

Uber cuts 3,000 jobs as pandemic slashes demand for rides

Uber has cut 3,000 jobs from its workforce, its second major wave of layoffs in two weeks as the coronavirus slashed demand for rides.

The San Francisco company has cut a quarter of its workforce since the year began, eliminating 3,700 people from the payroll earlier this month.

Uber will be re-focusing on its core business, moving

people and delivering food and groceries, said CEO Dara Khosrowshahi, in a note to employees Monday.

The ride-hailing giant will be closing or consolidating 45 offices globally, and almost all departments will be affected by layoffs. The company is closing its business for developing products and services for its platform and a unit working on artificial in-

telligence. It will also pursue strategic alternatives for its job recruiting app, Uber Works, Khosrowshahi said.

"This is a decision I struggled with," Khosrowshahi said. "Our balance sheet is strong, Eats is doing great, Rides looks a little better, maybe we can wait this damn virus out.... I wanted there to be a different answer... but there simply was no good news to

hear." Uber's rides business, the company's main profit generator, fell 80% in April compared to the same month last year.

"Ultimately, I realized that hoping the world would return to normal within any predictable time frame, so we could pick up where we left off on our path to profitability, was not a viable option," he said. (AP)



In this file photo, the logo for Uber appears above a trading post on the floor of the New York Stock Exchange. (AP)

Market Movements

19-05-2020

Change Closing pts

		Change	Closing pts
Australia	- All Ordinaries	+101.30	5,658.84
China	- Shanghai SE	+23.16	2,898.58
Hong Kong	- Hang Seng	+453.36	24,388.13
India	- Sensex	+167.19	30,196.17
Japan	- Nikkei	+299.72	20,433.45
Pakistan	- KSE 100	+353.58	34,158.55
Philippines	- PSEI	+76.50	5,555.85

Business

States trying to figure out the safest way to restart their economies

Global businesses and governments operate under new rules

World economy faces tough 'journey' back from coronavirus crisis: reports

UK unemployment claims surge 69% as pandemic takes hold

WASHINGTON, May 19, (AP) — The world economy likely faces a long slog back from the coronavirus crisis.

Two reports out Monday predict that global growth will struggle to bounce back from the lockdowns, travel restrictions and business closures meant to contain the pandemic.

IHS Markit said that it expects the world economy to shrink 5.5% this year, triple the damage it sustained in the 2008 financial crisis, and then struggle to regain traction.

"While growth in the hardest hit economies may snap back briefly, the momentum will soon fade," the financial research firm warned. It expects the U.S. economy to contract 7.3% this year and the collective economy of the 19 European countries that share the euro currency to recoil 8.6%.

Hobbling the rebound, IHS predicts, will be a wave of business bankruptcies and cautious spending by consumers trying to repair their household finances and uneasy about resuming old habits that drive economic growth - shopping, eating out, booking vacations and going to movies.

"Government leaders wanted to err on the side of caution, and, as a result, we basically shut down large parts of the economy," said Sara Johnson, executive director at IHS Markit. "I suspect we overdid it, but it's perhaps too soon to second-guess."

Likewise, Deutsche Bank Wealth Management warned Monday that a "hoped-for" rebound in the second half of 2020 won't be strong enough to undo the damage absorbed in the first, at least among the advanced economies of the United States, Europe and Japan. "We don't expect developed economies output to be back to pre-crisis levels until 2022," the report said.

Economies normally bounce back rapidly - registering so-called V-shaped recoveries - from sudden shocks such as natural disasters. But Deutsche Bank notes that the virus is different: Recovering from the pandemic won't require any of the growth-stimulating rebuilding that follows earthquakes and typhoons.

Many economists say any recovery is likely to be subdued until the virus has been tamed by a vaccine or effective treatments.

"I don't believe you can have a credible economic recovery or a V-shaped recovery unless you have the pandemic really largely under control," said Jacob Kirkegaard, senior fellow at the Peterson Institute for International Economics.

Meanwhile, unemployment claims in Britain jumped 69% in April, as the COVID-19 pandemic took hold and hit the labor market, U.K. authorities said Tuesday.

MILAN, May 19, (AP) — European car sales bottomed out last month as the automotive industry faces its worst crisis in decades.

Strict lockdown measures to contain the coronavirus closed most dealerships across the continent for the full month of April amid a precipitous drop in consumer spending, causing sales to collapse by an unprecedented 76%, the ACEA car manufacturers' association said Tuesday.

Carmakers across the continent sold just 270,682 vehicles last month, compared with 1.14 million a year earlier, the "strongest monthly drop in car demand since records began," ACEA said.

Southern Europe was the hardest hit with new car registrations down 97.6% in Italy and 96.5% in Spain - as both countries struggled with some of the highest levels of coronavirus infection in Europe. France saw an 89% contraction while Germany suffered a 61% drop.

European car sales for the first four months of the year were down 39%.

Like March's 55% drop, the decline was far worse even than during the 2008-9 global financial crisis, which triggered a six-year slump in car purchases. The steepest losses during that financial crisis occurred in January 2009, when sales fell 27%.

The crisis was striking both mass-market and luxury carmakers indiscriminately.

The Volkswagen group maintained the largest market share, expanded by 30% despite a 73% drop in sales. French rivals PSA Group and Renault saw declines hovering around 80% while Fiat Chrysler - which is seeking a 6.3-billion-euro Italian government-backed loan to relaunch - dropped by 88%. German luxury carmakers BMW and Daimler saw sales sink 65% and 79% respectively.

The Office of National Statistics says jobless claims surged by 856,000 to 2.1 million in April as compared to the month before. The figures covered only the first weeks of the lockdown, said Jonathan Athow, deputy national statistician for economic statistics at the ONS.

"In March, employment held up well, as furloughed workers still count as employed, but hours worked fell sharply in late March, especially in sectors such as hospitality and construction," he said.

Work and Pensions Secretary Theresa Coffey told the BBC that the government was focused on those claiming benefits under Universal Credit, a welfare payment for those who need help, including the unemployed.

Strict lockdown measures to contain the coronavirus cited

Europe car sales see worst drop since records began



In this file photo, cars are parked at a Fiat Chrysler car dealer in Milan, Italy. European car sales bottomed out last month as the automotive industry faces the worst crisis in decades. (AP)

Mabane Co gains 16 fils, KFIC skids

Blue chips push Kuwait index higher

By John Mathews
Arab Times Staff

KUWAIT CITY, May 19 — Kuwait stocks headed north on Tuesday extending its gains to third straight session. The All Shares Index rallied 68.98 points in a broad advance to 4894.36 points paced by heavyweights even as the overall mood remained upbeat.

The Premier Market soared 91 pts to 5287.34 points trimming the month's losses to 69 pts while Main Market rose 24.81 points to 4120.73 pts. The BK 50 Main Index climbed 27.25 points. The volume turnover meanwhile rose for the third consecutive session to hit the month's high. Over 177 million changed hands - a 70 pct surge from Monday.

All sectors, barring one, closed in green territory. Consumer Services outshone the rest with 2 pct gain whereas Oil and Gas, the only loser, eased 0.04 pct. Banking sector continued to top in both volume and value with 117.6 million shares traded for KD 32.25 million.

Among the prime movers, National Bank of Kuwait rallied 12 pts on back of 6.8 million shares to 747 fils and Kuwait Finance House followed suit after pushing over 16 million shares at the

counter. Mabane Co sprinted 16 fils to 584 fils paring the month's losses to 52 fils and Kuwait National Cinema Co soared 65 fils.

Zain took in 2 fils on back of over 3 million shares to close at 524 fils while Ooredoo gained 12 fils. STC fell 5 fils to 830 fils and logistics major Agility added 5 fils before winding up at 638 fils with a volume of over 2 million shares. Humansoft Holding climbed 70 fils to KD 2.680.

The market opened firm and moved sideways in early trade. The main index gained traction and headed higher amid strong buying in most of the heavyweights and peaked at 4905 pts half way into the session. It sagged slightly thereafter and closed with robust gains.

Top gainer of the day, Kuwait National Cinema Co rallied 9.9 pct to 720 fils and Thuraya sprinted 9.8 percent to stand close behind. KFIC skidded 8.5 percent, the steepest decliner of the day and Ahli United Bank topped the volume with a whopping 63 million shares.

Mirroring the day's gains, the market spread was skewed towards the winners. 33 stocks advanced whereas 65 closed lower. Of the 108 counters active on Tuesday, 10 closed flat. 7547

deals worth KD 39.9 million were transacted during the session.

National Industries Group rallied 9 fils on back of over 4 million shares to 171 fils while Mezzan Holding climbed 6 fils. Boubyan Petrochemical Co jumped 18 fils to 510 fils and Al Qurain Petrochemical Co gave up 2 fils. Metal and Recycling Co and ACICO Industries fell 3 fils each while Kuwait Foundry Co jumped 20 fils to 250 fils.

Jazeera Airways rose 3 fils to 531 fils and ALAFCO dialed up 2 fils. Kuwait Cement Co added 3 fils and Kuwait Portland Cement rallied 24 fils to 740 fils. Kuwait Foundry Co gained 20 fils and Educational Holding Group sprinted 18 fils to 288 fils. Combined Group Contracting Co added 3 fils.

In the banking sector, Gulf Bank scaled 5 fils on back of 4.3 million shares while Burgan Bank was up 4 fils at 194 fils after moving over 5 million shares. Boubyan Bank gained 9 fils and Kuwait International Bank took in 1 fils with brisk trading.

The market has been upbeat so far during the week gaining 194 points in last three sessions. It is down 81 points from start of the month and has retreated 1406 points year-to-date.

April job losses fall hard on restaurants, retailers

NEW YORK, May 19, (AP) — Who remembers their last meal at a sit-down restaurant? Better yet: who knows when their next one will be?

That's the question bedeviling not just diners but Wall Street, where analysts and investors have seen investments in publicly traded restaurant chains like Olive Garden, Denny's and KFC owner Yum Brands crater amid shutdowns forced by the global coronavirus pandemic.

While some states like Georgia and Texas have recently taken tentative steps to permit restaurants, shops and other businesses to reopen, the sector remains in deep crisis. Of the more than 21.4 million jobs lost since the pandemic struck the U.S. in March, 28% of them are in the restaurant and bar industry and another 10% are in retail.

Restaurants are the last businesses to reopen and to start recovery," the National Restaurant Association said in a statement. "This is a nationwide disaster that's going to need a nationwide plan for restaurants to recover."

Orlando, Florida-based Darden Restaurants, which owns the Olive Garden and LongHorn Steakhouse chains, told investors its sales had already fallen by nearly half in its current quarter, with one month left to go. Denny's sales were 76% lower in April alone. Both restaurant chains have cut staff as demand plummeted.

Retailers, especially those focusing on clothing and apparel are also hurting. Kohl's shut down stores nationwide in March and only started reopening in some states earlier in May. Gap took similar measures, shutting down stores and furloughing workers.

Air France to expand destinations in weeks

PARIS, May 19, (KUNA) — French flag-carrier Air France said on Monday that it plans to ramp up the number of domestic and European destinations over the coming weeks and hopes to resume other destinations, including the Middle East, after June 30.

The statement indicated that the airline is currently only providing between 3-5 percent of its normal services because of the lockdowns in many countries and restrictions on air travel.

The company said that it is providing very limited services in Europe and internationally, with only 43 destinations covered.

"By the end of June and subject to the lifting of travel restrictions, Air France plans to gradually resume its flights, with a gradual increase in the number of frequencies and destinations, in particular to mainland France, the Overseas Territories and Europe," the company remarked.

The increase in services will bring the airline up to 15 percent of normal

EasyJet reveals sophisticated hack of customer information

LONDON, May 19, (AP) — U.K.-based budget airline easyJet says that "highly sophisticated" hackers have accessed the email addresses and travel details of approximately 9 million customers.

It also said Tuesday that its "forensic" investigation found that the credit card details of 2,208 people were accessed.

It added that all affected customers will be contacted in the next few days and that there was "no evi-

operating capacity, putting 75 of its 224 planes in the air.

Beyond June 30, however, subject to conditions and travel restrictions, Air France's services will be expanded internationally.

dence" that the personal information has been misused.

"Since we became aware of the incident, it has become clear that owing to COVID-19 there is heightened concern about personal data being used for online scams," said easyJet Chief Executive Officer Johan Lundgren.

Lundgren apologized to those customers affected and said every business must continue to "stay agile to stay ahead of the threat."

Destinations like Beirut, Dubai, Cairo, as well as flights to India could be resumed after that date, in addition to a resumption of flights to North America, South America and parts of Africa and Asia.

WASHINGTON, May 19, (AP) — States are trying to figure out the safest way to restart their economies despite conflicting guidance out from Washington. The same goes for companies.

As Apple begins opening stores in the U.S., it will be checking the temperatures of everyone before they can enter and handing out masks to any customer who isn't wearing one. Like other retailers, Apple will be limiting the number of people inside and doing deep cleanings throughout the day.

The iPhone maker reopened five U.S. stores last week in Idaho, Alabama, South Carolina and Alaska. Another 27 stores will be reopening in California, Washington state, Florida, Colorado, Hawaii, Oklahoma and Arkansas. The stores in California and Washington initially will only offer curbside and storefront service.

Apple so far has reopened about 100 stores worldwide, roughly one-fifth of its brick-and-mortar outlets.

The Children's Place plans to reopen stores in 10 states: Alabama, Arkansas, Idaho, Mississippi, Montana, Nebraska, North Dakota, Oklahoma, South Dakota, and Utah. More than 40% of U.S. stores are in areas where they are unauthorized to open again.

GOVERNMENTS & CENTRAL BANKS: Dozens of economies are either heading for a recession, or area already there. On Monday, that designation become official in Japan. Countries are trying to general economic activity with new parameters.

Greece reopened the Acropolis in Athens and other ancient sites Monday, along with high schools, shopping malls, and leisure travel. There is some urgency. The EU Commission warned that Greece is likely to suffer the worst recession in the EU bloc this year.

Ireland is taking its first steps out of lockdown, with some stores reopening and outdoor work resuming. Garden centers, hardware stores and opticians are among the businesses being allowed to open Monday.

Kazakhstan and Azerbaijan eased lockdown restrictions Monday. In Kazakhstan's capital, some mosques, markets cafes and restaurants reopened Monday. In Azerbaijan, cafes and restaurants reopened in the capital, Baku, and four other cities.

Thousands of people in Bosnia who lost their jobs over the past two months have been blocked by cumbersome and lengthy application procedures from accessing unemployment benefits they had been promised by the government. According to incomplete official statistics, over 30,000 people have lost their jobs in Bosnia since March.

TRAVEL & LEISURE: Tourist destinations are beginning to release reopening dates, but there will be new rules in place governing activities and the number of people allowed.

The Florida Keys will reopen to tourists on June 1, more than two months after the island chain put up check points to limit outsiders. Those will be removed next month, according to Monroe County Emergency Management. Hotels and other lodging establishments will be allowed to reopen at 50% occupancy.

New Hampshire restaurants were allowed to begin serving customers for outdoor dining on Monday.

Delta Air Lines plans to restart several domestic and international routes in June, including service to China if Beijing approves. The airline plans to add some flights next month in Atlanta and New York and resume some international routes.

Allegiant Air said April traffic tumbled 97% and empty seats quadrupled compared with a year earlier. Allegiant is a budget airline that flies people from smaller cities to vacation destinations like Las Vegas, where many of the major attractions were closed to limit spread of the coronavirus.

Ryanair is cutting around 3,000 jobs and is looking at pulling out of a number of airports in Europe. The budget Irish carrier cut the number of passengers it expects to fly this year from 154 million, too 100 million last week. It cut that again Monday to about 80 million.

Finland's national airline, a major carrier between the European Union and China, is adding flights and routes, with long-haul routes beginning in July. Finnair will start in phases, with a strong focus on Asia.

IRS HELP: The IRS said Monday that it is adding 3,500 telephone representatives to answer some of taxpayer's questions about economic impact payments. The bulk of the estimated 150 million payments have been sent but some questions remain.

Separately, the Treasury and IRS began to send nearly 4 million of the relief payments by prepaid debit card, instead of paper check. The free, prepaid cards are being distributed to those without bank information on file with the IRS.