

Business

Biden says Republican demands on debt ceiling 'unacceptable'

Govt not to do anything outrageous to avert a default

WASHINGTON: President Joe Biden on Sunday slammed Republican demands in negotiations to resolve the US debt ceiling standoff as "unacceptable" but said a solution can still be found before a disastrous default. Speaking at a press conference just before leaving to return to Washington from the G7 summit in Hiroshima, Japan, Biden said Republicans' latest demands for spending cuts as a condition for raising the US government borrowing authority were "frankly unacceptable."

"It's time for the other side to move from their extreme positions," he said. Biden said he would talk directly with Republican House Speaker Kevin McCarthy during his Air Force One flight on Sunday back to Washington and said "we can reach an agreement." However, he cautioned that he could not "guarantee that they wouldn't force a default by doing something outrageous." Biden said that he was looking into an obscure constitutional clause in the 14th Amendment, which states that the validity of public debt "shall not be questioned"—and potentially authorizing the president to circumvent Congress and raise the debt ceiling himself.

"I think we have the authority. The question is could it be done and invoked in time," he said, noting the likelihood of legal challenges to this and the rapidly approaching debt deadline. The Treasury Department says that the government could run out of money and default on its \$31 trillion debt as early as June 1 if Congress, where Republicans control the House of Representa-

tives, does not authorize more borrowing. Biden had planned to travel from Japan to Papua New Guinea and Australia but cut short the Asia trip due to the debt talks.

'Hostage' accusation

The debt ceiling raise is usually an uncontroversial annual procedure but this year the increasingly hard-right Republican Party has turned the threat of default into a powerful lever to try and force Biden to accept spending cuts. Biden accuses his opponents of putting the US economy at risk for political point scoring. Discussions were at an impasse over the weekend in Washington, as both sides traded accusations.

"We're making 0 demands to avoid default. You're the only ones with a hostage," tweeted White House spokesperson Andrew Bates, accusing Republicans of seeking to trigger a recession in the world's leading economy.

White House Press Secretary Karine Jean-Pierre said that McCarthy was being strong-armed by his party's pro-Donald Trump wing, which is "threatening to put our nation into default for the first time in our history unless extreme partisan demands are met," McCarthy, however, tweeted Saturday to say the White House was the one "moving backward."

"Unfortunately, the socialist wing of the Democrat Party appears to be in control—especially with Presi-

dent Biden out of the country," he said. Biden said that McCarthy was likely waiting for him to join in before the talks could be revived. "My guess is he's going to want to deal directly with me," Biden said.

Spending and taxing

More borrowing is required imminently by the US government just to meet expenditures already agreed to in the current budget. Failure to strike a deal to lift the debt ceiling would leave Washington unable to pay its bills and trigger an array of economic shockwaves worldwide—including, the White House says, a US recession. With the 2024 election campaign underway and Biden potentially facing Trump again, Republicans have seized the opportunity to paint the Democrats as responsible for the country's gargantuan debt—which in reality has built up over decades.

Republicans say the debt ceiling can no longer be raised without harsh measures to reduce the deficit. These include slashing social spending and restricting access to Medicaid, the subsidized program providing health care for the poor. Biden has countered with a plan to reduce some spending but also to raise new revenue by increasing taxes on the richest Americans and corporations which currently enjoy huge tax breaks. Republicans are refusing to accept any tax increase as part of a deal.



WASHINGTON: US President Joe Biden speaks about debt negotiations in the Roosevelt Room of the White House in Washington, DC. — AFP

"That's what we continue to have a significant disagreement on, on the revenue side," Biden said in his press conference. He cautioned that the 14th Amendment was not a magic bullet, since he could not be sure about his ability to invoke it before the government ran out of money.

"We have not come up with unilateral action that could succeed in a matter of two weeks or three weeks. That's the issue. So it's up to lawmakers," he said. — AFP

KFH announces winners of Al-Rabeh draw

KUWAIT: Kuwait Finance House (KFH) announced the winners of the Al-Rabeh draw with 20 customers winning cash prizes worth KD 1,500 each for the 17th and 18th week of 2023. KFH announced Mohamed Amer as the monthly winner of 1 kilo gram of KFH gold for the month of April 2023.

The winners of KD 1,500 are: Abdullah Al-Mutairi, Abdulaziz Al-Sulaili, Abdullah Al-Fraj, Faleh Al-Abdali, Marwan Raheel, Mubarak Al-Dousari, Abeer Khattab, Saud Al-Metlaqem, Hanea Marzouk, Mansour Al-Aslawi, Marram Al-Shemmari, Mohamed Othman, Yousef Al-Barood, Tariq Al-Azmi, Zarina Zaher, Abdulhadi Al-Rashidi, MUSAAD AL-MUTAIRI, Abdullah Al-Hashemi, Mohamed Khan, Mohamed Al-Muheemeed.

The Al-Rabeh campaign provides prizes and draws that offer customers several chances of winning "weekly, monthly and quarterly". The campaign crowns 536 winners throughout the year. The draw took place under the supervision of a representative from the Ministry of Commerce and Industry.

The campaign is part of KFH's ongoing efforts to offer exceptional products and services that meet customers' aspirations, enhance the Bank's leadership in the local and global markets, as well as reflect its excellence in offering innovative banking solutions as per the highest quality standards.

The Al-Rabeh account is a salary account available to customers wishing to transfer their salaries and manage their personal accounts. Customers can open Al-Rabeh account in any of KFH branches in Kuwait, or through the bank's online channels. The account can be opened in the Kuwaiti dinar and is targeted for customers wishing to transfer their salaries and manage their personal accounts. Salary transfer is a prerequisite for customers to enter the draw provided that the transfer of salary to Al-Rabeh account is constant.

Regarding the terms and conditions of the prizes and draws, a customer is able to deposit 3 salaries during the 3 months prior to the draw, and the minimum balance of the account should not be less than KD 50 at the end of each month during the 3 months prior to the draw. Ten draws take place on a weekly basis for amount of KD 1,500 for 10 winners each, 1kg of KFH gold will be drawn monthly for one winner and KD 25,000 for one winner every quarter, reaching a total number of 536 winners during the year. KFH is keen to further meet customers' requirements and aspirations and their increasing needs as well as offer innovative and modern services, therefore achieving customer satisfaction, which is one of the fundamentals at KFH. The bank has achieved a qualitative shift in the level of financial services by utilizing technology.

Aston Martin says China's Geely doubles stake

LONDON: Aston Martin Lagonda revealed that Chinese automotive giant Geely has more than doubled its stake to become the British luxury carmaker's third largest investor. Aston said in a statement that Geely will invest £234 million (\$291 million) under a new partnership lifting its holding to 17 percent, up



A group photo of industry leaders participating in the summit.

stc Kuwait joins 'Leaders' Summit 2023'

KUWAIT: Kuwait Telecommunications Company – stc, a world-class digital leader providing innovative services and platforms to customers, enabling the digital transformation in Kuwait, announced its participation in the "Leaders' Summit 2023", which is SAMENA Council's premier annual congregation for Public and Private sector Leaders from South Asia, the Middle East, North Africa, Asia, Europe and beyond. Through its participation, stc Kuwait showcased the 4 key pillars behind its future corporate strategy which aims to assist the Company in leading the Kuwaiti telecommunications and ICT market.

The theme of the Leaders' Summit this year focused on 'Sustainable Connectivity and Emerging Ecosystems in Digital Economy', where key players including high level executives and industry leaders joined together at the Atlantis Hotel in Dubai, UAE on 15 of May 2023 to discuss key subjects related to the telecom and digital solutions market in the MENA region.

The event this year focused on ICT Infrastructure Requirements in Emerging Markets, SA-ME-NA Digital Services Landscape & New Digital Enablers:

US home sales fell in April

WASHINGTON: Sales of existing homes in the United States slowed again in April, the National Association of Realtors (NAR) said, marking the second straight month of declines amid higher interest rates.

Year-on-year, existing home prices saw their largest decline since 2012. But sales "remain above recent cyclical lows," NAR chief economist Lawrence Yun said in a statement, adding: "The combination of job gains, limited inventory and fluctuating mortgage rates over the last several months have created an environment of push-pull housing demand."

Homes sales in the United States have slowed markedly over the last year as buyers contend with rising mortgage repayment costs due to the US

Multi-Dimensional Approaches in Cybersecurity; Evolution of 5G Digital Technologies, Future Mobile and Metaverse based Life and Business, a need for New Frequency Allocations for Telecom Operators, Non-Terrestrial Network Integration, and overall Value-Creation, among other important matters that Public-sector and Private-sector leaders have identified to the Council for dialogue.

Engineer Mazyad Alharbi, CEO of stc Kuwait and Member of the Board of Directors at SAMENA Telecommunications Council, attended the summit alongside other representatives from stc.

Through its role as an industry leader in the local and regional telecom markets, stc showcased the various milestones the Company managed to achieve to enhance its position as a digital pioneer building on its initiatives aimed at enabling the digital transformation in Kuwait. In this regard, the acquisition of E-Portal in Q2-2022 has been a key milestone in achieving this leadership position, and is expected to support stc's future business expansion strategy.

By completing a transformation journey that started in 2019, stc has defined its future Corporate Strategy in order to enhance the company's aspiration and goals to LEAD the Kuwait telco and ICT market by offering innovative services, growing priority segments, and deploying an efficient and digital operating model.

Underscoring the Company's commitment to digital transformation, stc emphasized in a statement the importance of its participation in industry-leading

Federal Reserve's aggressive cycle of hikes. The US central bank has raised interest rates by five percentage points since it began its hikes last year to try and bring inflation back down to its long-run target of two percent.

Total existing home sales fell by 3.4 percent month-on-month to a seasonally adjusted annual rate of 4.28 million in April. This was slightly higher than the median forecast of economists surveyed by MarketWatch. Year-on-year, sales have declined by almost 25 percent, according to the NAR, underscoring the impact of the Fed's actions.

"While resilient demand will provide some support, we think home sales will come under increasing pressure as the year progresses, with sales weighed down by a weakening economy and labor market and a persistent shortage of inventory," Oxford Economics lead US economist Nancy Vanden Houten wrote in a note to clients. The median price for existing homes declined by 1.7 percent in April from a year ago to \$388,800, the sharpest such decline in more than a decade, fueled by



Eng Mazyad Alharbi on the sidelines of the summit.

events like the Leaders' Summit. Such platforms provide invaluable opportunities to engage with industry experts, exchange ideas, and acquire knowledge that can be harnessed to seize market opportunities. With its strategic investments in 5G infrastructure, stc has evolved into a trailblazer offering digital, cloud, IoT, and data center services, alongside cutting-edge ICT solutions and services. Now, more than ever, the Company is well positioned to support the vision of enterprises, government entities, and SMEs in line with Kuwait Vision 2035 through innovative solutions tailored to their diverse needs and requirements. This is the embodiment of stc's commitment to enabling digital transformation and enriching the customer journey experience.



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retreating prices in the South and West. The NAR said figures show the 30-year fixed-rate mortgage averaged 6.35 percent as of May 11, down slightly from a week earlier, but up significantly from 5.30 percent one year ago. —AFP

from a 7.6 percent stake it bought in September.

The deal, aimed at tapping into the giant Chinese market, makes Geely the third largest investor after number one Canadian businessman Lawrence Stroll and number two Saudi Arabia.

Saudi became the second-biggest investor last year following a capital injection from its sovereign wealth fund. The "substantial investment from Geely" was "part of a new relationship agreement that seeks to support Aston Martin's growth and vision to be the world's most desirable ultra-luxury British performance brand," Aston added.

Thursday's news sent its share price racing 14.5 percent higher to 264.80 pence on London's rising

stock market. The carmaker, beloved by fictional British spy James Bond, has seen its shares rocket 72 percent since the start of this year in a remarkable turnaround.

Aston Martin had suffered vast losses in 2019 as it crashed spectacularly on weak global demand linked to China's economic slowdown and Brexit. Losses then deepened further on fallout from the coronavirus pandemic. But the automaker was saved from bankruptcy in early 2020 by Canadian billionaire Stroll. The luxury brand is now looking to shift gear into fully electric vehicles from 2025.

"This (Geely) announcement is a further significant step towards delivering our ambition for Aston

Martin," added executive chairman Stroll in Thursday's statement. "Geely Holding... sees tremendous potential for Aston Martin's long-term growth and success." Stroll added: "They offer us a deep understanding of the key strategic growth market that China represents, as well as the opportunity to access their range of technologies and components."

The Chinese giant will also gain a board seat and has agreed not to raise its stake above 22 percent until August 2024. "Our decision to increase our shareholding in Aston Martin reflects our confidence in the company's growth prospects, its technologies and its management team," added Geely Holding Group Chairman Eric Li. —AFP