

## Business

# EU, Philippines agree to relaunch free trade talks

## FTA negotiations to accelerate 'a new era of cooperation'

**MANILA:** The European Union and the Philippines will restart negotiations on a free-trade agreement as they seek to accelerate "a new era of cooperation", European Commission President Ursula von der Leyen said Monday.

Talks began in 2015 under then-Philippine president Benigno Aquino but stalled two years later under his successor Rodrigo Duterte, whose deadly drug war strained diplomatic relations with the West and sparked an international probe.

"I'm very glad that we have decided to relaunch negotiations for (a) free-trade agreement (FTA)," von der Leyen told reporters at a joint news conference with President Ferdinand Marcos in Manila.

"Our teams will get to work right now on setting the right conditions so that we can get back to the negotiations," she said, noting an FTA has "huge potential for both of us" in terms of jobs and growth. The European Union is the Philippines' fourth-largest trading partner and an FTA would be Manila's second bilateral deal after Japan.

Marcos described the Philippines and

the European Union as "like-minded partners" with "shared values of democracy, sustainable and inclusive prosperity, the rule of law, peace and stability, and human rights". The Philippines enjoys a Generalized Scheme of Preferences Plus (GSP+) status that allows it to export 6,274 products to the European Union tax-free, but this is set to expire at the end of this year.

Under the GSP+ scheme, which is extended to developing countries, Brussels cuts its import duties to zero on two-thirds of product categories in return for implementing 27 international conventions on human rights, labor rights, the environment and good governance. Rights monitors and some EU members of parliament have urged the European Union to withhold a deal extension for the Philippines because of Duterte's anti-narcotics crackdown that claimed thousands of lives.

The drug war has continued under Marcos even as he emphasized a greater focus on rehabilitation, but a local monitoring group estimates more than 350 people have been killed since he

took power in June 2022. Human Rights Watch's EU director Philippe Dam said it was concerning that von der Leyen "could not be heard tackling human rights and civil liberties issues".

"Make no mistake—the human rights situation in the Philippines remains dire," Dam said in a statement. "The EU should not look the other way and should tie a future trade deal to concrete labor and human rights improvements and accountability for past violations."

Von der Leyen, the first European Commission president to visit the Philippines, said the two sides had "learned the hard way the cost of economic dependencies".

A free-trade agreement was the basis for diversifying supply lines and could also be "a springboard for a new technology cooperation to modernize the broader economy". She said the European Union would provide 466 million euros (\$513 million) to help the Philippines develop "green energy" and plastics recycling, as well as provide satellite data to help it better prepare for extreme weather. — AFP



**MANILA:** Philippine President Ferdinand Marcos Jr. (second right) and European Commission President Ursula von der Leyen attend a signing ceremony at Malacanang Presidential Palace in Manila on July 31, 2023. — AFP

## Gulf Bank receives customer complaints through mobile app

**KUWAIT:** As part of its efforts to communicate more quickly and effectively, Gulf Bank is receiving complaints through the Mobile Application, where the complaints are received by the Complaints and Customer Protection Unit and addressed within 15 working days. This aligns with the instructions of the Central Bank of Kuwait, in an effort to enhance the protection of customers – by establishing a balanced relationship between banks and their customers – that is guided by the best international practices in this field.



**Bader Al-Ali**

The Deputy General Manager of Consumer Banking at Gulf Bank, Bader Al-Ali stated that if customers would like to file a complaint through the specified mechanisms, they must take into account the following:

1. The Customer Complaints and Protection Unit work to find a solution, or explanation, for a customer's complaint, within the framework of the implementation of the terms of the contractual relationship between the customer and the bank.
2. The Customer Complaints and Protection unit works five days a week, from Sunday to Thursday, from 8 am to 3 pm, and is closed on weekends and public holidays.
3. Complaints submitted are addressed and responded to within 15 business days.
4. The work of the unit is limited to responding to customers' complaints; hence, the Customer Complaints and Protection unit cannot perform banking transactions such as: Activating accounts, canceling, requesting, activating bank cards, changing a mobile phone number, or updating customer information.
5. The response to the written complaint is done through the Customer Complaint and Protection Unit at Gulf Bank, and not through the Central Bank of Kuwait. In case the customer objects to the response, he must file a grievance to the Central Bank of Kuwait through the mechanism mentioned on Gulf Bank's website or the Central Bank of Kuwait's website.

Al-Ali added: "We are constantly communicating with our customers, listening to their requirements and studying complaints with great accuracy and attention, with the aim of quickly responding to their banking needs." Gulf Bank's vision is to be the leading Kuwaiti Bank of the Future. The Bank is constantly engaging and empowering its employees as part of an inclusive and diversified workplace in recognition of every employee's role in delivering customer excellence and serving the community at large. With its extensive network of branches and innovative digital services, Gulf Bank is able to give its customers the choice of how and where to conduct their banking transactions, all while ensuring a simple and seamless banking experience.

Gulf Bank is committed to maintaining robust developments in sustainability at environmental, social and governance levels through diverse sustainability initiatives, strategically selected to benefit the Bank both internally and externally. Gulf Bank supports Kuwait Vision 2035 "New Kuwait" and works with various parties to achieve it.

## China announces measures to boost consumption

**BEIJING:** Chinese authorities announced new measures to boost consumption on Monday, as fresh economic data suggested that the country's post-COVID recovery is running out of steam and growth is slowing. Official figures released Monday showed factory activity contracting for the fourth straight month in July, adding to a run of dismal economic data that has ramped up calls for government support measures.

A sluggish job market and general uncertainty over the future mean consumer confidence is low.

China's State Council released on Monday a 20-point plan to increase consumption across the board, touching on housing, culture and tourism, as well as green consumption such as electric vehicles.

The measures aim to increase the supply of subsidized rental accommodation and try to solve other problems around housing, particularly for young people. Once a driving force behind the economy, a crisis in the real estate sector means many developers are now fighting for their survival, exacerbating a crisis of confidence among potential buyers. The State Council also said it would support the expansion of large-scale festivals and sporting events both on and offline, as well as an increase in spending on services involving catering and healthcare.

Infrastructure in rural areas will be improved to boost digital and green consumption, it added.

Officials told reporters they would "unleash consumption potential by optimizing policy and institutional design" in the second half of the year.

PMI contracts again

Earlier on Monday the official manufacturing purchasing managers' index (PMI) -- a key measure of factory output -- came in at 49.3, below the 50-point mark that separates expansion and contraction, according to the National Bureau of Statistics (NBS). July's reading was slightly higher than June's 49.0 figure and was better than forecasted in a Bloomberg survey.

"The overall level of manufacturing prosperity continued to improve," NBS statistician Zhao Qinghe said in a statement. The non-manufacturing PMI, which measures business sentiment in the services and construction sectors, fell to 51.5 in July from 53.2 in June, as activity in capital market services and real estate shrank. "The data release showed mixed messages," Zhiwei Zhang, an analyst at Pinpoint Asset Management, wrote in a note, adding "it seems the economic momentum is still quite weak".

China this month said its economy grew 6.3 percent in the second quarter, much weaker than the 7.1 percent predicted in an AFP survey of analysts. The



**HANGZHOU:** A worker produces automotive bearings at a factory in Hangzhou, in China's eastern Zhejiang province on July 31, 2023. — AFP

country's top leaders, known as the Politburo, have warned that the economy faces "new difficulties and challenges" as well as "hidden dangers in key areas". Zhao also pointed to a low volume of overseas orders, describing a "complicated and severe external environment" and lackluster demand as major challenges for Chinese manufacturers.

In June, exports dipped 12.4 percent, their biggest decline in three years, according to customs figures. "The Politburo meeting acknowledged the challenge the economy faces," said Zhang, the analyst. "The key issue is what policies will be launched after the meeting and how effective they will be." — AFP

## HK economy slows in Q2 after rebound

**HONG KONG:** Hong Kong's economy expanded by 1.5 percent in the second quarter, data released Monday showed, indicating slowing growth after a robust start to the year. Vast swathes of Hong Kong's economy were shut down in 2022 as the govern-

ment grappled with a deadly COVID wave by imposing travel restrictions and banning large gatherings around the city. After its reopening, the economy bounced back in the first quarter, growing by 2.7 percent on year.

But the "momentum softened on the back of the strong rebound in the preceding quarter," a government spokesman said Monday in a statement.

Imports and exports posted double-digit declines over the period, decreasing by 16.1 percent and 15.3 percent respectively, the data showed. Private household spending grew by

8.5 percent, down from last quarter's 13 percent increase.

Finance Secretary Paul Chan had warned in a blog posted Sunday that Hong Kong's economy "may be slightly slower" than the three months before. He attributed the slowdown in household spending to changes in consumer habits after three years of pandemic living, but said the economy was still on track to improve. "Looking ahead, inbound tourism and private consumption will remain the major drivers of economic growth for the rest of the year," said the government spokesman.

"The improving economic situation and prospects should bode well for domestic demand, though tight financial conditions may impose constraints." Hong Kong entered a deep recession in 2019 and 2020 after the former British colony was roiled by pro-democracy protests and the start of the pandemic.

The city found brief respite in 2021, as its strict COVID-19 controls largely kept it virus-free, with the economy rebounding by 6.4 percent—gains that were later wiped out by the 2022 outbreak. — AFP

## Eurozone economy rebounds as inflation slows

**BRUSSELS:** Economic growth in the eurozone rebounded in the second quarter, data showed Monday, but concerns remain over inflation that is slowing yet still stubbornly high, and over stagnation in the German economy.

The EU's Eurostat data agency said growth in the 20-country single currency zone reached 0.3 percent over the April-June period after recording zero growth in the first three months of the year.

The first-quarter figure was revised from a decline of 0.1 percent that had signaled a technical recession. The figures came after data last week showed that Germany's gross domestic product (GDP) stagnated between April and June, though the French and Spanish economies grew more than expected.

The European Central Bank (ECB) has hiked interest rates to their highest level since May 2001 to tame red-hot inflation, though its president Christine Lagarde last week indicated that the aggressive rate-hiking campaign could be paused. Analysts suggest that another hike is still a possibility,

and could further constrain economic growth.

"With monetary tightening still expected to have its most dampening effect on growth later, continued broad stagnation of economic activity remains the most likely outcome for the coming quarters," said Bert Colijn, senior eurozone economist at ING. Colijn said the eurozone GDP reading would not be "a dovish argument" at the next ECB rate-setting meeting in September, "leaving a further hike on the table". While the eurozone registered a slight drop in overall inflation this month, to 5.3 percent from 5.5 percent in June, in line with analyst expectations, core inflation—which strips out more volatile elements—was unchanged at 5.5 percent.

Both figures remain far higher than the ECB's two-percent target, though Lagarde said before the data release that "we are reaching our goal". "By all accounts, monetary policy has started to have an effect for lowering inflation," she told French daily Le Figaro in an interview published late Sunday.

### Food and drink prices surge

Also, food and drink costs are still rising sharply, at 10.8 percent compared with 11.6 percent in June, hitting European consumers' wallets. Energy prices, however, dipped further, falling by 6.1 percent in July on the back of a drop of 5.6 percent in June. The core inflation rate, which excludes fast-chang-



**FRANKFURT:** President of the European Central Bank (ECB) Christine Lagarde gestures as she addresses a press conference following the meeting of the governing council of the ECB in Frankfurt am Main. — AFP

ing energy, food, alcohol and tobacco prices, is the key indicator for the Frankfurt-based ECB.

Among the 20 countries that use the euro, Belgium had the lowest inflation rate, at 1.6 percent in July, Eurostat said. There will be further concerns over the health of Germany's economy as inflation remains high, reaching 6.5 percent in July, Eurostat said, down slightly from 6.8 percent in June. — AFP

## BT appoints first female boss in 170-year history

**LONDON:** British telecoms group BT announced Monday the appointment of Allison Kirkby as its new chief executive, the first woman to head the group in its 170-year history. Kirkby, a British national who has been CEO of Swedish telecoms group Telia for more than three years, will replace Philip Jansen, who recently said BT Group would

cut up to 55,000 jobs, or 42 percent of its workforce, by 2030.

The telecoms and technology sectors are slashing jobs in response to rampant inflation. Jansen will remain as CEO until the end of January at the latest, BT said in a statement. Kirkby has been a non-executive director of BT since 2019. "She is a proven leader, with deep sector experience and

a history of having transformed businesses," BT chairman Adam Crozier said Monday.

Kirkby, 56, said she was "fully supportive" of the group's strategy going forward. "BT is such an important company for the UK, and our many customers both in the UK and internationally and is uniquely placed to help everyone benefit from the rapid advances in digitalization. "Having been a member of the BT Group board for the past four years, I'm fully supportive of our strategy and am excited about leading it into its next phase of development." — AFP



**Allison Kirkby**