

## Business

# UN conference pledges \$2.4 billion to head off famine in Horn of Africa

## Ethiopia, Kenya, Somalia reeling from worst drought in decades

**UNITED NATIONS:** A United Nations-backed conference has raised \$2.4 billion to prevent famine in the Horn of Africa, which is reeling from its worst drought in decades as global temperatures rise. The money will provide life-saving assistance for nearly 32 million people across Ethiopia, Kenya and Somalia, the world's humanitarian agency OCHA said in a statement.

"Famine has been averted, thanks in part to the tremendous efforts of local communities, humanitarian organizations and authorities, as well as the support of donors," OCHA said. But the sum is considerably less than the \$7 billion the United Nations says is needed to provide help to people affected by drought and conflict in the region. "The emergency is far from over, and additional resources are urgently required to prevent a return to the worst-case scenario," OCHA added.

### Years of drought

Since late 2020, countries in the Horn of Africa - Djibouti, Ethiopia, Eritrea, Kenya, Somalia, South Sudan and Sudan - have been suffering the region's worst drought in 40 years. Five failed rainy seasons have left millions of people in need, decimated crops and killed millions of livestock. More than 23.5 million people are enduring high levels of acute food insecurity in Ethiopia, Kenya and Somalia, according to OCHA.

In Somalia alone, which is also in the throes of an Islamist insurgency, the number of people displaced from their homes by armed conflict, drought or floods now stands at 3.8 million, with 6.7 million people struggling to find food, according to figures from the UN and the Norwegian Refugee Council. More than half a million children are severely malnourished, the two organizations added. Deaths from

hunger are on the rise in Africa because of droughts worsened by climate change and conflict, UN officials and scientists say.

The devastating drought in the Horn of Africa could not have occurred without the effects of greenhouse gas emissions, the World Weather Attribution group, an international team of climate scientists, said in a report released in April. "We can be anything but complacent," said Andrew Mitchell, the United Kingdom's Minister of State for development and Africa. "The clear and present threat remains, and we must act now to prevent further suffering."

"Funding pledged today will help millions, but we must work together to break the cycle of crisis afflicting so many states." Earlier this week, a group of NGOs, including Islamic Relief Worldwide and Save the Children, called on donors to fully fund the humanitarian response required for "one of the biggest climate injustices of our time." Citing UN numbers, the organizations pointed out that despite funding mobilized to aid the region last year, an estimated 43,000 people died from the drought in Somalia alone in 2022.

### 'Epicenter' of climate emergency

At the opening of the donors' conference - organized in conjunction with Italy, Qatar, the UK, and the United States - UN Secretary-General Antonio Guterres appealed for "an immediate and major injection of funding" to stop people from dying. "We must act now to prevent crisis from turning into catastrophe," he added, recalling that last year donor countries delivered vital help to 20 million people in the region and helped avert a famine.

Guterres said people in the region - which he described as "the epicenter of one of the world's worst climate emergencies" - were "paying an unconscio-



**DOLOW:** This aerial view shows makeshift structures of people displaced by drought at the Ladan internally displaced people (IDP) camp in Dolow. More than a million Somalis have been displaced within their own country due to a 'toxic' mix of drought, conflict and floods, the UN and a charity said on May 24, 2023. — AFP

nable price for a climate crisis they did nothing to cause." "We owe them solidarity. We owe them assistance. And we owe them a measure of hope for the future. This means immediate action to secure their survival. And it means sustained action to help communities across the Horn adapt and build resilience to climate change," he added.

OCHA said the funds pledged Wednesday

would allow humanitarian agencies to sustain aid pipelines of food, water, health care, nutrition and protection services. Joyce Msuya, the UN's deputy emergency relief coordinator, welcomed the pledge but added: "We must persist in pushing for stepped-up investments, especially to bolster the resilience of people already bearing the brunt of climate change." — AFP

## Australia police probe PwC tax leak scandal

**SYDNEY:** Australian police have opened a criminal investigation into the leaking of secret government tax plans by accounting giant PwC to help clients "act early" ahead of a tax crackdown on multinationals. PwC Australia has been embroiled in scandal since one of its partners was found to have made "unauthorized disclosures" about the planned tax reforms, which he learned about in confidential government briefings.

More than 140 pages of internal PwC Australia emails released by a Senate committee this month showed the international tax partner, Peter Collins, had divulged the sensitive information to other staff. Australian Federal Police confirmed in a statement late Wednesday that they had launched a criminal investigation, after the affair was referred to them by the Treasury Department.

"We note the statement from the Treasury Secretary and will continue to cooperate fully with any investigations into this matter," a PwC spokesman said Thursday. The Treasury's confidential tax plans included new rules, which came into effect in 2015, to stop multinationals avoiding tax by shifting profits from Australia to tax and secrecy havens, the Tax Practitioners Board said. Finance Secretary Jenny Wilkinson told parliament that PwC had been asked to stop all staff linked to the leaks from working on current government contracts.

The request was made after it was revealed a "wide range of individuals" at the firm, beyond Collins, were aware of the confidential information. "I consider PwC's abuse of confidence and trust with the Treasury and PwC's subsequent handling of this breach to be a very serious issue," Wilkinson told a Senate estimates hearing. In the redacted PwC emails, an internal message from 2016 lauded the company's success in urging companies to "act early" on the tax changes, "heavily helped by the accuracy of the intelligence that Peter Collins was able to supply us".

Officials said current government contracts with PwC totalled Aus\$255.2 million (US\$167 million) this financial year. Collins was deregistered as a tax agent in November last year and barred from reapplying for two years for sharing the confidential details, Australia's Tax Practitioners Board said in January. PwC Australia's former chief executive Tom Seymour stood down on May 9 over the scandal. The global PwC network said at the time that the affair represented a clear violation of its code of ethics. — AFP

## Lebanon slaps travel ban on central bank chief Salameh

**BEIRUT:** A Lebanese judge has banned the country's central bank governor Riad Salameh from travelling, days after Beirut received an Interpol Red Notice following a French arrest warrant, a judicial official said Wednesday. Salameh has been the target of a series of judicial investigations both at home and abroad on allegations including embezzlement, money laundering, fraud and illicit enrichment, which he denies.

French investigators suspect that during his three decades as central bank chief, Salameh misused public funds to accumulate real estate and banking assets concealed through a complex and fraudulent financial network. On Wednesday, judge Imad Qabalan questioned Salameh and "decided to release him pending investigation, ban him from travelling, and confiscate his Lebanese and French passports", the official told AFP, requesting anonymity as they were not authorized to speak to the media.

Activists say the travel ban on the central bank chief helps shield him from being brought to justice abroad - and from potentially bringing down others in Lebanon's entrenched political class. "The Lebanese judiciary, with the exception of a few judges, has shown that it is not independent. It is biased for politicians who steer it the way they want," charged lawyer and activist Karim Daher.

"The corrupt Lebanese regime... has no interest in

## Singapore economy beats estimates but govt warns of risks

**SINGAPORE:** Singapore's economy posted better-than-expected results in the first quarter of 2023, official data showed Thursday, but the government warned that the global outlook remains gloomy. The Southeast Asian city-state's economic performance is often seen as a barometer of the global environment because of its reliance on international trade.

Its economy expanded by 0.4 on-year in the quarter starting January, slower than the 2.1 percent on-year growth in the previous quarter but better than an advance estimate released last month, according to figures released by the Ministry of Trade and Industry (MTI). Quarter-on-quarter, the economy shrank 0.4 percent, though that too was better than expected. The

any time for an investigation, to collect evidence and conduct testing."

It added pointedly that "the testing vehicles were purchased, stored, and arranged for inspection by Great Wall Motors", instead of a third party as required under national rules. Analysts say China is leading the way worldwide when it comes to electric vehicle development. BYD saw its profits jump fivefold in the first quarter thanks to global demand for its cars and buses. But competition within the domestic market is fierce, with around 100 brands offering more than 300 models, according to Counterpoint Research. The complaint by Great Wall, which was filed last month according to The Paper, comes weeks before China's tough new vehicle emissions standards kick in.

BYD and Great Wall did not reply to AFP's request for comment, and the environment ministry did not reply to queries on whether it was investigating the complaint. BYD, whose investors include US investment titan Warren Buffet, was embroiled in another pollution accusation earlier this month. An environmental inspection team visited one of the company's biggest factories in the central Chinese city of Changsha to inspect "gas emissions", according to a brief statement by the city government published on May 8. — AFP

Salameh being tried abroad and spilling the beans" about the political class's financial activities, he told AFP. Interpol circulated a Red Notice last week after a French magistrate issued a warrant for Salameh, who failed to appear for questioning in Paris before investigators probing his sizeable assets across Europe. An Interpol Red Notice is not an international arrest warrant but asks authorities worldwide to provisionally detain people pending possible extradition or other legal actions.

Lebanon does not extradite its nationals but Salameh could go on trial in Lebanon if local judicial authorities decide the accusations against him are founded, an official previously told AFP. Qabalan asked the French judiciary to refer Salameh's file to Beirut in order to "determine whether the Lebanese judiciary will prosecute him for the crimes he is accused of in France or not", the official added. Salameh "asked the judge to try him in Lebanon and not to extradite him to France", the official said.

### German warrant

Also Wednesday, Germany notified Lebanon's general prosecutor that it too had issued an arrest warrant for Salameh, the judicial official said, adding that Munich's public prosecutor would submit the warrant to Interpol shortly. Salameh has repeatedly denied any wrongdoing and continues to serve as central bank governor. His mandate ends in July.

In March 2022, France, Germany and Luxembourg seized assets worth 120 million euros (\$130 million) in a move linked to a probe into Salameh's wealth. In February, Lebanon charged Salameh with embezzlement, money laundering and tax evasion as part of its own investigations. The domestic probe was opened

MTI maintained its growth forecast for 2023 at between 0.5 and 2.5 percent, saying the figure was likely to be in the middle of that range. It warned, however: "Downside risks in the global economy have risen."

In its statement, it cited a "sharper-than-expected tightening in global financial conditions" and "escalations in the war in Ukraine and geopolitical tensions among major global powers". Singapore's trade is three times its GDP, and a slowdown in global demand is quickly reflected in its trade and production data, said Song Seng Wun, a regional economist with CIMB Private Banking. "Singapore is like the canary in the coal mine," he said. There was a weak reading from the manufacturing sector, which shrank 5.6 percent on-year in the first quarter, worsening from the 2.6 percent shrinkage in the fourth quarter last year.

That sector includes semiconductors, a key export. "Singapore's external demand outlook for the rest of the year has weakened," the MTI said. "Apart from the expected slowdown in the advanced economies, the electronics downcycle is likely to be deeper and more prolonged than earlier projected."

## China steps up response to US chip moves

**BEIJING:** Beijing's restrictions on American chip-maker Micron in retaliation to sweeping US chip curbs marks a major step up in its response to Washington's pressure and could open the door for further measures in the geopolitical standoff, analysts say. But they warned President Xi Jinping's ability to raise the stakes will be limited as he battles to re-energize the world's number two economy while it struggles to recover from years of zero-COVID-imposed inertia.

China on Sunday banned the use of Micron's chips in critical infrastructure projects, which Beijing said posed "major network security risks" that could affect "national security". Washington expressed "serious concerns" over the ruling that came just as leaders of the world's seven richest nations (G7) signed a statement urging Beijing to end "economic coercion".



**BEIRUT:** This picture shows a view of the Justice Ministry in Beirut. A Lebanese judge banned the country's central bank chief Riad Salameh from travelling, days after Beirut received an Interpol red notice following a French arrest warrant, a judicial official said. — AFP

following a request for assistance from Switzerland's public prosecutor looking into more than \$300 million in fund movements by Salameh and his brother.

This year, European investigators have questioned Salameh in Beirut, also hearing from his assistant Marianne Hoayek, his brother Raja, a Lebanese minister and central bank audit firms. The judicial official said Wednesday that a judge had notified Raja Salameh and Hoayek that they were due to appear before the French judiciary respectively on May 31 and June 13. Since 2019, Lebanon has plunged into an economic crisis deemed by the World Bank as one of the planet's worst since the mid-19th century. — AFP



**SINGAPORE:** People walk across Jubilee Bridge on Marina Bay in Singapore on May 25, 2023. — AFP

It provided an optimistic outlook for the aviation and tourism sectors, however. And while it estimated China's economic recovery following the end of COVID restrictions to be strong, it cautioned that the spillover effects on Singapore are "expected to remain weak". — AFP

The move marked a significant shift in China's response to US measures that have targeted the country's technology sector, with Gary Ng, a senior economist at Natixis who specializes in the global chip trade, calling it "a landmark case". He emphasized it was China's first cybersecurity probe into a foreign company since tighter rules were announced in 2021, and a rare instance when the scope of such reviews was expanded to include national security concerns. "I wouldn't be surprised if regulators used these reviews as a tool for retaliation in future" when faced with other geopolitical issues, he said.

Emily Weinstein, a research fellow at Georgetown University specializing in the US-China tech rivalry, added that the definition of what fell under "critical information infrastructure" was very broad - ranging from online government services and defense to healthcare and water conservation. "Technically that could mean that anything qualifies," she said. "China has consistently found national security or other reasons to create protectionist barriers" including mandatory technology transfer agreements, which require companies to store all data locally and requirements for foreign entities to have joint ventures with local partners in several sectors. — AFP

## China auto giant denies 'cars fail emissions test'

**BEIJING:** Electric auto giant BYD on Thursday denied accusations leveled by a rival carmaker that two of its models failed China's strict emissions standards. BYD is the world's second-largest maker of electric vehicles after Tesla, and is number one in China's vibrant but fiercely competitive domestic sector. On Thursday it hit back at allegations that two of its hybrid car models were "suspected of violating standards for evaporative pollutants", after a complaint to China's environment ministry by rival Great Wall Motors was published by state-backed news outlet The Paper.

Evaporative pollutants refer to gasoline vapor from fuel tanks and are a source of harmful air pollution. "Our products and related testing comply with national standards and have been certified by authoritative national institutions," BYD said in a statement. "We welcome relevant departments to come