

Business

Italy's draft budget centers on energy aid and growth

More than €21 billion will go towards supporting households and businesses

ROME: Italy's new far-right government unveiled its first budget on Tuesday, with most of the nearly €35 billion in spending for 2023 going on the energy crisis rather than flashy electoral promises.

More than €21 billion (\$21.5 billion) will go towards supporting households and businesses with sky-high gas and electricity bills, a major cause of the soaring inflation which risks tipping the eurozone's third largest economy into recession next year.

"There are two big priorities, growth... and social justice, meaning a particular focus on families, those on the lowest incomes and the most fragile groups," Prime Minister Giorgia Meloni told a press conference after her cabinet approved the budget in the early hours.

Meloni's far-right Brothers of Italy party swept to power in elections in September, forming a coalition government with the anti-immigration League and Silvio Berlusconi's right-wing Forza Italia. They had promised sweeping tax cuts and more funds for pensioners and for families, sparking concerns about the impact on Italy's already colossal debt.

But Meloni, whose party once called for Italy to abandon the euro single currency, has sought to present herself as a responsible leader at a time of global economic uncertainty. Notably, the coalition's flagship measure—extending a 15-percent flat tax for the self-employed—did not go as far as initially expected. "It's a prudent and responsible budget, in continuity" with the previous government under Mario Draghi, said Giuliano Noci, professor at Milan's Politecnico school of management.

League leader Matteo Salvini told a joint press conference it was a budget that was "not miraculous but that brings more money to millions of Italian homes". The plan now heads to parliament, where it can be amended. It must then be adopted by both chambers by December 31.

Pension reform

Italy's last populist government, led by the Five Star Movement and the League in 2018-19, clashed with the European Union over its failure to keep spending under control. Italy raised its 2023 public deficit forecast earlier this month to 4.5 percent of gross domestic product (GDP), above the 3.4 percent forecast in September by Draghi's government.

But the deficit is forecast to fall to 3.7 percent in 2024 and three percent in 2025, according to an economic roadmap adopted by Rome. The coalition had promised to raise the annual income ceiling for the 15-percent tax rate for the self-employed from €65,000 (\$66,700) to 100,000, but the proposed budget puts it at 85,000.

Employees will benefit from tax reductions of two percent for incomes up to €35,000 per year, as under Draghi, and three percent for those on salaries below €20,000. Companies hiring women and young people will benefit from tax exemptions, while tax amnesties, an election promise, will be offered to people owing less than €1,000 incurred before 2015.

On cash payments in shops and businesses, the government raised the ceiling from €2,000 to €5,000—despite warnings from opposition parties that the move would favor corruption. It also adjusted pension rules so people who have worked for 41 years can retire at 62 years old, a move affecting an estimated 48,000 people. The retirement age in Italy, known for its ageing population, had been set to rise from 64 to 67 in 2023. "With the global economy slowing down and interest rates rising, it is forced to remain cautious" and carry out what electoral promises it can, a bit at a time, noted Lorenzo Codogno a former chief economist at the Treasury.



ROME: Italy's Prime Minister Giorgia Meloni and Italy's Economy Minister, Giancarlo Giorgetti react during a press conference on November 22, 2022 in Rome, to present the government's draft Budget for 2023. —AFP

Poverty relief measure

The new measures will be financed in part by reforming the so-called citizens' income, a poverty relief scheme introduced by the Five Star Movement. The reform shortens the time those deemed fit to work can claim the benefit and the entire system will be overhauled by 2024.

The government is also set to raise new revenues from a windfall tax on energy companies. The budget also includes the resurrection of a

long-shelved plan to construct a bridge linking Sicily to mainland Italy. Salvini said he would seek EU funds for the controversial plan for the Strait of Messina, either in launching a new tender or reopening the project ultimately shuttered in 2011.

That year, the European Commission said the project—revived and cancelled by various previous governments—was not strategic for the development of transport in the EU. —AFP

Germany plans higher borrowing in 2023 to combat energy crisis

BERLIN: Germany will have to take on more debt than expected in 2023 to combat an energy crisis that has left Europe's biggest economy facing "great economic uncertainty", Finance Minister Christian Lindner said Tuesday. The government now expects new net borrowing next year to climb to €45.6 billion (\$47 billion), more than double the €17.2 billion initially estimated.

The budget plan will be discussed in the Bundestag lower house of parliament this week and is set to be approved on Friday. "We are in a time of great economic uncertainty," Lindner told public broadcaster ARD. Industrial powerhouse Germany, which was heavily reliant on Russian gas imports before Moscow's invasion of Ukraine, has been hit hard by soaring energy prices and a cut in Russian deliveries. The government expects the German economy to tip into recession next year and shrink by 0.4 percent.

Lindner nevertheless stressed that Germany would return to the constitutionally enshrined "debt brake" in 2023, which limits annual new borrowing to 0.35 percent of gross domestic product. The government had lifted the debt brake at the start of the coronavirus pandemic in 2020 to cushion the blow from shutdowns. But reinstating the debt brake has been a priority for Lindner, a fiscal hawk from the pro-business FDP party who came into office last December.

To help steer Germany through the fallout from Russia's war without upsetting Lindner's commitment to the debt brake, the government has announced "special funds" considered separate from the regular federal budget. One of them is 100-billion-euro fund to modernize the German military, the other is a 200-billion-euro support package to help shield households and businesses from higher energy costs. Both will be financed by taking on new debt. Critics including opposition parties have decried the separate funds as a fiscal sleight of hand.

But Lindner on Tuesday defended his 2023 budget, which will total around €476 billion, as "solid" and said there "was no alternative". The government's council of economic advisors suggested earlier this month that Germany should temporarily raise taxes on higher earners to help finance the new spending. But Lindner again ruled out any tax hikes. —AFP



Jazeera Airways launches flight to Turkistan

KUWAIT: Jazeera Airways on Tuesday announced its second service to Kazakhstan, flying to the city of Turkistan in the south of the country twice weekly

Baidu revenue up 2% amid cost-cutting drive

BEIJING: Chinese internet giant Baidu reported on Tuesday third-quarter revenues of 32.5 billion yuan (\$4.6 billion), representing a year-on-year increase of 2 percent. Its earnings report showed Baidu posted a net loss of 146 million yuan for the three months through September as it reined in costs and trimmed back far deeper losses from the equivalent quarter last year.

Chinese technology majors have struggled in recent months amid an economic slowdown, COVID-19 curbs that have hammered consumer sentiment, and tighter regulatory scrutiny. Earnings reports from internet titans, including Alibaba and JD.com, have presented a mixed picture in recent weeks. "Baidu Core delivered a solid set of financial and operational results in the third quarter, despite the continued challenges posed by the COVID-19 resurgence," said CEO Robin Li.

The core business "resumed positive growth, driven by a gradual recovery of our online marketing business and the steady growth of our AI Cloud revenue", Li said, hailing "significant progress in intelligent driving". "Looking ahead, we expect our mobile ecosystem to continue generating strong cash flow and fund our investment in AI Cloud and intelligent driving, which will help ... drive long-term business growth," he said.

Beijing-based Baidu reported a third-quarter loss of 16.6 billion yuan last year, despite revenues rising 63 percent year-on-year to 31.9 billion yuan at the time.

Ramesh Kalyanaram, Executive Director - Kalyan Jewellers said, "We are delighted to introduce Es Vida to the passionate and enthusiastic football community in India and the Middle East. We believe that these all-new soccer-inspired designs will be something that the footballing community would love to wear and flaunt, as they celebrate this game season. In a brand first, we have associated with India's football icons for the Es Vida campaign, and we hope that fan's for whom football is life, will embrace Es Vida," he added.

The brand campaign for Es Vida features Indian youth icons Harmanjot Singh Khabra and Naganbam Sweeti Devi, both players representing India's National Football Team. Coming together for the first time, Harmanjot Singh Khabra and Naganbam Sweeti Devi speak about what football means to them. They advocate that one should #WearYourPassion - and is featured wearing the Es Vida range of gender neutral jewelry from Kalyan Jewellers.

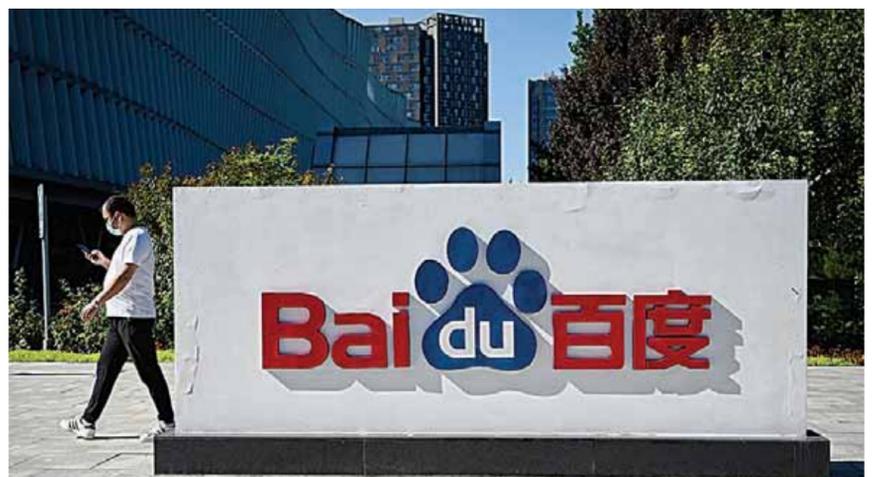
Flight Number	Frequency	From	To	Departure (Local Time)	Arrival (Local Time)
J9 635	Monday	Kuwait (KWI)	Turkistan (HSA)	19.30	02.00 (+1day)
J9 635	Saturday	Kuwait (KWI)	Turkistan (HSA)	19.15	01.45 (+1 day)
J9 636	Tuesday	Turkistan (HSA)	Kuwait (KWI)	03.00	04.10
J9 636	Sunday	Turkistan (HSA)	Kuwait (KWI)	02.45	03.55

and connecting pilgrims and tourists for the first time with direct flights between the Middle East and the country. Flights from Kuwait depart on Mondays and Saturday, while return flights from Turkistan are in the morning of the next days. The route starts on December 3, 2022 and serves the high demand for religious and cultural tourism. Flights land at the Hazrat Sultan International Airport (HAS).

Jazeera Airways Chief Executive Officer Rohit Ramachandran said: "We are very pleased to be continuing our expansion and serving a significant demand from CIS countries for travel to the

Middle East, specifically for pilgrimage to Saudi Arabia, thanks to our frequent connecting flights to Madina, Jeddah and Taif. Turkistan also attracts religious tourism and these flights will provide customers with convenient connections through our network."

Turkistan is a city and the administrative centre of the Turkistan Region of Kazakhstan, near the Syr Darya river. The Hazrat Sultan International Airport (HSA) is a new airport that was inaugurated in 2020 with a capacity of three million passengers annually.



BEIJING: This file photo shows an employee walks past the company logo at Baidu's headquarters in Beijing. —AFP

The company, which operates China's biggest online search engine, has diversified in recent years into artificial intelligence, cloud computing and autonomous driving technologies as advertising revenue has remained sluggish.

Mixed bag

Beijing has wrought a sweeping crackdown on the tech industry since late 2020 as part of an effort to

curb monopolistic practices and promote competition between internet platforms. But the strategy of record fines, torched IPOs and probes into major firms have hit revenues and placed further strain on the ailing economy. E-commerce titan Alibaba announced last week a third-quarter loss of 20.6 billion yuan, which it partly blamed on a "decrease in market prices of our equity investments in publicly traded companies". —AFP

Kalyan Jewellers celebrates nation's passion for football

KUWAIT: Kalyan Jewellers, one of the largest and most-trusted jewelry companies, has on Tuesday announced the launch of its football-themed jewelry - Es Vida. With the ongoing football World Cup fever, the all-new limited edition jewelry designs of Es Vida pays tribute to the country's vibrant football culture.

Es Vida, is a Spanish phrase which means 'It's Life' - which is exactly what football is to its millions of supporters. This set of gender-neutral platinum and rose gold jewelry from Kalyan Jewellers provides fans with an opportunity to valiantly display their passion for the game.

Talking about this unique football memorabilia,

Football fans can now wear their passion as they cheer their favorite football teams and sporting icons - Es Vida designs are available at select showrooms across Kuwait, Qatar, UAE, Oman and India.

Listicle

Sport this stylish football-themed pendant from Kalyan Jewellers and get a chance to have a better shot at your next goal! This single-tone pendant is made of the finest quality platinum, and is an excellent way to accessorize your daily look, this soccer season.

Football for many is not just a game, it is life! Keeping this emotion at heart, Kalyan Jewellers introduces distinctive Es Vida jewelry designs, which is a perfect gifting option for your loved ones. The perfect accessory to showcase one's passion towards the sport!

This dual-tone pendant, with its stunning rose gold and platinum matte-finish gives a stylish and matchless look

