

Hilton sales plunge in second quarter with travel frozen

Hilton lost \$432 million in the second quarter, and occupancy rates began to lift from dismal lows as hotels reopen and coronavirus restrictions were lifted around the world. After hitting 13% in mid-April, global hotel occupancy is now running around 45%, Hilton President and CEO Christopher Nassetta said during a conference call Thursday with investors.

"While those are still terrible numbers, that is a lot of improvement over a relatively short period of time," he said.

Nassetta expects occupancy to climb to

the 50% range this fall, but also that it will take business travel two to three years to recover. The hotel may get a boost from an extended leisure travel season because kids may not be in school and work is more flexible right now, Nassetta said. Some colleges are also booking hotel rooms to expand dorm capacity, he said, while workers are booking rooms to serve as remote offices.

In the April-June period, occupancy averaged 22% worldwide, down 56% from the same period a year ago. Occupancy levels were highest in Asia, at 29%, and lowest in

Europe, at 7%. US occupancy levels averaged 24%. Tourism in beach towns like Norfolk, Virginia, has recovered more quickly in the US than cities like New York and Seattle, according to STR, a hospitality data and consulting firm.

The McLean, Virginia, company announced layoffs of about 2,100 people, 22% of its corporate workforce, in June, and it extended previously announced furloughs and corporate pay cuts for 90 days. (AP)



This file photo shows a Hilton hotel in Richmond, Virginia. Hilton posted a loss of \$432 million in the second quarter as the coronavirus kept travelers at home, but the company said it's starting to see some improvement in occupancy as restrictions are lifted. (AP)

Market Movements

07-08-2020

	Change	Closing pts		Change	Closing pts
GERMANY - DAX	+83.20	12,674.88	AUSTRALIA - All Ordinaries	-35.35	6,144.92
FRANCE - CAC40	+4.39	4,889.52	CHINA - Shanghai SE	-32.43	3,254.04
EUROPE - Euro Stoxx 50	+12.26	3,252.65	JAPAN - Nikkei	-88.21	22,329.94
S. KOREA - KRX 100	+23.06	5,059.24	PAKISTAN - KSE 100	-136.43	40,029.69
INDIA - Sensex	+15.12	38,040.57	PHILIPPINES - PSEi	-56.56	5,846.02

Business



In this file photo, a man walks away after changing currency at a currency exchange shop in Istanbul. (AP)

Turkish currency hits another 'historic' low

LONDON, Aug 8, (AP) — Turkey's currency tumbled further Friday, hitting another record low.

The Turkish lira dropped to 7.3677 against the dollar before making a recovery. The lira is down about 19% versus the U.S. currency since the beginning of the year. It was trading around 7.17 on Friday afternoon.

The drop is fueled by high inflation, a wide current account deficit and the Turkish government's push for cheap credit to drive an economy that was already fragile before the COVID-19 pandemic hit.

Analysts have expressed concerns over the level of Turkey's reserves and Turkish President Recep Tayyip Erdogan's aversion to high interest rates.

Turkey had been hoping for an influx of foreign currency through exports and tourism revenues, but the pandemic has sharply undermined the tourism industry and disrupted global commerce.

Speaking after Friday prayers at the recently reconsecrated Hagia Sophia mosque in Istanbul, Erdogan said "there are serious zigzags in the global economy after the pandemic."

He added: "I believe the Turkish lira will fall into place ... these are temporary fluctuations."

Virus woes persist

Postal Service loses \$2.2 bln in 3 months

WASHINGTON, Aug 8, (AP) — The U.S. Postal Service says it lost \$2.2 billion in the three months that ended in June as the beleaguered agency - hit hard by the coronavirus pandemic - piles up financial losses that officials warn could top \$20 billion over two years.

But the new postmaster general, Louis DeJoy, disputed reports that his agency is slowing down election mail or any other mail and said it has "ample capacity to deliver all election mail securely and on time" for the November presidential contest, when a significant increase in mail-in ballots is expected.

Still, DeJoy offered a gloomy picture of the 630,000-employee agency Friday in his first public remarks since taking the top job in June.

"Our financial position is dire, stemming from substantial declines in mail volume, a broken business model and a management strategy that has not adequately addressed these issues," DeJoy told the postal board of governors at a meeting Friday.

"Without dramatic change, there is no end in sight," DeJoy said.

While package deliveries to homebound Americans were up more than 50%, that was offset by continued declines in first-class and business mail, even as costs increased significantly to pay for personal protective equipment and replace workers who got sick or chose to stay home in fear of the virus, DeJoy said.

Without an intervention from Congress, the agency faces an impending cash flow crisis, he said. The Postal Service is seeking an infusion of at least \$10 billion to cover operating losses as well as regulatory changes that would undo a congressional requirement that the agency pre-fund billions of dollars in retiree health benefits.

The agency is doing its part, said DeJoy, a Republican fundraiser and former supply chain executive who took command of the agency June 15. DeJoy, 63, of North Carolina, is a major donor to President Donald Trump and the Republican Party. He is the first postmaster general in nearly two decades who is not a career postal employee.

In his first month on the job, DeJoy said, he directed the agency to vigorously "focus on the ingrained inefficiencies in our operations," including by applying strict limits on overtime.

"By running our operations on time and on schedule, and by not incurring unnecessary overtime or other costs, we will enhance our ability to be sustainable and ... continue to provide high-quality, affordable service," DeJoy said.

While not acknowledging widespread complaints by members of Congress about delivery delays nationwide, DeJoy said the agency will "aggressively monitor and quickly address service issues."

DeJoy's remarks came as lawmakers from both parties called on the Postal Service to immediately reverse operational changes that are causing delays in deliveries across the country just as big volume increases are expected for mail-in election voting.

Democratic House Speaker Nancy Pelosi and Senate Democratic Leader Chuck Schumer said Thursday that changes imposed by DeJoy "threaten the timely delivery of mail - including medicines for seniors, paychecks for workers and absentee ballots for voters - that is essential to millions of Americans."

In his remarks to the postal board of governors, DeJoy called election mail handling "a robust and proven process."

While there will "likely be an unprecedented increase in election mail volume due to the pandemic, the Postal Service has ample capacity to deliver all election mail securely and on time in accordance with our delivery standards, and we will do so," DeJoy said. "However ... we cannot correct the errors of (state and local) election boards if they fail to deploy processes that take our normal processing and delivery standards into account."

Later Friday, DeJoy released another memo detailing changes that reshuffle dozens of officials on his executive leadership team. The former chief operating officer, David Williams, was moved to lead logistics and processing operations, while Kevin McAdams, vice president of delivery and retail operations, was removed from leadership.

1.2 million seek US jobless aid after \$600 federal check ends

Repeated shutdowns remain threat to labor market

WASHINGTON, Aug 8, (AP) — Nearly 1.2 million laid-off Americans applied for state unemployment benefits last week, evidence that the coronavirus keeps forcing companies to slash jobs just as a critical \$600 weekly federal jobless payment has expired.

The government's report did offer a smidgen of hopeful news: The number of jobless claims declined by 249,000 from the previous week, after rising for two straight weeks, and it was the lowest total since mid-March.

Still, claims remain at alarmingly high levels: It is the 20th straight week that at least 1 million people have sought jobless aid. Before the pandemic hit hard in March, the number of Americans seeking unemployment checks had never surpassed 700,000 in a week, not even during the Great Recession of 2007-2009.

Rubeela Farooqi, chief US economist at High Frequency Economics, called the drop in weekly claims "a move in the right direction." But in a research note, she added:

"Repeated shutdowns for virus containment remain a threat to the labor market, which is already weak. The possibility of mounting layoffs that could become permanent is high. Without effective virus containment, the recovery remains at risk from ongoing job losses that could further restrain incomes and spending."

The pandemic, the lockdowns meant to contain it and the wariness of many Americans to venture back out to eat, shop or travel have delivered a devastating blow to the economy despite the government's emergency rescue efforts. The nation's gross domestic product, the broadest measure of economic output, shrank at an annual rate of nearly 33% from April through June. It was by far the worst quarterly fall on record, though the economy has rebounded somewhat since then.

And the pace of hiring is clearly slowing. A resurgence of cases in the South and the West has spread elsewhere and upended hopes for a speedy economic recovery as bars, restaurants and other businesses have had to delay or reverse plans to reopen and rehire staff.

All told, 16.1 million people are collecting traditional unemployment benefits from their state. For months, the unemployed had also been receiving the \$600 a week in federal jobless aid on top of their



In this file photo, Alaska Airlines planes are parked at a gate area at Seattle-Tacoma International Airport in Seattle. Alaska Airlines said over 300 employees among the company's workforce in Anchorage may lose their jobs on Oct 1, 2020. (AP)

state benefit. But the federal payment expired last week. Congress is engaged in prolonged negotiations over renewing the federal benefit, which would likely be extended at a reduced level.

In the meantime, millions of the unemployed suddenly have less money to pay for essentials. Many of them are among the 23 million people nationwide who are at risk of being evicted from their homes, according to The Aspen Institute, as moratoriums enacted because of the coronavirus expire.

Last week, an additional 656,000 people applied for jobless aid under a program that has extended eligibility for the first time to self-employed and gig workers. That figure isn't adjusted for seasonal trends, so it's reported separately.

The Labor Department said Thursday that a total of 31.3 million people are now receiving some form of unemployment benefits, though the figure may be inflated by double-counting by some states.

A study released Monday by Cornell University found that 31% of those laid off or furloughed because of the pandemic had been laid off a second time. An additional 26% of people who were called back to work reported being told that they might lose their jobs again.

After the springtime lockdowns, restaurants and bars had begun to reopen. Yet many soon had to re-close as viral cases surged, especially in the Sun Belt. In Texas, for instance, just 26% of bars were closed on June 21. Two weeks later, the figure had shut up to 74%, though it has since come down slightly, according to the data firm Womply.

In Florida, whose tourism industry has been pummeled by the pandemic, John Brenner has lost his position as a hotel manager. A 38-year-old from Plantation, Florida, Brenner has now been out of work for four months.

Florida's weekly unemployment aid is capped at \$275 a week, so "I'm quite reli-

ant on that extra \$600," Brenner said.

"That extra \$600 put me at just about what I was making when I was working," he said. "And I'd much rather be working. I'm going very stir-crazy."

The stress, fear and sadness over prolonged unemployment, Brenner said, have diminished everything from his diet to his ability to sleep. He said he's angry that the US Senate has balked at extending the extra unemployment aid at its current level.

"The anxiety the Senate is giving me isn't helping much," Brenner said.

Clover Williams, a teacher in Gallup, New Mexico, said she was laid off "right when the thing runs out - the extra \$600 runs out."

She received one unemployment check that included the \$600 payment. Without it, Williams, 63, worries that she won't be able to pay her utility bills or medical expenses.

'Ministers are encouraged by recent signs of improvement'

Energy ministers review oil market developments

Airline cites impact of coronavirus pandemic

Ethihad Airways posts \$758m in half-year losses

DUBAI, Aug 8, (AP) — Abu Dhabi's Etihad Airways said core operating losses amounted to \$758 million for the first half of the year, driven by a nearly 40% drop in revenue due in part to the impact of the coronavirus pandemic.

Ethihad is one of the Middle East's top carriers, but it was wracked by financial losses even before the pandemic devastated the aviation industry worldwide. The United Arab Emirates-based airline had accumulated losses of \$586 million in the first half of 2019.

The airline, which competes with nearby Dubai's Emirates and Qatar Airways, said it carried 3.5 million passengers during the first six months of 2020, nearly 60% less than the same period last year.

Like other major carriers, Etihad cut salaries for staff starting in April and had reportedly laid off an unspecified number of employees to reduce costs.

Revenue for the first half of 2020 stood at \$1.7 billion compared to \$2.7 billion during the first six months of 2019, even with this year's 27% reduction in operating costs. The airline's cargo

operations also saw some improvement during the first quarter this year.

Ethihad Airways said it had started the year strong and ahead of target prior to the pandemic, but that the closure of international borders and the UAE's airports starting in March drove second quarter losses. Etihad said 70% of its fleet was ground-

ed during the second quarter of the year, bringing a nearly complete halt to its passenger numbers with the exception of special repatriation flights.

Since 2016, Etihad has lost more than \$4.75 billion as its strategy of aggressively buying stakes in airlines from Europe to Australia exposed the company to major risks.



In this file photo, an Emirati man takes a selfie in front of a new Etihad Airways A380 in Abu Dhabi, United Arab Emirates. (AP)

KUWAIT CITY, Aug 8, (KUNA) — Energy ministers of the Arabian Gulf region reviewed on Friday recent developments in oil markets, the continued recovery in the global economy and oil demand, and progress made in rebalancing the oil market.

"The Ministers are very encouraged by the recent signs of improvement in the global economy and commend the efforts taken by countries all over the globe to reopen their economies in a safe way," the ministers said in a joint statement at the end of the teleconference.

The teleconference call included Dr Khaled Al-Fadhel, Minister of Oil and Acting Minister of Electricity and Water of the State of Kuwait; HRH Prince Abdulaziz Bin Salman Al-Saud, Energy Minister of the Kingdom of Saudi Arabia; HE Suhail Mohamed Al-Mazrouei, Energy Minister of the UAE; HE Sheikh Mohammed Bin Khalifa Al-Khalifa, Minister of Oil of Kingdom of Bahrain; HE Mohammed Bin Hamad Al-Rumhy, Energy

Minister of the Sultanate of Oman; and HE Ihsan Abduljabbar Ismail, Oil Minister of the Republic of Iraq.

The Ministers reaffirmed their full commitment to the OPEC+ agreement. They emphasized the importance for all OPEC+ countries to meet their production targets in order to accelerate the rebalancing of the global oil market, and for those who overproduced in May, June and July to compensate those volumes.

The Ministers expressed their thanks and appreciation to HE Minister Ismail for his great efforts and cooperation to achieve the balancing of the oil market, while stressing Iraq's importance to the success of the OPEC+ agreement. The Ministers stressed, again, "that full commitment to the OPEC+ agreement and the compensation mechanism will accelerate the recovery of the global oil market to the benefit of oil producers, consumers, the energy industry and the wider global economy".