In this file photo, the Amazon campus outside the company headquarters in Seattle sits nearly deserted on an otherwise sunny and warm afternoon. (AP)

Amazon now says remote work OK 2 days a week

Corporate and tech employees at Amazon won't have to work in offices full time after coronavirus restrictions are lifted.

The Seattle Times reports the online retail giant said in a company blog post Thursday that those workers can work remotely two days a week. In addition, the employees can work remotely from a domestic location for four full weeks each year.

Amazon's work policy update follows backlash from some employees to what they interpreted as the expectation they would have to return to the office full time once states reopen.

Some tech companies had launched recruiting campaigns that seemed targeted in part at Amazon workers' dismay over an end to remote work.

Most Amazon employees will start heading back to offices as soon as local jurisdictions fully reopen - July 1 in Washington state - with the majority of workers in offices by autumn, the company said previously.

Amazon has about 75,000 employees in the greater Seattle area. The company's new remote-work plan is similar to other large tech companies.

Google said last month that it expected roughly 60% of its workforce to come into the office a few days a week, and for 20% to work from home full time. Google also gave all employees the option to work remotely full time four weeks per year. Facebook and Microsoft have both said most workers can choose to stay remote. (AP)

Market Movements 11-06-2021

			Change	Closing pts
SAUDI	-	Tadawul	+6.09	10,796.33
UK	-	FTSE 100	+45.88	7,134.06
EUROPE	-	Euro Stoxx 50	+30.63	4,126.70
UAE	-	DFM	+10.48	2,842.41
PHILIPPINES	-	All Shares	+32.08	6,907.79
INDIA	-	Sensex	+174.29	52,474.76
PAKISTAN	-	KSE 100	+53.23	48,304.72

			Change	Closing pts
JAPAN	-	Nikkei	-9.83	28,948.73
EGYPT	-	EGX 30	-64.28	9,977.90
SINGAPORE	-	Straits Times STI	-4.53	3,157.97

Business

Clockwise from left, German Chancellor Angela Merkel and French President Emmanuel Macron, British Prime Minister Boris Johnson, U.S. President Joe Biden, Canadian Prime Minister Justin Trudeau, Italy's Prime Minister Mario Draghi, European Commission President Ursula von der Leyen, European Council President Charles Michel, and Japan's Prime Minister Yoshihide Suga sit around a table during the G-7 summit at the Carbis Bay Hotel in Carbis Bay, St. Ives, Cornwall, England, Friday, June 11, 2021. Leaders of the G-7 begin their first of three days of meetings on Friday, in which they will discuss COVID-19, climate, foreign policy and the economy. (AP)

US Congress could be a hurdle

Biden sells G7 on global minimum tax

LONDON, June 12, (AP): President Joe Biden might have persuaded some of the world's largest economies to hike taxes on corporations, but the U.S. Congress could be a far tougher sell.

Leaders of the Group of Seven - which also includes the United Kingdom, France, Canada, Germany, Italy and Japan - are in sync with Biden on placing a global minimum tax of at least 15% on large companies. The G-7 leaders began a three-day summit in England on Friday after their finance ministers earlier this month endorsed the global tax minimum.

A minimum tax is supposed to halt an international race to the bottom for corporate taxation that has led multinational businesses to book their profits in countries with low tax rates. This enables them to avoid taxes and encourages countries to slash rates. The minimum rate would make it tougher for companies to avoid taxes, and could possibly supplant a digital services tax that many European nations are imposing on U.S. tech firms that pay at low rates.

Biden administration officials believe the use of overseas tax havens has discouraged companies from investing domestically, at a cost to the middle class. The president hopes a G-7 endorsement can serve as a springboard for getting buy-in from the larger Group of 20 complement of nations.

The agreement is not a finished deal, as the terms would need to be agreed upon by countries in the Organization for Economic Cooperation and Development and implemented by each of them. The president needs other countries to back a global minimum tax to ensure that his own plans for an enhanced one in the U.S. don't hurt American businesses.

"It has the potential to stop the race to the bottom," said Thornton Matheson, a senior fellow at the Tax Policy Center. "It would be a huge sea change in the way things have been going in corporate taxes for the last three decades."

The idea of an enhanced global minimum tax is also an integral part of Biden's domestic agenda, but it faces resistance in Congress.

The president has proposed using a global minimum tax to help fund his sweeping infrastructure plan. His budget proposal estimates it could raise nearly $534 billion over 10 years, but Republicans say the tax code changes would make the United States less competitive in a global economy.

Treasury Secretary Janet Yellen framed the agreement as a matter of basic fairness after the finance ministers' meeting.

"We need to have stable tax systems that raise sufficient revenue to invest in essential public goods and respond to crises and ensure that all citizens and corporations fairly share the burden of financing government," she said.

Texas Rep. Kevin Brady, top Republican on the House Ways and Means Committee, said GOP lawmakers would fight "tooth and nail" against the tax. Republicans view lower taxes as encouraging companies to invest and hire, putting little stock in Biden's argument that improved infrastructure and better-educated workers would help increase growth.

"It is an economic surrender," Brady said Friday. "President Biden has managed to do the impossible -- he has made it better to be a foreign company and a foreign worker than an American company and an American worker."

Senate Republican Leader Mitch McConnell of Kentucky has repeatedly said his party will oppose any measures that undo the 2017 tax cuts signed into law by President Donald Trump.

The 2017 overhaul did create a new way to tax companies' foreign profits with what is known as "global intangible low-taxed income." Congressional Democrats said that framework encouraged firms to invest in foreign countries, instead of at home.

Biden has proposed raising that rate to 21% among other changes to the code. The administration views the G-7's 15% as a floor rather than a ceiling for rates. But the G-7's plan varies from what Biden has proposed and there are details to be finalized, with tax experts noting that there appear to be gaps in rates and the treatment of assets such as buildings and equipment.

UK economy edges to pre-virus levels

Lockdown eases

LONDON, June 12, (AP): The easing of lockdown restrictions in April helped the British economy grow at its fastest rate since July 2020 and recoup further ground lost during the coronavirus pandemic, official figures showed Friday.

The Office for National Statistics said the economy grew by 2.3% during April, which saw the reopening of shops selling non-essential items and a number of other service providers, such as hairdressers, resuming work. Schools were fully open for in-class learning, while pubs and restaurants were able to serve customers outdoors for the whole month.

The four nations of the U.K. - England, Scotland, Wales and Northern Ireland - have been lifting lockdown restrictions in stages after new coronavirus infections fell sharply and vaccines were rolled out rapidly.

Despite the growth recorded in April, the British economy remained 3.7% smaller than it was in February 2020, before the U.K.'s first virus lockdown. Of the major sectors in the economy, only construction was above the level it was at on the eve of the pandemic.

The British economy is expected to regain more ground over the summer as remaining restrictions are lifted.

"Following the historic collapse in spring 2020, the U.K. remains on track to return to its pre-pandemic level by the turn of the year," said Holger Schmieding, chief economist at Berenberg Bank. "Judging by recent data trends, that could happen even sooner."

Though most sectors of the economy have reopened, there are concerns that the next planned easing for England, scheduled for later this month, may have to be delayed because of a recent spike in new infections largely due to the delta variant that was first identified in India.

The hope is that the rapid rollout of vaccines will dramatically break the link between new infections, hospitalizations and deaths. So far, the evidence suggests that a large proportion of the people being infected are in younger age groups, many of which have yet to receive a first dose.

Under the government's plan for ending lockdown measures, social distancing restrictions are set to be lifted on June 21, which would be a particular boon to businesses such as pubs and cinemas. They are currently operating with capacity limits to meet the need to keep people apart.

British Prime Minister Boris Johnson plans to announce Monday whether the next easing will take place.

Focus shifts to second half

Oil demand to exceed 'pre-virus' levels – IEA

By Kamel Al-Harami
Independent Oil Analyst

OUT of the blue, the International Energy Agency (IEA) has started asking oil producing countries to pump more oil and continue investing in new oil fields. For the time being, it is not asking to switch to green energy or demanding any minimum or zero production; this indicates the inclination to stay with oil for some time.

This request is coming at a time when the agency was pushing to switch away from oil, and with rulings from the European courts for reduced carbon emission. The same is happening with the shareholders of major international American oil companies in terms of the demand to go green and minimize oil and gas investment.

Al-Harami

The focus is on the second half of this year, whereby demand for oil is expected to rise in view of the increased vaccination globally, which could push for demand for almost everything and open all countries globally. However, some hiccups could emerge from some countries or a new variant may appear.

For now, the oil price is comfortably at $ 72 per barrel and likely to move up. This will prompt OPEC-Plus to push for releasing more oils without any hesitation at any level. It is time to move forward with more volume and not be concerned about any fallbacks. OPEC and its partners have now learned their lesson and can build on it.

The current oil stock is estimated to be below the five-year average, and the demand could reach 99 million by the end of this year. This of course depends on the on-target implementation of the vaccination campaigns in all countries with the help of American and other companies that manufacture the COVID-19 vaccines.

Iran will definitely be on the map and aims to increase its current production from today's 2.5 million to 4 million by the end of first quarter of 2022, provided there is progress in its relations with the USA, and how soon it can reach an amicable settlement, which is currently happening.

Oil is on the right track ... OPEC Plus is learning and adding new lessons to manage supply... And experts are eyeing a level of $80 a barrel.

What is Kuwait going to do with better and improved oil prices? Anything!

❑ ❑ ❑

Email: naftikuwaiti@yahoo.com

Jointly managing the issuance with Kamco Invest and Kuwait Financial Centre (Markaz)

Gulf Bank Successfully Completes Issuance of KD 50 Million Bonds

Gulf Bank has announced it has successfully completed its issuance of KD 50 million Subordinated Tier 2 Bonds. The bond issue was oversubscribed 1.57 times, with the total value of subscriptions amounting to KD 78.5 million.

Ali Khalil

Faisal Sarkhou

Tony Daher

Gulf Bank issued the subordinated Tier 2 bonds in Kuwaiti Dinars, with a tenure period of 10 years, callable after 5 years, and of KD 50 million. The bonds were rated BBB+ by Capital Intelligence.

These bonds offer rewarding returns for holders of both fixed-interest bonds and variable-interest bonds. The KD 25 million Fixed Rate bonds offer a 4% interest, and the KD 25 million Floating Rate bonds offer a rate of 2.25% above the Central Bank of Kuwait's discount rate. The interest will be paid in quarterly installments, with payments commencing on September 10, 2021.

On this occasion, Gulf Bank's CEO, Mr. Tony Daher, said: "We are proud of our successful issuance of KD 50 million bonds. These instruments have received great interest, as reflected by their demand volume reaching 157%, and indicate overall market confidence in the performance, position and strategic plans of Gulf Bank. We are confident that this issuance will contribute to enhancing Gulf Bank's capital adequacy, in compliance with Basel III frameworks, and will serve our upcoming investment plans towards making Gulf Bank the bank of the future."

The bond issuance process was jointly managed by both Kamco Invest and Kuwait Financial Centre (Markaz).

Mr. Faisal M. Sarkhou, Kamco Invest's CEO said: "We are proud of the efforts and cooperation portrayed by all involved parties who played a pivotal role in successfully completing this bond issuance. This transaction marks yet another milestone that will pave the path for additional issuances that will strengthen the local and regional debt markets. Gulf Bank's financial position and clear vision have helped in closing the issuance in a short period with oversubscription. We look forward to managing more bond and sukuk issuances through our Debt Capital Markets team, who have spared no efforts in delivering the best possible outcome for all our valued clients."

Commenting on the latest bond issuance, Mr. Ali H. Khalil, CEO of Kuwait Financial Centre Company said: "Our participation in the Bonds transaction has been met with great attention by investors in view of the excellent reputation of Gulf Bank and the professional expertise of Markaz and the other lead managers in providing a variety of investment opportunities to the clients. Markaz assisted a number of local companies from various sectors in issuing bonds and sukuk to obtain financing required to support its businesses. We value our solid relationship with Gulf Bank and we seek to maintain and reinforce this relationship through the continuous cooperation between us."

To learn more about Gulf Bank's various activities and initiatives, customers can visit one of the Bank's branches, or visit the Gulf Bank website at www.e-gulfbank.com.

Two-year sentence for man convicted of insider trading

SEATTLE, June 12, (AP): A Washington state man who admitted using inside information from his wife about Amazon to trade the company's stock has been sentenced to 26 months in prison.

Viky Bohra, 37, received the sentence Thursday for illegally trading Amazon stock after pleading guilty last year to securities fraud, said Acting U.S. Attorney Tessa Gorman.

Bohra admitted he made profits of $1.4 million between 2016 and 2018 with information provided by his wife, Gorman said.

She had access to confidential information about Amazon revenue and expenses and because of her work, the couple was subject to blackout periods when no stock could be traded, prosecutors said. Despite that restriction, Bohra conducted trades during blackout periods, the prosecutors said.

Bohra's wife, Laksha Bohra, will not face charges as a result of her husband's plea agreement with federal prosecutors.

Boyra and his family have paid $2.6 million in penalties and interest in the case. Because of those payments, the federal government won't seek forfeiture, Gorman said.

Laksha Bohra started her work with the company as a transfer pricing manager in Amazon's tax department in December 2012 and was promoted to senior manager in May 2018, according to court records.

She had access to Amazon's financial reporting databases and shared network files, was suspended from her job in October 2018 and resigned soon after that, court records said.

Ian Allen-Anderson, a spokesman for Amazon, declined to comment on the case Friday.

Gorman characterized the insider trading as unbridled greed.

"This defendant and his wife were earning hundreds of thousands of dollars in salary and bonuses from their jobs in tech - but he was not content with that - greedily scheming to illegally profit by trading Amazon stock," Gorman said in statement.

She added: "This case should stand as a warning to those who try to game the markets with insider trading: there is a heavy price to pay with a felony conviction and prison sentence."