

Business

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Apple opens first India store in Mumbai

Cook personally opens doors to welcome customers

MUMBAI: Apple opened its first retail store in India on Tuesday, underscoring the US tech titan's increasing focus on the South Asian nation as a key sales market and alternative manufacturing hub to China.

Apple CEO Tim Cook personally opened the doors to welcome customers as staff cheered. Hundreds of admirers of the iPhone giant queued around the store in a swanky shopping mall in the financial capital Mumbai, some of them waiting overnight. The California-based firm is betting big on the nation of 1.4 billion people—home to the second-highest number of smartphone users in the world, after China—with a second store to open in the capital Delhi on Thursday.

The world's biggest company in terms of market value is also expanding its manufacturing footprint in India as it seeks to diversify its supply chain away from a heavy dependence on neighboring China.

Apple called the stores a "major expansion" of its presence in India in a statement on Monday. "We're excited to build on our longstanding history," Cook said in the statement. Apple launched its online store in India in 2020, but had not opened an official physical shop until now due to previous investment rules, since relaxed, requiring foreign retailers to source 30 percent of raw materials locally, and pandemic delays.

Sales and marketing executive Purav Mehta, 30, camped overnight outside the store ahead of the opening, bringing with him his still-unopened 2013 iPod Touch. "We've been looking forward to it... for a long time we've been waiting for this," he told AFP. Stationery dealer Madhav Mimani, 27,

travelled about 900 kilometers (560 miles) from Rajasthan for the event.

"I think with Apple manufacturing in India, the prices are going to go down because it's local manufacturing, which makes the iPhones affordable," he said. "It also increases chances of the Indians buying iPhones made in India because of the sentimental value."

India has more than 600 million smartphone users, with Android devices dominating the price-sensitive market. Chinese smartphone makers Xiaomi, vivo, OPPO and Realme had a combined market share of 66 percent in 2022, according to research firm Canals, while Samsung held a 19 percent share.

Apple's iPhones compete in the premium segment of the market and had just a four percent share last year. But Canals analyst Sanyam Chaurasia told AFP that Apple could benefit from the premiumisation of India's smartphone market and financing schemes for both retailers and consumers.

"Apple is emphasizing more on the Indian market because they see more opportunity," he said.

Supply chain

Cook said in a February earnings call that "India is a hugely exciting market for us and is a major focus". "We are, in essence, taking what we learned in China years ago and how we scale... and bringing that to bear. Apple was "putting a significant amount of energy" into India, he added, saying he was "very bullish" on the country.

India is also becoming central to Apple's plans to shift its production of devices and components away from China amid diplomatic tensions between Wash-



MUMBAI, India: Chief Executive Officer of Apple Tim Cook (center right) waves during the opening of Apple's first retail store in India, in Mumbai on April 18, 2023. — AFP

ington and Beijing and the supply chain fallout from strict COVID policies. Just one percent of Apple's iPhones were made in India in 2021, but that jumped to seven percent last year, Bloomberg News reported last week, citing sources.

The company began manufacturing iPhones in

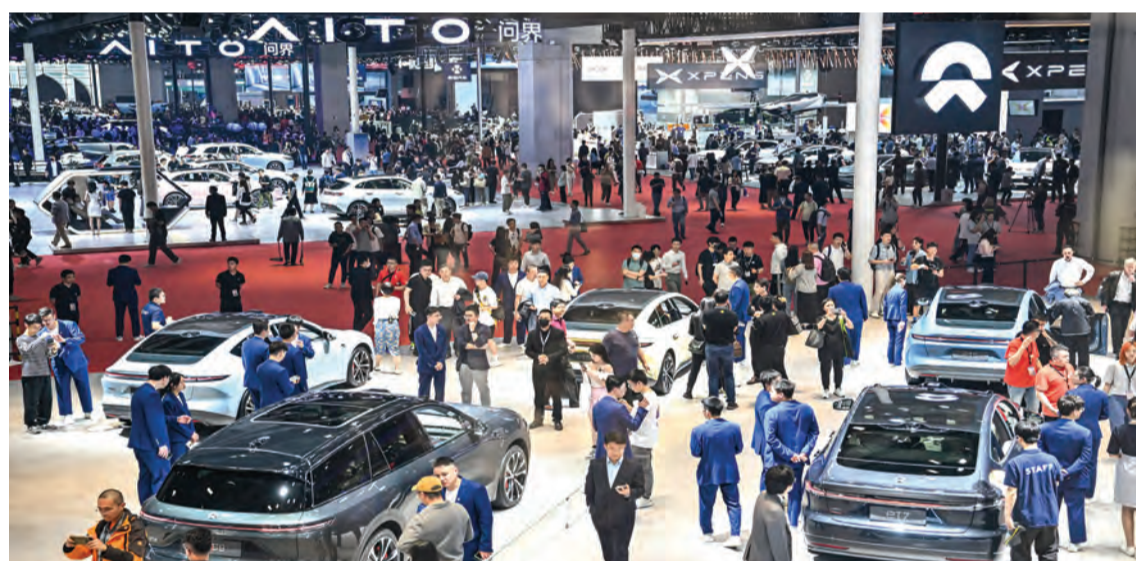
India in 2017 through Taiwanese suppliers Foxconn, Wistron and Pegatron. Foxconn said in March that its chairman had visited India but there was no "definitive agreement" for investments in the country after the chief minister of Karnataka in the south said iPhones would be manufactured in his state. — AFP

Electric vehicles are key battleground at Shanghai Auto Show

SHANGHAI: China was the road to the future for foreign brands at the Shanghai Auto Show on Tuesday who are racing to catch up with Chinese competitors in the crucial electric vehicle market. EVs now make up one out of four car sales in China, the world's largest car market, and dozens of new models from domestic and Western brands were unveiled at the first auto show since the end of China's COVID restrictions. Local brands command 81 percent of the EV market in China, according to analysts at Counterpoint Research, and industry titans such as BMW were at pains to emphasize the importance of doing business in China. "China is the place to be," BMW executive Frank Weber told a news conference. "Munich is where we come from, but China is where we are at home."

He said almost 70 percent of BMW's newest operating system involved functions specific to the Chinese market, and that it had tripled its research and development there in the past three years.

"What moves Chinese customers today will move the world tomorrow," another BMW executive, CEO Oliver Zipse, told the audience as he showed off the i Vision Dee, a color-changing electric sports sedan. Volkswagen Group said in a news release its brands would present 20 electrified models, with the Volkswagen ID.7 and new Cayenne Porsche getting their



SHANGHAI: People visit a Nio booth during the 20th Shanghai International Automobile Industry Exhibition in Shanghai on April 18, 2023. — AFP

world premieres. "With its high level of innovation, China is an important pacesetter for the entire automotive industry," the release said. "A strong position in China strengthens our global competitiveness."

Mercedes Benz announced it has fully electrified two classic models, the off-road G-class and its Maybach SUV. Elon Musk's Tesla, the biggest seller of electric cars globally, is not attending and a representative did not say why it was a no-show when contacted by AFP.

Opposite BMW in the exhibition hall, China's

crude futures recorded their fourth straight weekly gain after the International Energy Agency raised its 2023 global oil demand estimates. Global oil demand is expected to rise by 2 million barrels per day to a record 101.9 million bpd this year, the Paris-based agency said in its monthly oil market report.

Investors will be closely following the release of China's first-quarter gross domestic product data this week, which should show an "impressive" recovery as the Asian country's economy recovers from COVID-19, Edward Moya, senior market analyst at Oanda, said. China, the world's second-largest economy and top crude importer, reopened its borders in January after following a strict zero-COVID policy for nearly three years. Last week, OPEC stuck to its 2023 growth projection for oil demand in its monthly oil report, despite lowering its forecast in North America and Europe amid a slowing global economy.

The oil producers' group said better crude demand in Organization for Economic Cooperation and

percent in 2022. Oil exporters, who benefited from a windfall in 2022, will experience slower growth, but a large gap remains between high-income countries and the rest of the region. Real GDP per capita growth, a better proxy for living standards, is expected to slow down to 1.6 percent in 2023 from 4.4 percent in 2022.

Inflation in the region rose dramatically in 2022, especially in countries that experienced currency depreciations. The report focused specifically on the impact of food price inflation on food insecurity, finding that eight out of 16 countries suffered from double-digit food price inflation or higher, affecting poorer households the most as they spend more of their budgets on food than those that are better off. "Food price inflation is having a devastating impact on poor families. The long-term implications of food insecurity will be felt for generations and sadly limit

BYD unveiled a series of new electric models that included a supercar from its high-end Yangwang brand. BYD is catching up on Tesla's primacy fast—it almost tripled its sales to 900,000 cars last year—and intends to develop further in Europe and North America. It already has a foothold in the European market with a presence in Norway and other Chinese brands are also looking to expand west. Zeekr, a premium electric brand owned by Geely, confirmed it would enter the European market. — AFP



Development countries, led by China was balancing out the market. Meanwhile, US consumers expect inflation to jump following the recent spike in energy prices. A survey released by the Federal Reserve Bank of New York showed that American consumers' inflation expectations rose for the first time since October last year. — Agencies

prospects for many, many young people," said Ferid Belhaj, World Bank Vice President for the MENA region. "The human and economic cost of inaction is immense and bold policies are needed in a region where young people make up more than half of the population," he added.

The twice-yearly report found that average year-on-year food inflation across 16 MENA economies between March and December 2022 was 29 percent. This was higher than headline inflation, which rose on average to 19.4 percent year-on-year during that period, compared to 14.8 percent between October 2021 and February 2022, the month of Russia's invasion of Ukraine. Across all four MENA subgroups covered in the report — developing oil importers, developing oil exporters, conflict countries and the GCC — inflation accounts for 24 percent to 33 percent of 2023's forecasted food insecurity.

GCC-Belgian trade relations make a quantum leap

BRUSSELS: The growth in Belgian-Gulf trade relations is a clear sign of a bright and promising future in trade and economic relations between the six-member Gulf Cooperation Council (GCC) and Belgium, said Qaisar Hijazin, Secretary General of the Arab-Belgian-Luxembourg Chamber of Commerce (ABLCC). In an interview with the KUNA, Hijazin referred to the recent figures released by the Belgian Foreign Trade Agency, which showed that Belgian exports to the GCC went up by 23.9 percent in 2022, from 6.73 billion euro (\$7.34 billion) in 2021 to 8.34 billion euro (\$9.09 billion) in 2022. On the other hand, Belgium's total import from GCC increased by a whopping 92 percent from 6.41 billion euro (\$6.99 billion) in 2021 to 12.31 billion euro (\$13.4 billion) in 2022.

"The GCC countries rank twelfth among exports to Belgium and also the twelfth position among imports from Belgium," he said. Hijazin said the relations between the GCC and Belgium go back to long decades of cooperation and trade exchanges. These relations have developed significantly in recent years, he said.

Hijazin noted that the best evidence and importance that Belgian economic activities attach to the GCC countries, is the visit that Belgian King Philippe Queen Mathilde paid to the Sultanate of Oman and the United Arab Emirates last year, which resulted in signing of several commercial agreements and launching joint projects in the field of green energy. Prior to that, Princess Astrid, the Belgian king's sister, headed two economic missions to the Kingdom of Saudi Arabia and the Sultanate of Oman in 2014, and to Qatar and the United Arab Emirates in 2015.

This importance is also evident through the presence of four Belgian embassies in those countries, and the Belgian bodies for foreign trade representative offices in these Gulf countries, he said. It is clear that the oil and gas sector are of great importance to the GCC economies at the global level. However, the GCC countries began years ago to diversify their economic activities and sources of income and invest in various economic projects in the long term, which contributed to strengthening their relations with their trading partners, including Belgium, said Hijazin.

Economic diversification in the Gulf countries includes renewable energies, health care, waste recycling, port business, infrastructure, tourism, food security and technologies, in other words, the areas in which Belgium excels. There are many Belgian companies that are very active in the region and that have completed large projects, he said. In the opposite direction, Belgium attracts Gulf capital, with Kuwait's Q8 international petroleum brand the biggest Arab investor in Belgium.

The Gulf airlines increased the number of their flights to Brussels at the beginning of 2023 to reach 30 flights linking the Gulf countries and Belgium, which was the number that was available before the COVID-19 crisis. "There is no doubt that the relations between Belgium and the Gulf countries influence relations between the European Union and the GCC," stressed Hijazin. The EU and the GCC began negotiations on a free trade agreement in 1990. It was supposed to provide for the gradual and mutual liberalization of trade in goods and services, but talks were suspended in 2008 negotiations due to many challenges, he said. Subsequently, in May 2017, the EU and the GCC countries launched a Dialogue on Trade and Investment Issues, with the participation of the private sector. — KUNA

Oil prices edge up amid improving demand outlook

KUWAIT: Crude oil prices firmed slightly on Tuesday, recovering from a 2 percent slide in the previous session, as faster economic growth in top crude importer China supported the demand outlook and offset fears over US interest rates.

China's economy grew by a faster-than-expected 4.5 percent in the first quarter, with hopes of oil demand recovery buoyed further by a surge in oil refinery throughput to record levels in March.

Brent crude climbed 12 cents to \$84.88 a barrel at 11.30 am Kuwait time and the US West Texas Intermediate rose 8 cents to \$80.91. Last week,

World Bank forecasts slower growth for MENA region in 2023

WASHINGTON: Economies in the Middle East and North Africa (MENA) are expected to grow at a slower pace in 2023, as double-digit food inflation adds pressure on poorer households and the impact of food insecurity can span generations, according to the World Bank's latest economic update.

Titled "Altered Destinies: The Long-Term Effects of Rising Prices and Food Insecurity in the Middle East and North Africa," the report forecasts MENA's GDP will slow to 3.0 percent in 2023, from 5.8