

Special Report

ARA Consumer Confidence Index – June 2019

Durable Goods Index sheds 23 pts

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Jahra turns into a workshop
The labor market in Kuwait is currently thriving amid a range of regulations aiming to achieve diverse goals. Competitiveness requires more attention to be paid to the education and professional qualification in order to ensure the highest level of productivity.

The National vision and objectives require a sound and decisive implementation of the policy of raising the level of Kuwaitization in the various economic fields. The labor market is also spontaneously subject to the law of supply and demand where demand for specific kind of employees and workers increases, while other decreases, reflecting the different sectors needs.

Therefore, the Current Employment Opportunities Index had to go up in the first half of the year because of the gains achieved by the Stock Exchange, and also because the real estate sector, which is the locomotive of a number of economic, commercial and service sectors, recovered. The oil sector needs more educationally and professionally qualified workers.

In this context, the Current Employment Opportunities Index posted 136 points, up 12 points within a month. At the level of Governorates, Jahra registered 192 points, up 62 points, thus reflecting the reality of the labor intensity and the market's need for more workforce. This also shows how the Governorate provided the highest contribution of job opportunities during this month.



Sharp decline in consumption level among most research components

ARA analysts have for months raised a question about the reasons for the decline in the level of purchase of durable goods and therefore the consumption in general. ARA research findings in June stressed the legitimacy and necessity of that question. The index reported 107 points, losing 23 points within a month and 6 points within a year. In July 2018, the index reported 162 points, the highest ratio in 13 months.

A simple comparison shows that financial reasons during this period of time do not constitute a factor to reduce

the demand for purchase.

The annual monetary inflation stood at 0.7%, while the purchasing power of incomes remained strong.

The level of consumer loans rose by 2.5% in April and by 7.5% since the beginning of 2019.

In this context, it seems that the lack of demand for purchase is a result of either the regional political and security developments that pressure the mood of consumers or deeper reasons related to the beginning of an adjustment in the over consumption and the reduction of extravagance. Therefore, there is a need to follow up on the real reasons.

Amid trade dispute

Bolton travels to Japan, S.Korea

WASHINGTON, July 22, (RTRS): US national security adviser John Bolton departed on Saturday for a trip to Japan and South Korea, two key allies of Washington that are embroiled in a trade dispute.

A White House National Security Council spokesman said on Twitter that Bolton planned to "continue conversations with critical allies and friends".

President Donald Trump on Friday offered his help to ease tensions in the political and economic dispute between the United States' two biggest allies in Asia, which threatens global supplies of memory chips and smartphones.

Lingering tensions, particularly over compensation for South Koreans forced to work for Japanese occupiers during World War Two, worsened this month when Japan restricted exports of high-tech materials to South Korea.

Japan has denied that the dispute over compensation is behind the export curbs, even though one of its ministers cited broken trust with Seoul over the labor dispute in announcing the restrictions.

The export curbs could hurt global technology companies.

Lee Seok-hee, chief executive of SK Hynix, the world's No. 2 memory chip maker, headed to Japan on Sunday and will meet Japanese suppliers to discuss ways to secure raw materials, the company

said. Trump told reporters at the White House on Friday that South Korean President Moon Jae-in had asked him whether he could get involved.

A spokeswoman for Moon confirmed Moon had asked Trump for help at their summit in Seoul on June 30.

Bolton will visit South Korea from July 23 to 24, South Korea's presidential office spokeswoman Ko Min-jung said. He will meet South Korean national security adviser Chung Eui-yong on Wednesday to discuss a permanent peace regime on the Korean Peninsula and a strengthened alliance between Seoul and Washington.

During his trip, Bolton is also likely to seek support for a US initiative to heighten surveillance of vital Middle Eastern shipping lanes, which has been greeted warily by allies reluctant to raise tensions with Iran. Washington blames Tehran for recent attacks on tankers.

Japanese media have said the issue could be on the agenda when Bolton visits Japan, where any military commitment abroad would risk inflaming a divide in public opinion in a country whose armed forces have not fought overseas since World War Two.

A South Korean official said

last week Washington had yet to make any official request to Seoul on the issue.

The chairman of the US Joint Chiefs of Staff, Marine General Joseph Dunford, said this month Washington hoped to enlist allies in a military coalition to safeguard strategic waters off Iran and Yemen.

But with allies reluctant to commit new weaponry or fighting forces, a senior Pentagon official told Reuters on Thursday the aim was not to set up a military coalition but to shine a "flashlight" in the region to deter attacks on commercial shipping.

Kathryn Wheelbarger, who briefed NATO allies in the past week on the US proposal, said it was less operational and more geared toward increasing surveillance capabilities.

Japan is the world's fourth-biggest oil buyer and 86% of its oil supplies last year passed through the Strait of Hormuz, a vital shipping route linking Middle East oil producers to markets in Asia, Europe, North America and beyond.

Japan's position is complicated by its friendly ties with Iran. Japanese Prime Minister Shinzo Abe made an unsuccessful bid to ease tensions in the region when he met Iranian leaders in Tehran last month.

Canada says it is close to 'agreement' with EU

Bid to resolve WTO deadlock

OTTAWA, July 22, (RTRS): Canada and the European Union are close to agreeing a possible temporary solution to a US block on appeals in disputes at the World Trade Organization (WTO), Prime Minister Justin Trudeau said.

US President Donald Trump is barring appointments to the WTO's Appellate Body, saying its judges have overstepped their mandate and ignored their instructions. Unless the block is lifted, the world's top trade court will be unable to hear appeals in international trade disputes by December.

Trudeau, speaking after a meeting with top EU officials in Montreal, said Canada backed existing attempts to restore a fully operational Appellate Body.

"In the event that those efforts are unsuccessful, we need to be prepared. So we have been working with the European Union to find an interim fix," he told a news conference.

"After this summit we are closer to finalizing an agreement which would help preserve the function of an appeal system within the WTO until we find a more permanent solution."

A joint statement issued after the Montreal meeting said the fix involved setting up an interim appeal arbitration arrangement based

WH to host 'meeting' with tech execs on Huawei ban

WASHINGTON, July 22, (RTRS): White House economic adviser Larry Kudlow will host a meeting with semiconductor and software executives on Monday to discuss the US ban on sales to China's Huawei Technologies Co Ltd, two sources briefed on the meeting said on Friday.

Treasury Secretary Steven Mnuchin will also attend the White House event, to which chipmakers Intel Corp and Qualcomm Inc have been invited, the people said.

A White House official confirmed the meeting would take place, noting that Google and Micron would attend, but said it had been called to discuss economic matters.

The subject of Huawei was expected "to come up but that it is not the reason why they are convening the meeting," said the official, who spoke on condition of anonymity.

The future of US companies' ties to Huawei, the world's no. 1 maker of telecommunications equipment, remains uncertain after the Trump administration put the company on a blacklist in May, citing national security concerns.

The move banned US companies from selling most US parts and components to it without special licenses, but President Donald Trump said last month American firms could resume sales, with an eye on reviving trade talks with Beijing.

Several weeks after the announcement, details about what the new policy towards the company is are still not forthcoming.

Commerce Department Secretary Wilbur Ross has said licenses would be issued where there is no threat to national security. Reuters reported that the United States may approve licenses for companies to restart new sales in a matter of weeks.

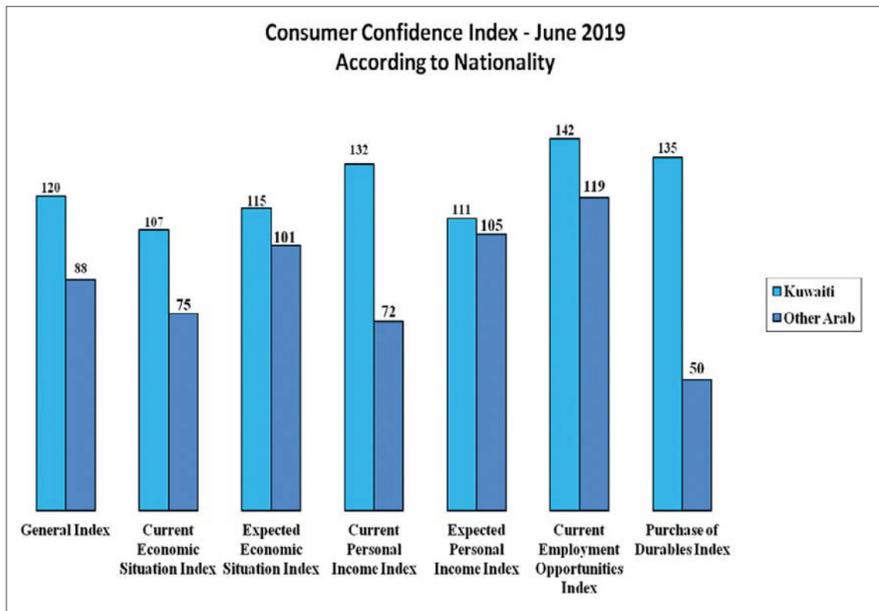
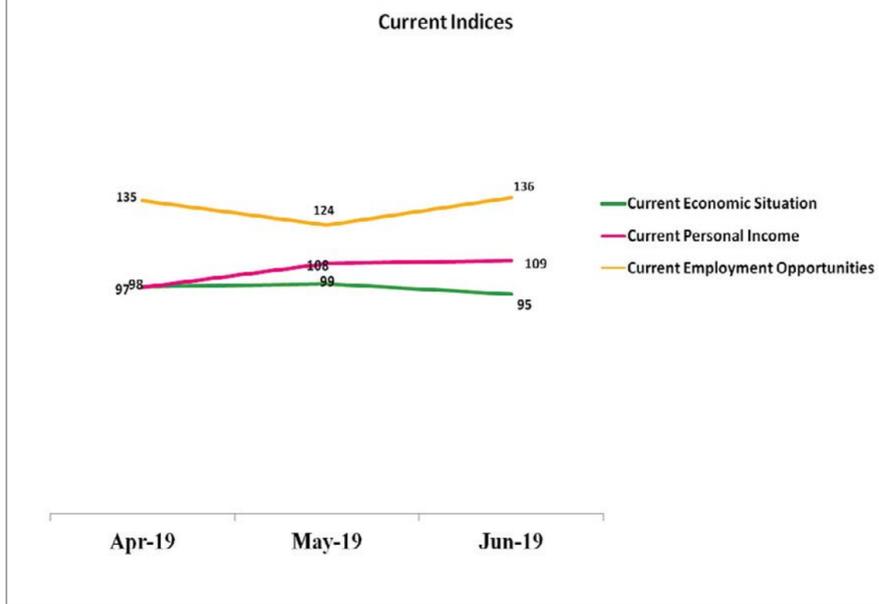
One of the people briefed on Monday's meeting said Broadcom Inc was also invited to the White House event. Microsoft Corp was also expected to receive an invitation, the person said.

Intel and Qualcomm declined to comment. Google, Micron, Microsoft and Broadcom did not immediately respond to requests for comment.

on existing WTO rules.

The EU last month proposed using WTO arbitration rules to set up a shadow version of the body and keep the appeals process moving, but there is uncertainty about how such a structure would work.

Cecilia Malmstrom, the EU's trade chief, told the news conference that the deal on a possible fix "sends a strong message of our shared objective to ensure the full effectiveness of the WTO and the stability of world trade."



Officials pose for a group photo.



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Event jointly organised by seven Business Councils in Kuwait

Inter Councils Summer Networking Event held at Holiday Inn Salmiya

KUWAIT CITY, July 22: Seven Business Councils in Kuwait jointly organized their first Inter Councils Summer Networking Event on Wednesday, July 17. The event took place at Holiday Inn Salmiya and in attendance were

over 100 guests consisting of members from across the 7 Business Councils in Kuwait: the American Business Council Kuwait (ABCK), the German Business Council Kuwait (GBCK), British Business Forum (BBF), the Australian

Business Group (AusBG), the Canadian Business Council (CBC) and Canadians in Kuwait, the French Business Council Kuwait (FBCK), and the Kuwait Italian Business Council (KIB). In his opening speech, ABCK's

Chairman Oswaldo Rueda, welcomed guests on behalf of all business councils present. He then introduced all the business councils present and called upon representatives from each council to the stage, and proceeded to in-

form guests that each of the business councils would be available to answering any questions regarding their respective council.

Following an evening of fruitful discussions and networking, ABCK did a

raffle for the attendees in which Holiday Inn Salmiya provided a voucher for dinner for two at its Al-Diwan seafood theme night. The event concluded with a group picture with all the seven business council representatives present.