Tudor Ulianovschi, from Moldova, candidate as Director General of the World Trade Organization (WTO), speaks during a press conference of candidates for the WTO Director-General selection process, at the headquarters of the World Trade Organization (WTO) in Geneva, Switzerland. (AP)

Ukraine appoints new head of the National Bank

Ukraine's parliament voted to appoint a new head of the country's central bank after its former chief stepped down citing political pressure.

The parliament approved 47-year-old banker Kyrylo Shevchenko as the new head of Ukraine's National Bank on Thursday with 332 votes out of 450. President Volodymyr Zelenskiy put forward Shevchenko, who used to run the state-owned Ukrgasbank, as a candidate for the job on Wednesday.

Speaking in the parliament on Thursday, Shevchenko said that he supports the bank's policies ensuring macroeconomic stability, adding that it should also aim to boost economic growth.

Shevchenko's predecessor, Yakiv Smolii, resigned two weeks ago, citing "systematic political pressure" as the reason for his decision. His resignation was promptly accepted both by Zelenskiy and the country's parliament.

Smolii was named the acting National Bank head in May 2017 and then was appointed formally to the job by parliament in March 2018 under Petro Poroshenko, then the country's president.

Members of Zelenskiy's Servant of the People party, which dominates parliament, have criticized the National Bank, arguing that its rigid policies have hurt the economy and stymied growth.

Smolii's resignation follows the International Monetary Fund's approval of a $5 billion loan package for Ukraine intended to help it cope with the consequences of the coronavirus pandemic. The Ukrainian economy is expected to shrink by 5% because of the outbreak. (AP)

Companies cite uncertainties about costs, permitting and litigation

Developers cancel long-delayed, $8b Atlantic Coast Pipeline

RICHMOND, Virginia, July 20, (AP): The developers of the long-delayed, $8 billion Atlantic Coast Pipeline announced the cancellation of the multi-state natural gas project, citing uncertainties about costs, permitting and litigation.

Despite a victory last month at the United States Supreme Court over a critical permit, Dominion Energy and Duke Energy said in a news release that "recent developments have created an unacceptable layer of uncertainty and anticipated delays" for the 600-mile (965-kilometer) project designed to cross West Virginia and Virginia into North Carolina.

The companies said a recent pair of court rulings that have thrown into question a permitting program used around the nation to approve oil and gas pipelines and other utility work through wetlands and streams presented "new and serious challenges."

"This new information and litigation risk, among other continuing execution risks, make the project too uncertain to justify investing more shareholder capital," the news release said.

The massive infrastructure project, announced with much fanfare in 2014, had drawn fierce opposition from many landowners, activists and environmental advocates, who said it would damage pristine landscapes and harm wildlife. Getting the project built would have involved tree removal and blasting and leveling some ridgetops as the pipe, 42 inches (1 meter) in diameter for much of its path, crossed mountains, hundreds of water bodies and other sensitive terrain and burrowed underneath the Appalachian Trail.

This file photo shows two Dominion Energy buildings in downtown Richmond, Virginia. The developers of the Atlantic Coast Pipeline announced that they are canceling the multi-state natural gas project, citing delays and increasing cost uncertainty. (AP)

Opponents also questioned whether there was sufficient need for the gas it would carry and said it would further encourage the use of a fossil fuel at a time when climate change makes a shift to renewable energy imperative.

Legal challenges brought by environmental groups prompted the dismissal or suspension of numerous permits and led to an extended delay in construction. The project was years behind schedule and the anticipated cost had ballooned from the original estimate of $4.5 billion to $5 billion.

Reaction poured in Sunday from the project's opponents, who lauded the demise of the project.

"If anyone still had questions about whether or not the era of fracked gas was over, this should answer them. Today is a historic victory for clean water, the climate, public health, and our communities,'' Sierra Club Executive Director Michael Brune said in a statement.

The project's supporters said the pipeline would create jobs, help aid the transition away from coal and lower energy costs for consumers. Economic development officials in distressed parts of the three states it would run through had hoped that the greater availability of natural gas would help draw heavy manufacturing companies.

"Unfortunately, today's announcement detrimentally impacts the Commonwealth's access to affordable, reliable energy," the Virginia Chamber of Commerce said in a statement. "It also demonstrates the significant regulatory burdens businesses must deal with in order to operate."

U.S. Energy Secretary Dan Brouillette said in a statement the project was killed by the "well-funded, obstructionist environmental lobby."

"The Trump Administration wants to bring the benefits of reliable and affordable energy of all kinds to all Americans," Brouillette said. "Unfortunately, the same can't be said for the activists who killed this project."

Separately, Dominion, which is headquartered in Richmond, Virginia, and serves more than 7 million customers in 20 states, announced it had agreed to sell "substantially all" of its gas transmission and storage segment assets to an affiliate of Berkshire Hathaway. The transaction was valued at $9.7 billion, the company said.

The assets involved in the sale include more than 7,700 miles (12,300 kilometers) of natural gas storage and transmission pipelines and about 900 billion cubic feet of gas storage that Dominion currently operates, the company said.

Duke, which is headquartered in Charlotte, North Carolina, is one of the country's largest energy holding companies.

Duke has previously pledged to reach net-zero carbon emissions from its electric generation by 2050, and Dominion has committed to net-zero greenhouse gas emissions by the same year.

A third partner in the Atlantic Coast Pipeline, Southern Company, sold its small stake in the project earlier this year to Dominion, the lead developer. Dominion had asserted its commitment to seeing the project through as recently as mid-June, when it asked federal regulators for an extension of time to get the project into service.

"We regret that we will be unable to complete the Atlantic Coast Pipeline," Dominion CEO Tom Farrell and Duke CEO Lynn Good said in a joint statement. "For almost six years we have worked diligently and invested billions of dollars to complete the project and deliver the much-needed infrastructure to our customers and communities."

In this file photo, American Airlines jets sit idly at their gates as a jet arrives at Sky Harbor International Airport in Phoenix. American Airlines is telling 25,000 workers that they could lose their jobs in October because of the sharp drop in air travel during the virus pandemic. (AP)

Deal to generate new passenger traffic

American, JetBlue will expand cooperation in NY and Boston

DALLAS, July 20, (AP): American Airlines and JetBlue Airways said they will sell seats on some of each other's flights in the Northeast to strengthen both airlines in New York and Boston, where they compete against Delta and United.

American said the deal will generate enough new passenger traffic to let it launch new international flights from New York's Kennedy Airport, including service to Tel Aviv and Athens, and revive winter flights to Rio de Janeiro.

For JetBlue, the alliance would help it grow at LaGuardia and Newark airports in its home New York market and bolster its position at Boston's Logan Airport, where Delta Air Lines announced several new routes before the coronavirus pandemic threw the airline industry into a nosedive.

Regulators could block further mergers of major US airlines, so the carriers are turning to more modest partnerships that still might generate new revenue. That is even more critical now, with travel and airline revenue plummeting during the coronavirus pandemic.

American and JetBlue did not disclose financial terms of their agreement or provide any estimate of how much revenue each expects to gain from offering to sell seats on some of the other's flights and by linking their frequent-flyer programs.

The timing of the announcement – one day after American warned 25,000 employees that they could be laid off in the fall – stunned American's labor unions.

"Wow, it's surreal," said Dennis Tajer, a spokesman for the Allied Pilots Association at American. "We cannot imagine a more horridly timed announcement the day after announcing thousands of furloughs."

American's pilots were especially peeved because while 2,500 of them are getting furlough warnings, JetBlue pilots - who stand to do more flying because of the deal – recently got their company to agree not to furlough pilots through April.

Deutsche Bank airlines analyst Michael Linenberg expects the deal to boost earnings of both airlines. He said it will help American gain ground on Delta and United in New York and expand JetBlue's network.

Henry Harteveldt, a travel analyst for Atmosphere Research, said American has been shrinking in New York for several years.

American ended a previous limited alliance with JetBlue in 2014 after merging with US Airways and scaled back its own flying in the nation's biggest air-travel market. American's retreat has allowed Delta to take the lead at LaGuardia and grow at Kennedy Airport while United dominates the airport in Newark, New Jersey.

"This will help American get a larger presence in New York," Harteveldt said. "The good news for consumers is that the partnership injects added competitive strength into New York City."

Officials for American, based in Fort Worth, Texas, and JetBlue said they started discussing an agreement on flights in the Northeast before the coronavirus outbreak, but talks gained speed recently.

"This partnership allows us to recover far faster than we otherwise would" when the pandemic slows down, said Scott Laurence, JetBlue's head of revenue and planning.

The deal is similar to one that American announced in February with Alaska Airlines and that was pegged to helping both airlines grow in Seattle and fend off a Delta blitz there.

"In the two largest metro areas where American was historically weak, now we can provide a really strong customer proposition," said Vasu Raja, chief revenue officer for American.

BofA sees recessionary impacts deep into 2022

Bank puts aside $4b for credit losses

NEW YORK, July 20, (AP): Bank of America's second-quarter profits were sawed in half and the consumer banking giant set aside billions of dollars to cover potentially bad loans caused by the coronavirus pandemic.

Earnings from the nation's biggest banks are painting a picture of American families and businesses struggling to pay bills with swaths of the nation's economy shut down. While consumers have been able to withstand the brunt of the downturn due to the government's economic stimulus efforts, banks are now bracing for a long, protracted recession that could last well into 2022.

In this file photo, a Bank of America logo is attached to the exterior of the Bank of America Financial Center building, in Boston. Consumer banking giant Bank of America saw its profits drop by more than half in the second quarter, the bank reported, as the bank set aside billions of dollars to cover potentially bad loans caused by the pandemic. (AP)

Combined, the five big Wall Street banks that have reported quarterly results set side more than $30 billion in the second quarter to cover loans that may be unrecoverable. Those provisions come on top of the tens of billions they set aside in the first quarter when the pandemic first began to bloom.

Further, millions of credit, auto and mortgage accounts are now on some sort of credit deferral or forbearance program, all loans that would be in some stage of default or collections if these programs weren't in place.

Bank of America Corp. reported a quarterly profit of $3.53 billion, or 37 cents a share, down from $7.34 billion, or 74 cents a share, in the same period a year ago. Wall Street had actually expected worse, but shares still fell 3% in afternoon trading.

Because it is so consumer-focused, BofA is feeling the effects of the coronavirus pandemic more acutely than its rivals. During the quarter, the bank processed 1.8 million requests for payment deferrals on credit cards, mortgages and auto loans, of which 1.7 million are still in place as of last week. BofA put aside $4 billion for credit losses, still less than most competitors.

Other banks have put similar numbers of borrowers on payment deferral programs. JPMorgan told investors Tuesday that it also has placed 1.7 million accounts on payment deferrals, in loans worth nearly $30 billion. Citigroup also placed 2 million credit card accounts on payment assistance or relief programs, which doesn't include the bank's mortgage or auto loan businesses.

Just those three banks represent roughly 5.5 million accounts combined that needed some sort of assistance.

The bank also revised down its outlook for the U.S. economy, following similar actions by other banks this week. At the start of the pandemic, many economists and bankers expected a sharp "V"-shaped recovery as businesses that shut down began to reopen.

But a resurgence of infections in heavily populated states like California, Florida, Texas and elsewhere have slowed, stopped or reversed the reopening of economies nationwide.

Consumers have been able to withstand the recession in the first few months, due to the extra unemployment benefits and individual stimulus payments. The bank noted that its charge-offs and write-downs would be significantly higher in a typical environment where unemployment stood at 11%.

Kuwait's trade surplus with Japan nearly halved in June

TOKYO, July 20, (KUNA): Kuwait's trade surplus with Japan dived 46.3 percent from a year earlier to JPY 18.1 billion (USD 169 million) in June, down for the third consecutive month on slumping exports, government data showed Monday.

But Kuwait remained in black ink with Japan for 12 years and five months, as exports still offset imports in value, the Finance Ministry said in a preliminary report.

Kuwaiti overall exports to Japan plunged 47.0 percent year-on-year to JPY 24.2 billion (USD 226 million) for the third monthly decline. Imports from Japan also tumbled 48.9 percent to JPY 6.1 billion (USD 57 million), down for the second month.

Middle East's trade surplus with Japan plummeted 65.8 percent to JPY 163.4 billion (USD 1.5 billion) last month, with Japan-bound exports from the region sliding 61.0 percent from a year earlier.

Crude oil, refined products, liquefied natural gas (LNG) and other natural resources, which accounted for 90.1 percent of the region's total exports to Japan, fell 63.3 percent.

The region's overall imports from Japan slipped 48.1 percent, reflecting weak demand for automobiles, steel, machinery, manufactured goods and electric equipment.

Japan posted a global trade deficit of JPY 268.8 billion (USD 2.5 billion) in June for the third straight month of red ink, as exports remained weak amid the coronavirus pandemic.

Exports from the world's third-biggest economy shrank 26.2 percent from a year earlier, chiefly due to weak sales of motor vehicles and parts. Imports also went down 14.4 percent with lower crude oil bills. China remained Japan's biggest trade partner, followed by the US.

The trade data are measured on a customs-cleared basis before adjustment for seasonal factors.

UAE wants Libya to 'return to oil production'

DUBAI, July 20, (AP): The United Arab Emirates wants Libya to "return to oil production" as soon as possible, a top Emirati official said Monday, after officials with Libya's U.N.-supported government in Tripoli accused the UAE of ordering rival Libyan forces to block oil sales.

Anwar Gargash, the Emirates' minister of state for foreign affairs, and government officials did not respond to questions about the accusations made by Libya's National Oil Corp.

The corporation had accused the Emiratis of ordering powerful tribes in eastern Libya loyal to commander Khalifa Hifter to close export terminals and choke off major pipelines. Exports have been halted since the start of the year.

In a tweet, Gargash acknowledged the shutdown of Libyan oil exports.

"The UAE, alongside its partners, wants to see a return to oil production in Libya as soon as possible, with safeguards in place to prevent the proceeds fueling further conflict," Gargash wrote. "We continue to work for an immediate cease-fire and return to a political process."