Xu Lei, head of JD Retail (center), gestures after a ceremony to mark the listing of JD.com on the Hong Kong Stock Exchange at the JD.com headquarters in Beijing on Thursday, June 18, 2020. (AP)

JD.com stock closes 3.5% higher in Hong Kong trading debut

Chinese e-commerce firm JD.com's shares gained 3.5% in its debut in Hong Kong on Thursday, after the firm raised $3.9 billion in a share sale.

JD.com's Hong Kong debut coincided with its annual "618" sale, or June 18 online shopping extravaganza. The shopping festival, which JD.com launched to rival Alibaba's annual November 11 Singles' Day sales, is the first major e-commerce festival to be held in China since the coronavirus pandemic started.

As of Thursday, JD.com said it had tallied more than $33 billion worth of transactions for the 618 shopping festival, which ends at midnight Beijing time and began on June 1.

The event is being closely watched as a barometer of consumer appetites for spending given pressures from the coronavirus pandemic. China's economy contracted for the first time in nearly three decades during the first quarter of this year.

Although the 618 shopping extravaganza is held by JD.com, rivals Alibaba and Pinduoduo and other Chinese retailers are also offering discounts.

JD.com is doubling down on live-streaming e-commerce, offering 300,000 live-streams over nearly three weeks that allow buyers to interact with sellers and influencers in real-time and purchase products without ever leaving the video stream. To boost sales, the company is also providing 10 billion yuan ($1.4 billion) in subsidies on top of big discounts and coupons for consumers.

Sales of daily necessities and fresh produce are growing quickly both in China's big cities and in smaller ones, while home appliances have fared less well, Xu Lei, chief executive of JD Retail, said in an interview in Beijing. (AP)

Regulators open twin Apple antitrust investigations

EU seeks to rein in competition from foreign rivals

BRUSSELS, June 18, (AP): The European Union unveiled plans Wednesday to fight unfair competition from foreign companies backed by powerful non-EU trade rivals amid China's growing influence in the bloc's single market.

With its project, the EU's executive arm intends to tackle what it calls the "distortive effects" of foreign subsidies facilitating takeovers of European businesses by companies that receive large amounts of public aid from non-EU governments. Competing with European businesses that labor under strict state aid rules, these companies can take advantage of the unfair support to invest massively and win public procurement tenders.

"Everyone is welcome here," Thierry Breton, the European Commissioner for Internal Market, told a press conference. "But it's also true that when one comes to benefit from the internal market, to do business here, one has to respect our rules."

Amid the economic recession triggered by the coronavirus pandemic, the Commission's plan could help protect from hostile takeovers the thousands of European business that have been severely hit by the crisis.

"Europe's economy is open and closely interlinked to the rest of the world. If this is to remain a strength, we must stay vigilant," said EU Commission vice-president Margrethe Vestager, who is also in charge of competition policy. "That is why we need the right tools to ensure that foreign subsidies do not distort our market, just as we do with national subsidies."

The proposals came only days before a video EU-China summit next week.

European Commissioner Executive Vice-President Margrethe Vestager (left), listens to European Commissioner for Internal Market Thierry Breton during a video press conference at the EU headquarters in Brussels, Wednesday, June 17, 2020. (AP)

Although the commission did not explicitly target economic giants like the US or China as it unveiled its plan, the EU last year branded the communist country a "systemic rival."

"We are happy that the European Commission is finally taking this issue seriously. But China will not be impressed by a discussion paper. What we urgently need is legislative proposals to prevent outsiders from buying our strategic companies and know-how at a bargain price," said EU lawmaker Manfred Weber, chairman of EU Commission President Ursula von der Leyen's center-right European People's Party.

China has become the EU's second-biggest trading partner behind the United States, while the EU is China's biggest trading partner. The pair trade on average over 1 billion euros ($1.1 billion) a day.

"The EU is amongst the most open economies in the world, attracting high levels of investment from our trading partners. However, our openness is increasingly being challenged through foreign trade practices, including subsidies that distort the level playing field for companies in the EU," said Phil Hogan, the commissioner for trade.

The Commission said its plan is open for public consultation until the end of September before legislative proposals can be considered by member states and the EU Parliament.

The proposals set out three programs aimed at combating the effects of foreign subsidies in the single market, in acquisitions of EU companies and during public procurement procedures.

The plan would see the creation of a general market scrutiny tool that would help identify situations in which foreign money can cause distortion, and allow a supervisory authority to take appropriate measures.

"However, it could also consider that the subsidized activity or investment has a positive impact, which outweighs the distortion and not pursue the investigation further," the Commission said.

The proposals also envisage that companies receiving support of a non-EU government should notify authorities when they buy EU businesses and that transactions could not be secured until their review by the Commission.

"Should the supervisory authority find that the acquisition is facilitated by the foreign subsidy and distorts the Single Market, it could either accept commitments by the notifying party that effectively remedy the distortion or, as a last resort, it could prohibit the acquisition," the Commission said.

As for public procurement procedures, the EU's executive arm proposes a mechanism where bidders would have to notify the contracting authority of financial contributions received from non-EU countries. If foreign money made the procurement unfair, the bidder would be ejected from the procedure.

Meanwhile, European Union regulators opened two investigations into Apple's mobile app store and payment platform over concerns its practices distort competition, opening a new front in the EU's battle against the dominance of big tech companies.

The EU's executive Commission said it formally launched the investigations over concerns that Apple's way of doing business hurts consumers by limiting choice and innovation and keeping prices high. Apple dismissed the complaints as "baseless."

The commission is examining whether Apple Pay's rules require online shops to make it the preferred or default option, effectively shutting out rival payment systems. It's also investigating concerns that it limits access for rival payment systems to the "tap and go" wireless function on iPhones.

The Commission opened a second investigation into the App Store over concerns Apple forces developers to use the company's own in-app purchasing system, which charges them a 30% commission, and restricts them from telling iPhone and iPad users about other ways to pay for digital services like music subscriptions. The investigation follows complaints from music streaming service Spotify and an e-book distributor on the impact of the App Store's rules on competition.

"It appears that Apple obtained a 'gatekeeper' role when it comes to the distribution of apps and content to users of Apple's popular devices," EU Executive Vice-President Margrethe Vestager said. Regulators want to make sure Apple's practices don't affect competition in markets where it competes with other app makers, she said, citing its music streaming service and e-book services.

It's also "important that Apple's measures do not deny consumers the benefits of new payment technologies, including better choice, quality, innovation and competitive prices," she said. Vestager noted that the coronavirus crisis has accelerated the growth in mobile payments as more people make online payments or "contactless" payments in stores.

Apple rejected the allegations, saying it has created new products and services in the world's most competitive markets.

"We follow the law in everything we do and we embrace competition at every stage because we believe it pushes us to deliver even better results," the company said in a statement.

"It's disappointing the European Commission is advancing baseless complaints from a handful of companies who simply want a free ride, and don't want to play by the same rules as everyone else," it said.

Spotify welcomed the EU's investigation, accusing Apple of creating an "unlevel playing field" and depriving consumers of choice. It refuses to use Apple's payments system, which it says makes its subscriptions more expensive than Apple Music's.

Vestager, the EU's competition commissioner, has earned a reputation as one of the world's toughest technology regulators. Four years ago she ordered Apple to pay 13 billion euros ($15 billion) in back taxes linked to a deal it made with the Irish government – a ruling that the company is challenging. She has also led antitrust investigations into other Silicon Valley giants including Google, which resulted in multibillion dollar fines.

the bottomline

TOKYO: **Mitsubishi Motors** told its shareholders Thursday that its top executives are taking pay cuts to share responsibility for the Japanese automaker's financial losses.

"I hope we can gain your understanding," Chief Executive **Takao Kato** said on how, given the harsh conditions, there will be no dividends.

Like other automakers, Mitsubishi Motors Corp. has seen its sales plunge amid the coronavirus pandemic. It reported a 25.8 billion yen ($241 million) loss for the fiscal year ended in March.

The Tokyo-based maker of the Outlander sport utility vehicle and i-MiEV electric car has not given a projection for the current fiscal year because of uncertainties about the outbreak.

Kato, wearing a mask as did other participants, acknowledged the situation remained difficult.

The meeting, which lasted about a half hour, was streamed online. Stock owners were asked not to come to the meeting because of the outbreak. Only 30 seats were provided, placed apart for social distancing.

Kato said the executives' pay cuts amount to a reduction by about 45% of their overall pay by lowering salaries and foregoing performance-linked bonus pay. (AP)

❑ ❑ ❑

BERLIN: Germany's **Lufthansa** is warning that a 9 billion-euro ($10.2 billion) rescue package for the airline group could be in danger because of criticism from a major shareholder. It urged shareholders on Wednesday to show up to a special meeting next week.

Lufthansa has agreed to the plan, which would give a government stabilization fund a 20% stake. Existing shareholders need to approve the bailout at an extraordinary meeting on June 25.

Lufthansa said it currently expects attendance of below 50% at that meeting and, in view of statements by shareholder Heinz-Hermann Thiele raising questions over his approval, the company sees a possibility that the rescue package may fail to win the two-thirds majority that such low attendance would require.

It added: "This would mean that Deutsche Lufthansa AG would possibly have to apply for protective shield proceedings under insolvency law a few days after the Annual General Meeting if no other solution is found immediately."

The company said it "urgently appeals" to all shareholders to exercise their voting rights. Only a simple majority is required if more than 50% of the share capital is present. (AP)

❑ ❑ ❑

SAN FRANCISCO: A former **CEO** of Bumble Bee Foods has been sentenced to more than three years in jail for his role in a canned tuna price-fixing conspiracy involving three major companies, the U.S. Justice Department said.

Christopher Lischewski was also ordered Tuesday to pay a $100,000 fine in addition to serving a 40-month term.

Assistant Attorney General Makan Delrahim said in a statement that the sentence will serve as a deterrent to wrongdoing at top corporate levels.

"Executives who cheat American consumers out of the benefits of competition will be brought to justice, particularly when their antitrust crimes affect the most basic necessity, food," Delrahim said.

A federal grand jury in San Francisco indicted Lischewski in May 2018. He pleaded not guilty but late last year a jury convicted him of a single count of participating in a conspiracy to fix prices of canned tuna.

The Justice Department said the court found that the three-year conspiracy affected hundreds of millions of dollars in canned tuna sales (AP)

Humansoft Holding skids 96 fils, Mabanee Co shines

Kuwait market wraps up week in shallow trough

World markets 'lower' as global rally loses steam

India jumps 1.2%; Shanghai gains

BANGKOK, June 18, (AP): World shares were mostly lower and US futures slipped Thursday as worries over fresh outbreaks of coronavirus infections in the US and elsewhere gnawed at hopes for a fast recovery from pandemic shutdowns.

European benchmarks lost ground, with Germany's DAX down less than 0.1% at 12,378.96 while the CAC 40 in Paris gave up 0.4% to 4,975.46. Britain's FTSE 100 lost 0.3% to 6,233.35.

US futures augured further losses, with the contracts for the S&P 500 future and the Dow industrials both down 0.2%.

After weeks of trending upward, shares have retreated as rising numbers of cases in many places around the world have raise concern that even if governments don't reimpose restrictions to curb coronavirus outbreaks businesses and consumers might refrain from spending much.

"Many countries are far better prepared for a second wave, which could spare them drastic measures such as a complete lockdown," said Milan Cutkovic, a market analyst at AxiCorp.

"However, even a partial lockdown could have a catastrophic effect on the struggling economies of many countries across the globe," he said.

Given these realities, investors are recognizing that volatility may be the markets' only certainty in coming months.

In Asian trading, Japan's Nikkei 225 shed 0.5% to 22,355.46 and the Hang Seng in Hong Kong edged 0.1% lower, to 24,355.46. South Korea's Kospi slipped 0.4% to 2,133.48.

The Shanghai Composite index gained 0.1% to 2,939.32 after the central bank reportedly conducted market operations to inject cash ahead of mid-year settlements.

India's Sensex jumped 1.2% and shares also rose in Taiwan but fell in Southeast Asia.

Sydney's S&P/ASX 200 tumbled 0.9% to 5,936.50 after the government reported worse-than-expected unemployment figures.

Some 228,000 jobs were lost for a total of 835,000 jobs lost in two months' time, officials said.

Women walk past an electronic stock board showing Japan's Nikkei 225 and New York Dow indexes at a securities firm in Tokyo Thursday, June 18, 2020. Shares fell Thursday in Asia after another day of wobbly trading on Wall Street Wednesday, as markets ease off the accelerator following their big rally. (AP)

"These are devastating unemployment numbers, they reveal the true pain and hurt that Australians are going through as a result of the coronavirus," said the Australian Treasurer Josh Frydenberg.

"These are not just numbers. These are our friends, family members, workmates and neighbors," he said.

The jobless data just added to the gloom, said Jeffrey Halley of Oanda. Eratic moves by North Korea and antagonisms between China and India in Kashmir have added to the unease.

"Covid-19 fears in Beijing and parts of the United States and geopolitical concerns in Asia continue to weigh on sentiment," he said.

Chinese e-commerce firm JD.com's stock jumped nearly 6% on its debut in Hong Kong on Thursday after the firm raised $3.9 billion in a share sale. But it ended trading down 3.5%.

JD.com is already listed on Nasdaq in New York.

Overnight, the S&P 500 dipped 0.4% to break a three-day winning streak, closing at 3,113.49. The Dow Jones Industrial Average lost 0.6% to 26,119.61, while the Nasdaq composite edged 0.1% higher, to 9,910.53.

Stocks of smaller companies fared worse, as is typical when investors are apprehensive about the economy. The Russell 2000 index of small-cap stocks fell 1.8%.

The yield on the 10-year Treasury was steady at 0.72%. It tends to move with investors' expectations for the economy and inflation.

A barrel of US crude oil for delivery in July slipped 2 cents to $37.94 per barrel in electronic trading on the New York Mercantile Exchange. It gave up 42 cents to settle at $37.96 on Wednesday. Brent crude, the international standard, picked up 13 cents to $40.84 per barrel.

In currency trading, the dollar bought 107.05 Japanese yen, up from 106.97 yen on Thursday. The euro slipped to $1.1234 from $1.1243.

Germany OK's plan to borrow more to finance stimulus

BERLIN, June 18, (AP): Germany's Cabinet on Wednesday approved plans to borrow another 62.5 billion euros ($70.6 billion) to help finance a stimulus package, bringing the new debt the country is running up to combat the coronavirus crisis to 218.5 billion euros ($246 billion).

The 130 billion-euro stimulus package thrashed out two weeks ago includes a six-month cut in the main value-added tax from 19% to 16% to encourage consumers to buy.

It also features a 300-euro per child bonus for families, help for debt-laden municipalities and increased financial incentives for electric and hybrid vehicles.

The crisis has derailed the German government's dedication to keeping its budget balanced, long a point of pride. After six years in the black, it already is borrowing 156 billion euros to finance existing rescue packages and to cover an expected shortfall in tax revenue.

The plan to borrow more needs parliamentary approval.

Germany has Europe's biggest economy. It went into a recession in the first quarter that is expected to deepen in the current quarter, but saw a less severe death toll in the coronavirus pandemic than several other European countries. Restrictions on public life started easing in late April.

By John Mathews
Arab Times Staff

KUWAIT CITY, June 18: Kuwait stocks pulled lower on Thursday to wrap up the week on a dour note following last session's uptick. The All Shares Index dropped 23.76 points in a choppy session to 5,020.27 points weighed by blue chips even as overall mood remained mixed.

The Premier Market dipped 33.39 pts to 5,443.52 points trimming the month's gains to 19 points while Main Market fell 3.43 points. The BK 50 Main Index was up 8.72 points at 4,142 pts. The volume turnover meanwhile saw a modest rebound after hitting month's lowest level in the previous session. Over 134 million shares changed hands – a 32 pct rise from Wednesday.

The sectors closed mostly in red turf. Real Estate outpaced the rest with 0.97 pct gain whereas Financial Services shed 0.80 percent, the worst performer of the day. Banking sector dominated in both volume and value with 56.9 million shares traded for KD 18.5 million.

Among the notable movers, sector bellwether National Bank of Kuwait dropped 9 fils to 788 fils after pushing 7.5 million shares while Boubyan Bank was down 8 fils at 487 fils. Mabanee Co however sprinted 17 fils to 659 fils on back of over 5 million shares

Zain eased 1 fil to 559 fils after moving 3.5 million shares while Ooredoo climbed 13 fils to 649 fils taking the month's gains to 15 fils. stc stood pat at 849 fils and Agility gave up 6 fils before settling at 680 fils, Humansoft Holding skidded 96 fils to KD 2.503

The market opened firm and ticked slightly up in early trade.

The main index peaked at 5,044 points and retreated thereafter as selling kicked in at some of the heavyweight counters. It drifted sideways thereafter and closed with moderate losses.

Top gainer of the day, Sanam Real Estate rallied 9.6 pct to 29.6 fils and GIH scaled 8.22 percent to stand next. Marakez skidded 18.9 pct, the steepest decliner of the day and Ahli United Bank topped the volume with 26 million shares.

Reflecting the day's drop the losers slightly outnumbered the winners. 45 stocks advanced whereas 50 closed lower. Of the 115 counters active on Thursday, 20 closed flat. 6,788 deals worth KD 33.5 million were transacted during the session.

National Industries Group fell 2 fils to 165 fils after trading over 1 million shares and Mezzan Holding gave up 5 fils. Boubyan Petrochemical Co took in 1 fil and Al Qurain Petrochemical Co fell 3 fils to 275 fils. Kuwait and Gulf Links Transport Co inched 1 fil up to 51 fils and Gulf Cable paced 7 fils.

Jazeera Airways skidded 8 fils to 658 fils paring the month's gains to 83 fils whereas ALAFCO stood pat at 167 fils. Advanced Technology Co shed 15 fils and E K Holding slid 18 fils to 375 fils whereas Combined Group Contracting Co closed flat.

Kuwait Cement Co sprinted 9 fils to 198 fils and Kuwait Portland Cement clipped 1 fil. Kuwait Foundry Co dialed up 2 fils whereas Heavy Engineering Industries and Shipbuilding Co paused at 392 fils. KCPC closed 2 fils in red and Educational Holding Group gained 15 fils.

In the banking sector, Kuwait Finance House slipped 4 fils to 597 fils after trading 7.3 million shares whereas Burgan Bank added 3 fils on back of 2.7 million shares.

Gulf Bank was unchanged at 211 fils and Kuwait International Bank tripped 1 fil.

The market was mixed during the week. The main index closed lower in three of the five sessions shedding and has shed 71 points week-on-week. It has climbed 25 points from start of the month and is down 1,260 points year-to-date.