Germany, to also reconsider their economic reliance on the Asian giant.

Beijing's increasingly strident claims over much of the South China Sea has also sparked alarm over its military ambitions. Western allies acknowledge that the world's biggest challenges, including climate change, cannot be solved without Beijing's cooperation, but have become more cautious about China's actions and aims. A US official called the collective statement "unprecedented in the context of the G7" in acknowledging "the harms caused by China's non-transparent, market distorting, industrial directives."



BEIJING: A child plays at an outdoor fountain at a shopping mall in Beijing on June 28, 2022. — AFP

### Don't boycott G20

In another development, British Prime Minister Boris Johnson warned Wednesday against boycotting a G20 summit in Indonesia in November if Vladimir Putin attends, saying this would hand a "propaganda opportunity to others". Indonesia holds the rotating presidency of the G20 this year and Jakarta has come under Western pressure to exclude Russia's president from the gathering after announcing in April he had been invited.

"I would be absolutely amazed if Putin goes in person. He's a pariah figure," Johnson told reporters on the sidelines of a NATO summit in Madrid. "I don't think he will go. The question is do we as Western countries vacate our seats at the G20 and leave the whole argument to China, to Russia?" he said. "I think if you vacate something like the G20, you risk just

handing the propaganda opportunity to others." The Kremlin has said Putin will attend the November 15-16 summit. Indonesia, like most major emerging economies, has tried to maintain a neutral position and called for a peaceful resolution to Russia's months-long offensive in Ukraine.

Indonesian President Joko Widodo was on Wednesday in Kyiv for talks with Ukrainian President Volodymyr Zelensky and will travel to Moscow on Thursday. He also took part in the G7 summit in Germany earlier this week. German Chancellor Olaf Scholz on Tuesday said G7 leaders "don't want to drive the G20 apart" and for now they are still planning "to go there", referring to the Indonesia summit. Putin joined last October's G20 summit in Rome via videoconference due to the coronavirus crisis.— AFP

## EU approves end of combustion engine sales by 2035

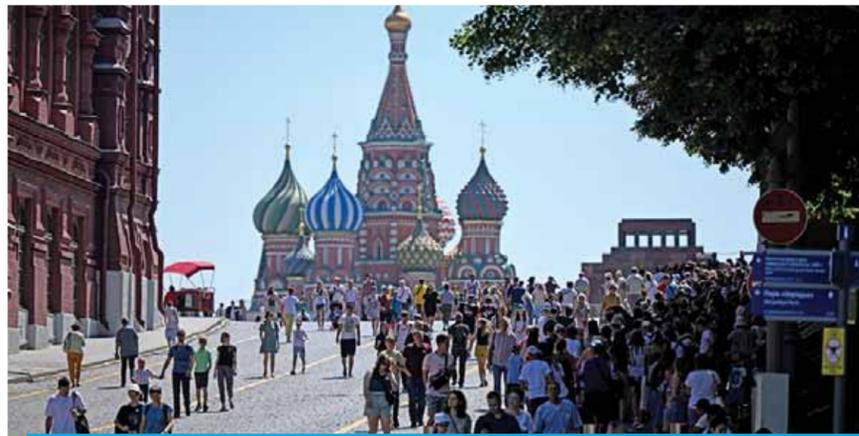
LUXEMBOURG: The European Union approved a plan to end the sale of vehicles with combustion engines by 2035 in Europe, the 27-member bloc announced early Wednesday, in a bid to reduce CO2 emissions to zero. The measure, first proposed in July 2021, will mean a de facto halt to sales of petrol and diesel cars as well as light commercial vehicles and a complete shift to electric engines in the European Union from 2035.

The plan is intended to help achieve the continent's climate objectives, in particular, carbon neutrality by 2050. At the request of countries including Germany and Italy, the EU-27 also agreed to consider a future green light for the use of alternative technologies such as synthetic fuels or plug-in hybrids.

While approval would be tied to achieving the complete elimination of greenhouse gas emissions, the technologies have been contested by environmental NGOs. Environment ministers meeting in Luxembourg also approved a five-year extension of the exemption from CO2 obligations granted to so-called "niche" manufacturers, or those producing fewer than 10,000 vehicles per year, until the end of 2035. The clause, sometimes referred to as the "Ferrari amendment", will benefit luxury brands in particular.

These measures must now be negotiated with members of the European Parliament. "This is a big challenge for our automotive industry," acknowledged French Minister of Ecological Transition Agnes Pannier-Bruner, who chaired Tuesday night's meeting. But she said it was a "necessity" in the face of competition from China and the United States, which have bet heavily on electric vehicles seen as the future of the industry. These decisions will "allow a planned and accompanied transition", the minister said.

Europe's automotive industry, which is already investing heavily in the move to electric vehicles, fears the social impact of a too-rapid transition. "The overwhelming majority of car manufacturers have chosen electric cars," said Frans Timmermans, the EU Commission Vice President in charge of the European Green Deal, at a press conference. He affirmed the EU body's willingness to be open-minded to other technologies - like synthetic fuels, which are also referred to as e-fuels. "We are technology neutral. What we want are zero-emission cars," he explained.—AFP



MOSCOW: Pedestrians walk near the Red Square with Saint Basil's cathedral in the background, as the air temperature approaches 28 degrees Celsius in downtown Moscow on June 28, 2022. - AFP

## EU insurance ban targets Russian oil exports

LONDON: An EU ban on insuring ships transporting Russian oil could potentially hurt Moscow more than its embargo on the nation's crude, analysts say. The European Union recently unveiled the insurance ban in a sixth set of economic sanctions aimed at punishing Russia over its invasion of Ukraine. In a further knock, G7 leaders are seeking a price cap for Russian oil to further hurt Kremlin revenues. The EU insurance and reinsurance ban, covering all maritime transportation of Russian oil, comes as Moscow seeks to ramp up sales to China and India to help offset the embargo.

### 'Further reaching than embargo'

The insurance ban "would have further-reaching consequences for the oil market than the EU oil embargo", noted Commerzbank analyst Carsten Fritsch. Companies will no longer be permitted to transport oil from Russia by sea, or to insure such shipments. EU insurers have until the end of this year to implement the ban, while those in Britain are

expected to follow suit.

"There is going to be an impact and there is going to be a pricing impact," said Marcus Baker, international head of marine at US broker Marsh. A similar ban was used in 2012 when the EU prohibited European insurers and reinsurers from covering vessels carrying Iranian oil. The bloc had also slapped an embargo on the purchase of Iranian crude as part of sanctions against Tehran's controversial nuclear program.

Commercial ship operators require insurance for the vessel, its cargo and for protection and indemnity (P&I) covering events such as war and environmental damage. Mathieu Berrurier, managing director of marine insurance broker Eyssautier-Verlingue, told AFP that vast amounts of cash were required for potential payouts caused by such disasters. This results in insurers forming P&I clubs that "are able to offer guarantees equal to the risks involved in" events including "a major oil spill or collision with an ocean liner", said Berrurier. "Colossal amounts are needed," he stressed, adding that such disasters can potentially cost "billions of dollars". Russia's former president Dmitry Medvedev, who is deputy head of the country's security council, has hinted that Moscow could get around the ban by providing state guarantees to cover oil exports. That could allow Russia to self-insure and circumvent EU sanctions, he insisted. "That is true to an extent," said analyst Livia Gallarati at consultancy Energy Aspects.—AFP

apartments that employees from out of town can use when visiting for work. Ventilation systems in the buildings use 100 percent outside air, a plus against the spread of COVID-19.

### 'Not going empty'

Ground floors feature cafes, fitness centers, meeting rooms, social spaces and playful touches such as multi-colored stationary bikes that people can pedal as they chat, with the option of plugging in to charge devices with power they generate. Upper floors of the two story structures are home to desks, with furniture and fixtures easily reconfigured as teams want. Work areas are divided into "neighborhoods" with homey touches and even "courtyards" with cozy furniture.

"The ground level is really like a market, so it's more the vibrant," Kaufmann said. "Upstairs is more the quiet space where the teams really do a lot of their work," she added. Bay View campus is planned to accommodate 4,500 workers, with move in to take place during the coming weeks. Solar panels provide power, geothermal systems aid with heating and cooling and water collection and recycling systems result in surplus that is used to help restore wetlands on the property.—AFP



CALIFORNIA: Visitors ride stationary bikes at Google's Bay View campus in Mountain View, California. — AFP

## Google's new offices bank on in-person work

MOUNTAIN VIEW: Roofs coated with canopy-like solar panels and indoor spaces awash in sunlight: Google has bet big on in-person work with its sprawling new Silicon Valley offices. AFP visited Google's 1.1 million square foot campus on Monday as the tech giant welcomes employees back after pandemic-era telecommuting. "Luckily, a lot of the things we were already planning kind of set us up for success with COVID," said Michelle Kaufmann, Google director of development for built environments.

"Thank god, because otherwise we would have built these buildings and we would have to change," she added. The campus spans 42 acres (17 hectares) of leased federal land next to NASA's Ames Research Center in Mountain View, close to the company's headquarters. It includes an event center and small

### News in brief

#### Tesla cuts around 200 jobs

NEW YORK: Electric vehicle manufacturer Tesla has closed an office in the California city of San Mateo, cutting around 200 jobs, according to multiple US media reports. Tesla did not immediately respond to a request for comment from AFP seeking confirmation of the move on Wednesday. The employees involved reportedly worked on the analysis of data from the vehicles' autopilot driver assistance system. Most of them were hourly workers, Bloomberg reported. According to the specialist outlet TechCrunch, 81 members of the San Mateo team kept their jobs, but will be transferred to Buffalo, New York. Tesla's unpredictable boss, Elon Musk, said last week that 10 percent of the company's full-time employees would be eliminated in the coming three months, but the number of hourly workers would grow. Musk also indicated in a recent interview with a club of Silicon Valley Tesla owners that new factories in Austin, Texas and Berlin were "gigantic money furnaces," causing losses of billions of dollars.

#### US regulators sue Walmart

WASHINGTON: US regulators filed a lawsuit Tuesday against retail giant Walmart for allowing fraudulent money transfers that scammed customers out of hundreds of millions of dollars. The global chain offers transfer services in its stores such as Western Union and MoneyGram as well as several in-house options. In its lawsuit, the Federal Trade Commission alleged that "for years, the company turned a blind eye while scammers took advantage of its failure to secure the money transfer services offered at Walmart stores," the agency said in a press release. "The FTC is asking the court to order Walmart to return money to consumers and to impose civil penalties for Walmart's violations," the agency said in a statement. The FTC accused the mega-retail chain of allowing suspicious transfers, not having an anti-fraud policy and permitting large cash withdrawals.

#### Prosecutors raid Hyundai-Kia

FRANKFURT: German prosecutors have raided the offices of South Korean auto group Hyundai-Kia and a supplier over alleged diesel-emissions cheating affecting more than 210,000 vehicles. Investigators searched eight locations in Germany and Luxembourg, Frankfurt prosecutors said in a statement sent to AFP Wednesday. Working together with authorities in Luxembourg, the raids were aimed at securing "communications, software and planning documents" in relation to the emissions-cheating accusations. Specifically, the Asian motor group is said to have sold "more than 210,000 diesel vehicles up to 2020" installed with "defeat devices" that made the vehicles appear less polluting than they actually were. The engine control software "came from Bosch and the then supplier Delphi", which now belongs to the BorgWarner group, whose offices were also raided. Together, the targeted groups were suspected of "fraud and air pollution, as well as abetting" these offences.

#### S Africa escalates power cuts

JOHANNESBURG: South Africa, a country plagued by power shortages, on Tuesday imposed the toughest electricity rationing in two and a half years after labor disputes disrupted production at several plants. Highly unpopular power rationing to consumers was ramped up to so-called Stage 6 load-shedding to prevent countrywide blackouts. Stage 6 means that South Africans will now experience multiple cuts per day, each lasting between two and four hours, on a rotational basis. The power utility Eskom, which generates more than 90 percent of the country's energy, has been hit by strike action over wages since last week. "Eskom is in this position because of the industrial action which has meant that in many power stations up to 90 percent of the staff could not attend to the duties... because of intimidation," State Enterprises Minister Pravin Gordhan told a media briefing shortly after the ramped-up rationing kicked in.

#### Multi-million-euro fraud

MADRID: Spanish police said Tuesday they had broken up a criminal gang running a multi-million-euro fraud that dodged import and carbon taxes on the sale of refrigerated greenhouse gases. In a series of raids, police arrested 27 suspects and seized 110 tons of different kinds of gas worth 11 million euros. The gang specialized in the "illegal traffic in greenhouse gas refrigerants" that damage the ozone layer, said a police spokesman. The gang brought the gases in from China at the port of Valencia on Spain's east coast, passing it off as being intended for other destinations such as Jordan, said the statement. In fact, the refrigerant gases stayed in Spain and were sold in various regions across the country. The gang exploited the fact that European businesses have the right to transit goods imported from non-EU countries through EU territory - where they are intended for a third country - without having to pay customs duties.