

## Germany's Wirecard: Missing accounts probably don't exist

German payment service provider Wirecard said Monday it has concluded that two accounts that were supposed to contain 1.9 billion euros (\$2.1 billion) probably don't exist, deepening troubles that last week prompted the resignation of its chief executive.

Wirecard AG was once regarded as a star of the growing financial technology sector, but its shares have fallen sharply

from their peak after the company became the subject of multiple Financial Times reports about accounting irregularities. Wirecard disputed the reports, which started in February 2019, and said it was the victim of speculators.

Last week, the company disclosed that auditors couldn't find accounts containing the 1.9 billion euros and postponed its annual report. On Friday, CEO

Markus Braun resigned and was replaced by James Freis. Two Philippine banks that were supposed to hold the money in escrow accounts were reported by news media as saying that they had no dealings with Wirecard.

On Monday, Wirecard said its management board "assesses on the basis of further examination that there is a prevailing likelihood that the bank trust ac-

count balances in the amount of 1.9 billion euros do not exist." Wirecard said it is in "constructive discussions" with banks on continuing credit lines, and is "assessing options for a sustainable financing strategy for the company." It said it's examining other possible measures to keep the business going, including restructuring and disposing of business units. (AP)



A stockbroker sits in front of a screen with news about the payment service provider Wirecard at the Frankfurt Stock Exchange in Frankfurt, Germany, Monday, June 22, 2020. (AP)

## Market Movements

22-06-2020

	Change	Closing pts		Change	Closing pts
INDIA - Sensex	+179.59	34,911.32	AUSTRALIA - All Ordinaries	-3.66	6,057.98
PAKISTAN - KSE 100	+298.98	33,737.92	CHINA - Shanghai SE	-2.36	2,965.27
PHILIPPINES - PSEI	+32.36	6,347.43	HONG KONG - Hang Sang	-132.55	24,511.34
			JAPAN - Nikkei	-41.52	22,437.27
			S. KOREA - KRX 100	-23.63	4,562.48

# Business

## US seeks lower tariffs overseas

Fewer duty-free imports

**WASHINGTON, June 22, (AP):** The Trump administration plans to carry on with its confrontational approach to world trade, pressuring other countries to lower their tariffs on U.S. products and perhaps making it harder for imports to enter the United States duty free.

In testimony before Congress last week, U.S. Trade Representative Robert Lighthizer said the administration would push for more change at the World Trade Organization, the Geneva-based enforcer of global trade rules that the administration has accused of anti-U.S. bias.

"The WTO is a mess," Lighthizer told the House Ways and Means Committee. "The WTO has failed America, and it's failed the international trading system."

Under WTO rules, Lighthizer complained, other countries levy tariffs - import taxes - "far above" the

tariffs the U.S. imposes.

Lighthizer's comments suggest that "he wants to force others to lower their tariffs to our levels, and he will threaten to raise ours to theirs if they do not," said William Reinsch, a former U.S. trade official now at the Center for Strategic and International Studies in Washington.

But Reinsch noted that the United States agreed to the existing tariffs in past negotiations.

If the Trump administration wants to change tariff rates it will face hard choices. To get other countries to lower their tariffs, it will have to negotiate - and make concessions. If the U.S. raises tariffs on its own instead, it will likely face retaliation from its trading partners.

In another effort to pressure the WTO to reform, the United States has blocked new appointments to the organization's Appellate Body, its top trade court. When the terms of two judges expired last year, the court ceased to function, leaving trade disputes without an ultimate arbiter.

Lighthizer told lawmakers Wednesday that he'd be "fine" if the Appel-

late Body never resumed business.

Lighthizer also said the administration would consider lowering the \$800 threshold for bringing products into the United States duty free. In written testimony, he noted that the European Union's so-called de minimis threshold, above which duties can be imposed, is \$150, and China's is just \$7. That disparity puts U.S. exporters at a disadvantage.

President Donald Trump took office in 2017 determined to upend seven decades of U.S. policy in favor of ever-freer trade and to bring down America's persistent and massive trade deficits.

He has slapped tariffs on about \$360 billion worth of Chinese imports in a dispute over the aggressive tactics - including, the U.S. says, cybertheft and forcing foreign companies to hand over trade secrets - Beijing has used to challenge Western technological dominance.

In January, the U.S. and China reached an interim trade deal to reduce tensions. China agreed to buy massive amounts of U.S. products.

## California jobless rate 16.3% in May

**SACRAMENTO, California, June 22, (AP):** California's job losses were even higher in April than previously thought, state figures released Friday showed, producing a staggering unemployment rate not seen since the Great Depression as businesses struggled under a stay-at-home order meant to slow the spread of the coronavirus.

The Employment Development Department now says April's unemployment rate was 16.4%, not 15.5%.

The revised number represents nearly 170,000 more people out of work in April than initially reported.

May's unemployment rate was slightly better at 16.3% as the state added 141,600 payroll jobs. But it was a blip compared to the 2.4 million payroll jobs the state lost in April, more

than all the jobs shed in California during the Great Recession a decade ago.

"The economy clearly has hit the bottom, and most likely that has occurred in May," said Sung Won Sohn, a professor of finance and economics at Loyola Marymount University. "But if we were to have a major second (coronavirus) wave, even bigger than the first wave, all bets are off. Then we are looking at a pretty dismal scenario."

Nationally, 38 states saw their unemployment rates improve last month, according to the US Bureau of Labor Statistics, as governors and local officials began loosening their stay-at-home orders and businesses started reopening.

In California, most businesses are now open, but with restrictions that in many cases limit the number of cus-

tomers they can serve. Most California counties now allow restaurants, retail stores, movie theaters, hotels, gyms and other businesses to open.

But with new virus cases and hospitalizations rising, Gov. Gavin Newsom on Thursday ordered people to wear masks in most indoor settings and outdoors when physical distancing isn't possible.

"I hope that people take it very seriously, because we're still in the first wave," said Newsom, who wore a mask Friday while visiting a Sacramento restaurant that was preparing meals for older adults who can't shop and cook for themselves during the pandemic. "I think some of us are developing amnesia, that somehow this is behind us and we're fine and it's OK."



This file photo shows the second Boeing 737 MAX airplane being built on the assembly line in Renton, Washington. (AP)

## Boeing plans to cut almost 10,000 jobs

## Layoffs climb in aviation industry

**SEATTLE, June 22, (AP):** Job losses in Washington's aviation sector are climbing as the coronavirus pandemic continues.

Swissport, which provides ground handling and fueling services for airlines, is laying off nearly 300 workers at Seattle-Tacoma International Airport, The Seattle Times reported.

With international air travel not expected to recover soon, 131 of the Swissport layoffs are labeled permanent.

Toray Composites America announced 146 layoffs at its Frederickson plant near Tacoma, which has a workforce of roughly 600. The company supplies Boeing with the carbon fiber material for its composite airplane structures on the 787 and 777.

And Boeing plans to cut almost 10,000 jobs.

While some of those cuts will be achieved through voluntary buyouts and retirements, the jet maker has issued July 31 layoff notices to 5,798 workers.

Additional Boeing supply firms announcing layoffs include 59 at Tool Gauge and Machine Works in Tacoma; 111 at Sekisui Aerospace at plants in Renton and Sumner; 59 at Pioneer Human Services in Seattle, and 72 at Cadence Aerospace. Giddens Industries in Everett.

After Japanese planemaker Mitsubishi Aircraft announced a severe cutback to its SpaceJet program and the shuttering of its U.S. operations, it has announced 240 layoffs in Renton and Moses Lake.

The list, which is not complete, already tallies nearly 6,900 jobs lost through layoffs.

## We failed in phase 1 of reopening; can we revive economy in stage 2?

By Kamel Al-Harami  
Independent Oil Analyst

THE first stage of the five-stage reopening scheme, which started on March 12, has resulted in failure, as the number of coronavirus cases has been increasing with the number of infected Kuwaitis exceeding 50 percent of the total daily cases over the last few weeks.

This makes it hard to predict the outcome. We think the government will give up and let life go on, despite its great effort. However, we people failed to meet its simple demands and chose to ignore them.

The second stage of the plan for returning to normal life is related to reviving our economy and facing the challenges that almost every country in the world is dealing with, as well as figuring out how to stimulate economic demand, and manage our biggest challenge of population restructuring by reducing over 70 percent of the non-Kuwaiti population. Meanwhile, we must also deal with the ongoing financial deficit of more than KD 7 billion or 77 percent of the total budget of KD 20 billion.

The oil price is unlikely to reach any level above \$50 per barrel in the coming months. We need an oil

price of \$80 per barrel to balance our current budget. Such a level is far-fetched and should not be expected in the coming five to six years.

Therefore, the first headache for our government is to figure out how to balance the budget and by what means. Population restructuring is the main challenge. It can reduce about one million low-paid marginal workers in the country; however, the labor market will suffer a severe shortage and this could push the wages up. This will in turn create another black market and perhaps lead to repetition of the "Bangladeshi" episode involving top high officials who will issue or allow the issuance of work permits at the expense of poor needy workers coming to Kuwait to earn some money and send to their families.

Our government now must take the hardest decision of relying more on the private sector to push the economy forward. It just cannot cre-

ate and make room for employing Kuwaitis. Time has come to see our performance in the private sector, and the challenges everyone must face working hard and earning their salaries and bonuses. In private businesses, individuals can find themselves and excel. Of course, it is not easy money, but it encourages creativity and productivity.

There are many ways to discuss with the private sector its needs and wants; the same applies to the government, but it must be prepared to download or let go of some of its departments. Some of its activities must be privatized, starting with small departments like postal service, the services of the Ministry of Information, and many others that could be initiated by both parties. The government should also be prepared to get rid of many oil sector activities and oil companies, provided it has the will to do so and confront the Parliament.

We need to take many steps but I hope they do not end up like the first step of the plan for reopening the economy, which was a failure.

Have we learned our lesson now? Or do we need to go further? Or when?



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## Zain partners MIT Enterprise Forum Pan Arab to hold 'Virtual' Startup Competition

# THE VIRTUAL EDITION

## JUNE 24, 2020

[www.mitarabcompetition.com](http://www.mitarabcompetition.com)

An initiative by

Enterprise Forum  
Pan Arab Region

In partnership with

Community  
Jameel

Innovation partner

جامعة الملك عبد الله  
للعلوم والتقنية  
King Abdullah University of  
Science and Technology

Digital Partner

zain

• All-digital conference and awards ceremony will be held on June 24, 2020

• This year's 53 semi-finalists, include six winners from Zain Jordan's Al-Mubadara competition

Zain Group, a leading mobile telecom innovator in eight markets across the Middle East and Africa confirms its digital partnership of the 2020 edition of the highly impactful MIT Enterprise Forum (MITEF) Pan Arab Startup Competition. This year's collaboration represents the sixth consecutive year Zain has partnered the region's leading startup competition, which has produced numerous successful ventures over the years.

Undeterred by logistical challenges raised by the ongoing Coronavirus pandemic, rather than cancel this year's competition, the decision was taken to host it in a virtual setting. The MITEF Pan Arab Startup Competition has seen over 4,000 applications this year, with Zain joining other distinguished organizations including Community Jameel (Main Partner) and King Abdullah University of Science and Technology (Innovation Partner) in partnering the competition this year.

The MITEF Pan Arab Startup Competition is an annual event designed to empower entrepreneurs and foster an eco-system of innovation and entrepreneurship across the Arab region. The conference and competition pits entrepreneurs in three tracks: Ideas, Startups and Social Entrepreneurship. Winning teams are in the running to participate in prize money and equity-free funding, and are set to also benefit from a range of other activities including top tier training, mentorship, coaching, media exposure and networking opportunities.

In total, 53 semi-finalist teams across the three tracks are through to the semi-finals of the competition (16 semi-finalists in the Ideas track, 21 in the startups track, and 16 in the Social Entrepreneurship track). This year, the semi-finalists hail from Saudi Arabia (nine participants) Egypt (nine), Jordan (seven), Lebanon (six), Bahrain (four), UAE (four), Tunisia (three), Palestine (two), Morocco (two), and one semi-finalist from Algeria, Germany, Luxembourg, Qatar, Syria, Turkey and the UK, respectively.

Zain has been partnering this competition over the years on the firm belief that today's innovators are tomorrow's differentiators. Zain's management is impressed by the high caliber of entries from across three continents in this year's competition and expect the virtual nature of proceedings will result in a truly inspiring international event.

Maya Rahal, Managing Director of MITEF Pan Arab said, "We all are truly excited about the opportunity to collaborate with Zain Group for our first all-digital competition. It is through such partnerships with transformational players in the digital ecosystem that we can overcome the challenges presented by the ongoing pandemic. In times such as these, we are only as strong as the entities we cooperate with, and we are proud to have established lanes of synergy over the course of 13 years organizing the MITEF Arab Startup Competition. I want to take this opportunity to invite everyone to join our upcoming virtual conference on June 24, which will mark a turning point in all our future programs and initiatives."

Included in the semi-finalists are six winners from Zain Jordan's (Zain Al-Mubadara) competition, with the main industries that most of the 53 semi-finalists are operating in are Education Technology, Consumer Services and Productivity Apps, Digital Technologies, and Construction/Engineering.

The virtual competition will see all semi-finalist teams face a panel of judges remotely, to pitch and answer any questions about their business models, value propositions, and growth plans. All teams will also receive an intensive remote training session organized by King Abdullah University of Science & Technology.

For more information on the MIT Enterprise Forum Arab Startup Competition, please visit [www.mitarabcompetition.com](http://www.mitarabcompetition.com). The Virtual Conference & Awards Ceremony will be held on Wednesday, 24 June, 2020.