Disney cuts back on Facebook, Instagram ads

The Walt Disney Co. has “dramatically” slashed its advertising budget on Facebook and Facebook-owned Instagram, according to a report in the Wall Street Journal.

It’s the latest setback for the social network, which is facing a growing advertising boycott over its policies and actions on hate speech on its platforms. The Journal, citing unnamed sources familiar with the matter, said the time frame for Disney’s pullback was not clear.

Disney was Facebook’s biggest U.S. advertiser for the first six months of 2020, according to research firm Pathmatics Inc. Disney joins hundreds of other companies that have paused spending on the service. The report did not say whether Disney is officially joining the ad boycott. Some companies, such as Starbucks, are pulling back social media advertising due to hate speech and other concerns but have not officially joined the “Stop Hate for Profit” campaign.

Representatives for Disney did not immediately respond to a Sunday message seeking comment.

The economic fallout from the pandemic has also cut into companies’ advertising budgets.

Facebook said it does not comment on individual advertisers. The company said in an emailed statement Sunday that it invests “billions of dollars each year to keep our community safe and continuously work with outside experts to review and update our policies.”

“We know we have more work to do, and we’ll continue to work with civil rights groups, (the Global Alliance for Responsible Media coalition), and other experts to develop even more tools, technology and policies to continue this fight,” Facebook said. (AP)

In this file photo, The Walt Disney Co logo appears on a screen above the floor of the New York Stock Exchange. (AP)

Market Movements 20-07-2020

			Change	Closing pts
AUSTRALIA	-	All Ordinaries	-37.35	6,123.01
CHINA	-	Shanghai SE	+4.03	3,214.13
EUROPE	-	Euro Stoxx 50	+0.25	3,365.60
GERMANY	-	DAX	+44.64	12,919.61
S. KOREA	-	KRX 100	+39.17	4,730.36
INDIA	-	Sensex	+548.46	37,020.14
PAKISTAN	-	KSE 100	+329.41	37,330.85

			Change	Closing pts
PHILIPPINES	-	PSEi	-58.91	6,088.75
JAPAN	-	Nikkei	-73.94	22,696.42

Business

Options often lack transparency

‘Shadow’ lenders can leave college students in the dark

By Ryan Lane of NerdWallet

A new high school graduate may take out about $37,200 in student loans for college, according to a recent NerdWallet study.

And for many of them, that won’t be enough.

Thirty-eight percent of students borrow additional money for college via credit cards, home equity loans and other non-student loans, according to a May 2020 report from the Federal Reserve.

The Student Borrower Protection Center, a Washington, D.C.-based nonprofit, has dubbed this the “shadow education finance market” because these options can lack transparency.

“A lot of these entities are operating with very little accountability or oversight,” says Seth Frotman, executive director of the SBPC.

If you need loans to cover unexpected costs or attend a school that doesn’t qualify for traditional loans, here’s how to make sure you understand what you’re borrowing - and whether the investment will be worth it.

Spot unfavorable loan terms

The line between student loans and loans marketed toward students can be murky. Frotman says the latter are often just personal loans.

You could pay much more if you can’t tell the difference.

For example, if you borrowed a $2,000 personal loan at 20% interest, you’d repay $3,179 over five years. A private student loan at 10% - roughly the highest current rate - would save you more than $600 over the same time frame.

In this file photo, graduates are silhouetted against the green landscape as they line up to receive their diplomas at Berkshire Community College’s commencement exercises at the Shed at Tanglewood in Lenox, Massachusetts. Some lenders advertise their products as a way to pay for college, but these aren’t technically student loans. For unsuspecting students, that could lead to unnecessarily high costs and a lack of consumer protection. (AP)

The easiest way to avoid the shadow market is to borrow from the federal government. You can apply for federal loans by completing the Free Application for Federal Student Aid, or FAFSA.

But if federal loans won’t cover everything, closely read any alternative loan’s paperwork. Beware features like high interest rates, double-digit fees and loans that don’t require a credit check. And make sure payments will be affordable.

“Some (lenders) are really good at obfuscating the risk,” Frotman says.

Check your school’s credentials

Students should exhaust federal aid before turning to private options. But you may need to explore alternatives if you want to attend a non-accredited school or program.

Accreditation is a process in which a third party reviews an institution or educational program - from its enrollment procedures to its curriculum and more - to ensure its quality. Only accredited programs can receive federal student aid.

If a school or program isn’t accredited, be cautious about taking on debt to attend it.

“The inexperienced learner may hand over their credit card, and next thing you know, their bill is thousands of dollars,” says Leah Matthews, executive director of the Distance Education Accrediting Commission. “And then (the school) disappears.”

Federal loans can be discharged if a school closes while you’re enrolled. But you’d likely still owe other debt borrowed to attend the school.

You can see if an entity is accredited via the Database of Accredited Postsecondary Institutions and Programs. For non-accredited options, look for other independent vetting - for example, if your state department of education has approved a career-based training program.

“Non-accredited options (aren’t) bad or horrible; there’s lots of good quality out there,” says Matthews. But students must do their research, she says.

Determine the education’s quality

In an April 2020 report, the SBPC says alternative lending products are “frequently marketed toward borrowers at for-profit institutions.”

If you’re attending such a school, make sure you not only understand what type of debt you’re taking on, but also if you’ll get your money’s worth.

“There are good and bad schools in every sector of higher education,” says Steve Gunderson, president and CEO of Career Education Colleges and Universities, a national membership organization for career schools. “What matters is outcomes.”

You can find those in the Department of Education College Scorecard. Look at information like median salary and median debt to help you better understand the potential value of a program.

If your program isn’t in the College Scorecard, be mindful of data that comes directly from a school around things like job placement - especially if the numbers sound too good to be true.

“There are numerous stories of schools that shade their statistics,” says Robert Shireman, director of higher education excellence and senior fellow at progressive, independent think tank The Century Foundation.

Be extra vigilant if you’re returning to school to add skills due to the economic effects of the coronavirus. Shireman worries that for-profit schools will exploit the pandemic, becoming more aggressive with their marketing and lending.

“We see virus and unemployment, and they see dollar signs,” he says. (AP)

There’s a lot of uncertainty: CEO

GM expects corona to ebb, recovery seen by early ’21

DETROIT, July 20, (AP): The auto business used to be pretty simple. Crank out vehicles that people want to buy and collect profits.

It’s gotten a whole lot more complicated since Mary Barra took over as CEO of General Motors in 2014.

She has cut costs and streamlined management, closed factories and sold off money-losing operations in Europe, partly in preparation for the next downturn.

Thanks to the coronavirus, it’s here. Barra talked with The Associated Press about steering GM through the crisis. Answers are edited for length and clarity.

In this file photo, General Motors Chairman and Chief Executive Officer Mary Barra speaks during the opening of their contract talks with the United Auto Workers in Detroit. (AP)

Question: Coronavirus cases are rising, and you’re going to cancel the third shift at a factory in Wentzville, Missouri, because you don’t have enough workers. Are you worried that factories could be shut down again?

Answer: If you step back to March, and even before then, we had a lot of learnings from China, from Korea and the United States. We believe we do a very good job of keeping people safe by reducing the possibility that someone with COVID can enter our plants. And then all the work we do within the facilities to prevent the spread. We took time and we trained everybody. People understood that we’re working hard to keep the environment safe for them. One of the things we’re trying to do now is really encourage people to use those same protocols when they’re not at work. They’re wearing masks, they’re hand-washing, hand sanitizer and that they’re social distancing. We feel that we’ve got a safe environment at work. At Wentzville, one of the things we do is screen. We are taking the precaution to say that you need to quarantine until we know that you don’t have the virus. I’ve been at 10 plants since we started back up, and I’m continuing to go to plants. When I talk to people, they understand the protocol. To a person, they tell me I feel safer here than I do at the grocery store.

Q: Does it concern you that states might go back to stay-home orders?

A: We are watching everything very carefully. The conversation I’ve had with many different officials is they understand with the protocols that people are safe at work. I think we’re seeing steps being taken across many of these areas with lessons learned about maybe what worked well in reopenings and what didn’t. In Michigan now you see the requirement that people wear masks. I think you’re seeing steps being taken in more places. That allows the numbers to go back down and we start on the road to recovery.

Q: Do you think auto sales are going to get back to normal anytime soon, in the U.S. and globally?

A: We are seeing a recovery. We think it’s going to be a relatively short-lived recession. But we have a long way to go because we went to a pretty low base. The new outbreaks do pose potential setbacks, but we’re hopeful that the U.S. economy will be back to 90% of pre-pandemic levels early next year. There’s a lot of uncertainty.

Q: After George Floyd’s death, you took a strong stance to fight racism. Usually companies don’t do this. In today’s politically charged atmosphere, are you worried about alienating some customers?

A: We felt it warranted a very strong statement, but more than words: actions. That’s why we formed the Inclusion Advisory Board. And we’ll have our first meeting yet this month. I’m very proud of General Motors’ leadership in supplier diversity, dealer diversity. We have over a dozen employee resource groups. And so we look at all the work we’ve done, what we want to do now is build on that. We want to create an inclusive environment where everybody can bring their true self to work, because we believe that is what really empowers people and leads to the most engaged workforce. It’s hard to argue against wanting to create an environment where everybody can be themselves.

Q: Tesla has said it has 400 miles of battery range on some of its vehicles. Is that within reach for for General Motors?

A: A lot of the customer research we’ve done, we know 300 mile range is a sweet spot. With the flexibility of the Ultium platform, we have the capability to go higher than 300. We’ll be looking at what the value equation is for the customer.

Kuwait’s real estate sector hit hard by COVID: brokers

Incentives required to mitigate impact

KUWAIT CITY, July 20, (KUNA): There is no denying that the coronavirus (COVID-19) pandemic had caused worldwide woes since the spread began in late 2019 and continued in 2020.

Within the boundaries of Kuwait, the Gulf country – like the rest of the world – had taken precautions to prevent the spread of the virus, which affected the various business and investment sectors including real estate.

A number of real estate brokers spoke to KUNA about how the market was affected during the first half of this year, saying that despite the gloomy picture, real estate is faring better than other businesses, but required more incentives to overcome the impact of COVID-19.

Head of Al-Dulaijan real estate office Suleiman Al-Dulaijan indicated that demand had increased for chalets in areas such as Sabah Al-Ahmad seaside city and other similar areas.

The reason was that clients were eager to buy real estate, which they can invest in like renting chalets and other facilities for families and leisure seekers, a positive step for the market, affirmed Al-Dulaijan.

However, the story was the opposite for commercial and investment real estate, which saw a drop in demand due to fears connected to COVID-19, he pointed out.

Maitham Al-Shakhs – head of Athra real estate – provided a bleaker picture, saying that sales were down as a result of coronavirus restrictions.

Some deals were struck via online services launched by the real estate registration department during the easing of restrictions; however, this affected previous deals prior to the whole COVID-19 debacle, he added.

Major real estate owners are now faced with fewer options to sell and buy properties especially within areas still under full lockdown as well as commercial and investment real estate, indicated Al-Shakhs who added that rental income in housing complexes and buildings was weak due to the freezing of rents.

Meanwhile, Head of Al-Muhaini real estate center Ibrahim Al-Muhaini said that price of real estate went up in some areas such as Sabah Al-Salem, Khaldiya, Adailiya, and Faiha to name a few.

On the other hand, there was an increasing clientele interest in distant areas such as Sabah Al-Ahmad and Abdaly, Al-Muhaiuni said, adding that renting real estate was impacted heavily by the departure of expatriates to their countries of origin.

While brokers will continue to provide their own outlook on real estate in Kuwait, they seem to share a common belief that despite the hardships, real estate will “fall ill but never die.”

OPEC launches its 2020 Annual Statistical Bulletin

OPEC+ cmte sees improving market conditions

VIENNA, July 20, (KUNA): The Joint Ministerial Monitoring Committee (JMMC) of OPEC and non-OPEC partners convened its 20th meeting via videoconference.

The meeting, co-chaired by Saudi Arabia’s Minister of Energy Prince Abdul Aziz Bin Salman and his Russian peer Alexander Novak, reviewed the monthly report prepared by its Joint Technical Committee (JTC), according a press release by OPEC.

The conferees also reviewed the developments in the global oil market since its last meeting on June 18, 2020 and market prospects for the second half of 2020.

The Committee reiterated the importance of the ‘Declaration of Cooperation’ (DoC) in supporting oil market stability, the statement noted.

It recalled the historic decision taken by all Participating Countries in the DoC at the 10th (Extraordinary) OPEC and non-OPEC Ministerial Meeting on April 12, 2020 to adjust downwards overall crude oil production, and the unanimous decisions taken at the 179th Meeting of the OPEC Conference and the 11th OPEC and non-OPEC Ministerial Meeting on June 6, 2020.

The outcomes of the June Meetings extended the first phase of the production adjustments until July 31, 2020; provided a compensation mechanism in respect of the months July, August and September for participating countries that were not able to achieve full conformity in May and June; and endorsed monthly meetings of both the JMMC and the JTC to strengthen monitoring and to help provide a clearer understanding of market fundamentals.

The Committee reviewed and reaffirmed the commitment of all Participating Countries to achieve full conformity and make up for any shortfall under compensation plans presented to the Committee.

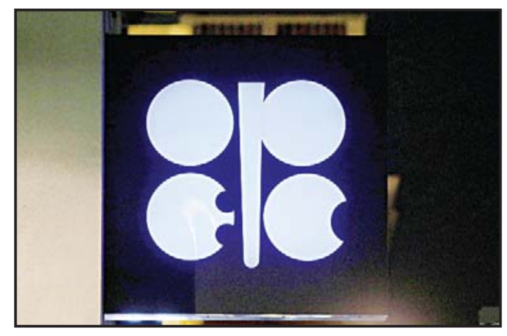
The Committee stressed that achieving 100 per-cent conformity from all participating Countries is not only fair, but vital for the ongoing rebalancing efforts and to help deliver long term oil market stability.

The Committee reviewed the crude oil production data for the month of June 2020 and welcomed the significant performance in the overall conformity level for participating OPEC and non-OPEC Countries at 107 per cent in June 2020, an achievement that found wide recognition in the market.

It reiterated its appreciation of additional voluntary contributions made by Saudi Arabia, the United Arab Emirates and Kuwait in the month of June 2020.

The Committee noted that removing the credit for over-conformity results in a conformity level of 95% in June 2020, the highest since the inception of the DoC in January 2017.

It requested the JTC and the OPEC Secretariat to closely monitor and report to the JMMC the implementation of the required compensation by the underperforming participating countries.



In this file photo, the advertising label of the Organization of the Petroleum Exporting Countries (OPEC), shines at their headquarters in Vienna, Austria. (AP)

It also requested underperforming participating countries to submit their plan for implementation of the required compensation for the month June 2020 to the OPEC Secretariat by the end of July 2020.

The Committee welcomed the participation of Angola, Gabon, South Sudan and Congo, and noted that they had reiterated their commitment to the DoC production adjustments and compensation plans.

The Committee observed that there were encouraging signs of improvement as economies around the world open up. While there could be localized or partial lockdowns re-imposed in some places, the recovery signs are clear, both in physical and futures markets.

The next meetings of the JTC and the JMMC are scheduled for August 17 and 18.

Meanwhile, the OPEC Secretariat launched the 55th edition of one of its flagship publications, the Annual Statistical Bulletin (ASB), via videoconference and live stream.

The 2020 ASB provides a wide range of data on the oil and gas industry worldwide, as well as key economic indicators, serving as an important source of reliable information for research analysts and academics, as well as policymakers and other industry stakeholders.

The publication provides detailed and comprehensive time-series data on different aspects of the petroleum industry, including production, demand, imports and exports, as well as exploration and transportation activities.

The flagship publication also provides key statistical data on oil and natural gas activities in each of OPEC’s 13 Member Countries: Algeria, Angola, Congo, Equatorial Guinea, Gabon, IR Iran, Iraq, Kuwait, Libya, Nigeria, Saudi Arabia, the UAE and Venezuela.