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Business

Saudi Aramco dethrones Apple as world's most valuable company

Aramco valued at \$2.42 trillion while Apple value drops to \$2.37 trillion

RIYADH: Saudi Aramco on Wednesday dethroned Apple as the world's most valuable company as surging oil prices drove up shares and tech stocks slumped. The Saudi Arabian national petroleum and natural gas company, billed as the largest oil producing company in the world, was valued at \$2.42 trillion based on the price of its shares at close of market.

Apple, meanwhile, has seen its share price drop over the past month and was valued at \$2.37 trillion when official trading ended on Wednesday. The sinking share price came despite Apple reporting better-than-expected profits in the first three months of this year amid strong consumer demand.

But, Apple warned that the China COVID-19 lockdown and ongoing supply chain woes would dent June quarter results by \$4 to \$8 billion. "Supply constraints caused by Covid-related disruptions and industry-wide silicon shortages are impacting our ability to meet customer demand for our products," Chief Financial Officer Luca Maestri said on a conference call with analysts.

The results looked good following stumbles by some Big Tech peers as growth from the stay-at-home demand amid the pandemic slows and companies confront rising operating and labor costs.

Oil giant Saudi Aramco recently reported a 124

percent net profit surge for last year, hours after Yemeni rebels attacked its facilities causing a "temporary" drop in production. As the world economy started to rebound from the COVID-19 pandemic, "Aramco's net income increased by 124 percent to \$110.0 billion in 2021, compared to \$49.0 billion in 2020," the company said.

The kingdom, one of the world's top crude exporters, has been under pressure to raise output as Russia's invasion of Ukraine and subsequent sanctions against Moscow have roiled global energy markets. Aramco president and CEO Amin Nasser cautioned that the company's outlook remained uncertain due in part to "geopolitical factors".

"We continue to make progress on increasing our crude oil production capacity, executing our gas expansion program and increasing our liquids to chemicals capacity," Nasser said.

On the results, for 2021, he acknowledged that "economic conditions have improved considerably". A strong rebound last year saw demand for oil increase and prices recover from their 2020 lows. Inflation could cause a drop in consumption, reducing demand for oil, while tech shares could continue to be dragged down by investor concerns over company costs, interest rate rises and supply chain woes. —AFP



RIYADH: The Saudi Arabian national petroleum and natural gas company, billed as the largest oil producing company in the world, was valued at \$2.42 trillion based on the price of its shares at close of market on Tuesday.

Google making smartwatch in 'ambient' computing push

SAN FRANCISCO: Google on Wednesday said it is strapping a smartwatch onto its Pixel hardware line as part of an "ambient computing" vision to make its services available anywhere at any time. The Alphabet-owned internet titan used its annual developers conference to showcase a Pixel line expanding to include a smartwatch and tablet as well as upgraded earbuds and a more affordable version of its flagship smartphone. Backed up by artificial intelligence, cloud computing and sophisticated custom mobile chips, the family of gadgets is intended to work seamlessly together, Google senior vice president of hardware and services Rick Osterloh said during a briefing.

"All these things work in concert on our vision of ambient computing," Osterloh said. "Providing the help people need, whenever they need it." The Pixel Watch will be released late this year, along with a new premium Pixel 7 smartphone, with pricing and other details to be disclosed closer to launch, Google said.

The first Pixel smartwatch designed and built by Google will integrate health features from Fitbit, which Alphabet bought in a \$2.1 billion deal that closed last year, and take on market leading Apple Watch. "It just takes time to integrate a company with all the technology and people that Fitbit has," Osterloh said of the Pixel smartwatch timing.

There will be a version of the Pixel Watch that

syncs to Android-powered smartphones and one that has its own wireless internet connectivity, the internet giant said.

Google is also working on a Pixel tablet computer expected to be released next year, figuring there is an interest in large screen mobile devices even if that overall market has been lackluster.

"We've got a lot going on in the Pixel pipeline and it represents investments across all different kinds of technologies," Osterloh said. A smaller version of the Pixel 6 smartphone released by Google late last year will hit shelves on July 28 at a price of \$449, along with new Pixel Buds Pro ear pieces priced at \$199. While smartphones powered by Google's free Android operating software dominate the global market, the Silicon Valley company's Pixel models have amassed scant share.

"We're really investing a lot and expanding the mobile part of our vision," Osterloh said. "It's like an iceberg and that you didn't see a lot of what was happening underneath but now you can really see all these things coming to the surface."

Software smarts

Alphabet chief Sundar Pichai provided a peek of augmented reality glasses that Google is working on, providing few details but demonstrating how they could translate conversations in real time, showing wearers transcriptions. "All of this work is in service of a timeless mission to organize the world's information and make it universally accessible and useful," Pichai said of what Google shared during a 2-hour presentation before a live audience in a concert venue near the company's Silicon Valley headquarters. Google's hardware announcements were backed by a slew of enhancements to software powering its core search service, artificial intelligence capabilities, and Android mobile devices.

Improvements included enabling artificial intelli-



SAN FRANCISCO: This image courtesy of Google, shows a smart watch as part of the company's Pixel line. Google on May 11, 2022, said it is strapping a smartwatch onto its Pixel hardware line as part of an "ambient computing" vision to make its services available anywhere at any time. —AFP

gence to converse with people more naturally, and to "read" through pages of documents or messages and provide people with insightful, terse summaries of their contents. An enhancement to search lets images captured by smartphone cameras and queries uttered by users be combined to allow, for example, someone to ask Google to scan a market shelf to find a top-rated brand of nutless chocolate, demonstrations showed.

And a new Google Wallet being rolled out in the weeks ahead is being designed to one day replace real-world billfolds, right down to holding digital versions of driver licenses. —AFP

Iraq strikes deal with Iran to secure summer gas imports

BAGHDAD: Iraq has agreed to pay \$1.6 billion in debt to Iran by June 1 to secure a steady gas supply for power generation through the summer, its electricity minister said. Chronic underinvestment through decades of war and sanctions has left Iraq dependent on imports from its eastern neighbor for a third of its gas needs.

But US sanctions on Iranian oil and gas have complicated Iraq's payments for the imports, leaving it in heavy arrears and prompting Iran to respond by periodically switching off the taps. The result has been extended power cuts across much of the country, particularly during the summer, when temperatures routinely reach 52 degrees Celsius (126 degrees Fahrenheit) sending demand for refrigeration and air conditioning soaring.

"We have reached agreement on supply in sufficient quantities. We have agreed on 50 million cubic metres (per day) during the four summer months," acting electricity minister Adel Karim told state television late Wednesday. During winter, Iraq will import between 10 million and 20 million cubic meters per day of Iranian gas, he added.

"They agreed to supply us with the gas but they had conditions. They are demanding... \$1.6 billion," Karim said, adding the payment will have to be made "by the start of June". The figure represents Iraq's arrears for 2020, which have yet to be settled because of the arcane payment method Iraq is obliged to use to comply with an exemption from US sanctions on Iran. —AFP

UK recession risk gathers pace as economy shrinks

LONDON: Britain's economy shrank in March on fallout from soaring inflation, increasing the prospect of the country falling into recession. Official first-quarter data on Thursday showed that following solid output in January, the UK economy posted zero growth the following month and contracted by 0.1 percent in March.

It comes after the Bank of England (BoE) last week warned that Britain risks falling into recession with UK inflation expected to top 10 percent, a four-decade high, by the end of the year. Consumer prices are surging worldwide on supply strains as economies reopen from pandemic lockdowns—and in the wake of the Ukraine war that is aggravating already high energy costs.

Britain's economy grew 0.8 percent overall in the January-March period, the slowest quarterly growth for a year, the Office for National Statistics (ONS) said in a statement. It compared with gross domestic product expansion of 1.3 percent in the fourth quarter of last year.

'Russia disruption'

Responding to Thursday's data, finance minister Rishi Sunak said Britain's economic recovery from the pandemic was "being disrupted by (Russian President Vladimir) Putin's barbaric invasion of Ukraine and other global challenges". Sunak, however, added in a statement that UK "growth in the



LONDON, United Kingdom: A pedestrian passes a closed-down shop, advertised 'to-let' in London on May 12, 2022. Britain's economy shrank in March on fallout from soaring inflation, increasing the prospect of the country falling into recession. — AFP

first few months of the year was strong, faster than the US, Germany and Italy".

The UK economy grew for a fourth quarter in a row, and is above pre-pandemic levels.

Prime Minister Boris Johnson said he expected British growth to "return very strongly in the next couple of years". In an interview with LBC radio, he also refused to rule out a windfall tax on energy companies as surging oil and gas prices hit households hard. "We'll have to look at it," said Johnson despite repeating his displeasure at such a levy.

"I don't like them... I don't think they're the right way forward," he said, adding that a windfall tax on the likes of BP and Shell would deter them from investing in greener energy. Johnson's comments came one week after his Conservative party lost control of key councils in local elections—an outcome blamed in part on the cost-of-living crisis.

Darren Morgan, director of economic statistics at the ONS, said declining output in the services and production sectors resulted in overall growth contracting in March. —AFP

Lebanon jobless rate almost triples since crisis

BEIRUT: The official unemployment rate in crisis-hit Lebanon jumped almost three-fold to reach 29.6 percent at the start of the year, a joint survey by the UN and the government said Thursday.

"Lebanon's unemployment rate increased from 11.4 percent in 2018-2019 to 29.6 percent in January 2022, indicating that almost one third of the active labor force was unemployed in January 2022," it said. After years of corrupt practices and financial mismanagement, Lebanon's economy collapsed two years ago, stripping the national currency of 95 percent of its value and sending poverty rates soaring.

The rare survey released by Lebanon's Central Administration of Statistics and the International Labor Organization, a UN agency, said the informal economy accounted for around 30 percent of employment. It said one of the most alarming findings was the huge growth in "underutilized labor" from 16.2 percent in 2018-2019 to 50.1 percent in January 2022, referring to people available to work more hours than they do. The issue of unemployment has not featured prominently in the campaigns led by the main parties fielding candidates in Sunday's parliamentary election.

In its initial rescue deal reached with the government last month, the International Monetary Fund urged Lebanon to reform its bloated public sector, which employs around a quarter of the working population. —AFP