In this file photo, Tesla CEO Elon Musk speaks before unveiling the Model Y at the company's design studio in Hawthorne, California. (AP)

Musk says Tesla will move HQ from California to Texas

Tesla will relocate its headquarters from Palo Alto, California, to Austin, Texas, though the electric car maker will keep expanding its manufacturing capacity in the Golden State, CEO Elon Musk said Thursday.

Musk, who last year said he was moving to Texas from California, gave no timeline for the move when he addressed shareholders at Tesla's annual meeting.

In the early days of the coronavirus pandemic, Musk clashed with San Francisco Bay Area health authorities trying to enforce shelter-in-place orders. At the time, he threatened to relocate Tesla's operations to Texas or Nevada.

On Thursday, however, Musk cited the cost of housing in the Bay Area that has made it tough for many people to become homeowners, translating into long commutes.

"We're taking it as far as possible, but there's a limit how big you can scale it in the Bay Area," he said Thursday. "Just to be clear, though, we will be continuing to expand our activities in California. This is not a matter of leaving California."

Musk stressed he plans to expand the company's factory in Fremont, California, where Tesla's Models S, X, Y and 3 vehicles are built, in hopes of increasing its output by 50%.

The announcement drew cheers and applause from the small audience at Tesla's manufacturing plant in Austin, where Musk delivered his remarks, which were webcast live. (AP)

Market Movements 08-10-2021

		Change	Closing pts
SAUDI	- Tadawul	+19.45	11,591.33
JAPAN	- Nikkei	+370.73	28,048.94
UK	- FTSE 100	+17.51	7,095.55
UAE	- DFM	+20.94	2,772.44
EGYPT	- EGX 30	+103.76	10,536.39
INDIA	- Sensex	+381.23	60,059.06
SINGAPORE	- Straits Times STI	+11.66	3,112.81

		Change	Closing pts
EUROPE	- Euro Stoxx 50	-25.05	4,073.29
PHILIPPINES	- PSEi	-44.44	6,906.86
PAKISTAN	- KSE 100	-108.81	44,477.23

Business

Board says needs more time to weigh data-rigging details

IMF chief facing data-rigging allegations defends actions

WASHINGTON, Oct 9, (AP): The head of the International Monetary Fund said Thursday that a report alleging she had a role in data-rigging at the World Bank when she was a top official there was not an accurate representation of events.

The statement came a day after IMF Managing Director Kristalina Georgieva appeared before the agency's executive board, which is investigating allegations that in 2018 World Bank employees were pressured to alter data affecting its business-climate rankings of China and other nations.

The bank's "Doing Business" report ranked countries after evaluating its tax burdens, bureaucratic obstacles, regulatory systems and other business conditions. High rankings in the report were coveted by governments seeking to attract investment.

"I am pleased that I finally had the opportunity to explain to the IMF board my role in the Doing Business report and how I respected the integrity of the report," Georgieva said in a statement released Thursday.

In addition to the statement, Georgieva's lawyers released the 11-page statement she delivered to the board on Wednesday in a meeting that lasted over five hours. The board is scheduled to meet again on the matter Friday.

Georgieva has denied any wrongdoing in the matter amid calls that she should resign from her position at the IMF. She served as chief executive officer of the World Bank from January 2017 to September 2019, before taking the top job at the 190-nation IMF, succeeding Christine Lagarde, who is now head of the European Central Bank.

The allegations of data-rigging come from a review conducted by the WillimerHale law firm that alleged Georgieva pressured the bank's economists to improve China's ranking at a time when she and other bank officials were attempting to persuade China to support a boost in the World Bank's funding resources.

The law firm's report prompted the World Bank to discontinue issuing the annual Doing Business report. It also fed into complaints that China's the world's second largest economy, has too much influence over global financial institutions.

As the world's largest economy, the United States is the largest shareholder at the IMF and World Bank, which are both based in Washington.

Asked if the Biden administration had taken a stand on whether Georgieva should step down from her IMF job, Alexandra LaManna, a Treasury spokesperson, said, "There is a review currently underway with the IMF Board and Treasury has pushed for a thorough and fair accounting of all the facts. Our primary responsibility is to uphold the integrity of international institutions."

In her statement to the IMF's 24-member executive board, Georgieva said, "The WilmerHale Report does not accurately characterize my actions with respect to Doing Business 2018, nor does it accurately portray my character or the way that I have conducted myself over a long professional career."

The executive board of the International Monetary Fund said late Friday that it is seeking more "clarifying details" in its investigation into allegations that the head of the IMF pressured staff at the World Bank to change business rankings for China in an effort to placate that country.

The IMF's 24-member executive board said it had made significant progress in its investigation but it agreed at Friday's meeting "to request more clarifying details with a view to very soon concluding its consideration of this matter."

US employers add weak 194K jobs as delta 'maintains' hold

Many companies struggling to fill millions of open jobs

WASHINGTON, Oct 9, (AP): US employers added just 194,000 jobs in September, a second straight tepid gain and evidence that the pandemic has kept its grip on the economy, with .

Friday's report from the Labor Department also showed that the unemployment rate sank last month from 5.2% to 4.8%. The rate fell in part because more people found jobs but also because about 180,000 fewer people looked for work in September, which meant they weren't counted as unemployed.

September's sluggish job gains fell shy of even the modest 336,000 that the economy had added in August and were the fewest since December, when employers actually cut jobs.

The economy is showing some signs of emerging from the drag of the delta variant of the coronavirus, with confirmed new COVID-19 infections declining, restaurant traffic picking up slightly and consumers willing to spend. But new infections remained high as September began. And employers are still struggling to find workers because many people who lost jobs in the pandemic have yet to start looking again.

Supply chain bottlenecks have also worsened, slowing factories, restraining homebuilders and emptying some store shelves. The shortages have also boosted inflation to its highest levels in three decades.

Many economists expect that as COVID recedes further and Americans resume traveling, eating out and seeing movies, more people will re-enter the workforce, and hiring will strengthen.

"This report is a look in the rear-view mirror," said Daniel Zhao, senior economist at the jobs website Glassdoor, "and hopefully this means the worst is behind us, and the worst was just a slowdown in the recovery."

Economists had expected September to produce robust job growth as schools reopened, thereby freeing parents, especially working mothers, to return to jobs. Several enhanced unemployment benefit programs had expired Sept. 6, potentially providing incentives for more people to seek work. And, at least before delta intensified, many companies had planned to return to working in offices, which would have revitalized still-dormant downtowns.

Instead, as a result of the delta variant, many office buildings remain vacant and fears of the disease rebounded. A Census Bureau survey found that the number of people not working because they had COVID or were caring for someone with the disease doubled between July and early September. COVID outbreaks have also temporarily closed some schools, making it harder for many mothers to hold down permanent jobs.

The proportion of Americans who either have a job or are looking for one - known as labor force participation - declined in September from 61.7% to 61.6%, well below the pre-pandemic level of 63.3%, Friday's report said.

The drop in labor force participation occurred entirely among women, suggesting that many working mothers are still caring for children at home. For men, labor participation was unchanged. Some after-school programs weren't yet in place last month to provide all-day care. And child care has become scarcer and costlier in many cases.

Lael Brainard, a member of the Federal Reserve's Board of Governors, noted in a recent speech that COVID-19 outbreaks in late September caused 2,000 schools to close for an average of six days in 39 states.

The enhanced unemployment aid that ended in early September included a $300-a-week federal supplement, as well as programs that for the first time covered gig workers and people who were jobless for six months or more. Many business owners and Republican political leaders argued that the extra $300-a-week benefit was discouraging some people from seeking jobs because they could receive more money from unemployment aid. So far, though, the ending of those programs appears to have had little effect on the number of people looking for work.

John Lai, chief executive of Mister Car Wash, with about 350 locations, said he's seeking to hire 500 people in the next three months to add to the company's 6,000 workers. Mister Car Wash, based in Tucson, Arizona, has raised its average hourly-worker pay to $14.50 an hour since the pandemic began and offers health and retirement benefits. Yet it's struggling to attract applicants.

"It is certainly the most challenging labor market that I have ever experienced in my 20 years in the business," Lai said.

Some of his female employees, he said, have had to quit to care for children. And despite the end of federal supplemental unemployment aid, Lai is seeing little increase in the number of job applicants.

"I think it's the big mystery of the economy," he said. "The folks that are sitting on the sidelines - why are they sitting on the sidelines?"

He suspects that one factor is lingering fear of becoming sick at work.

Many economists still think that most of the roughly 3 million people who lost jobs and stopped looking for work since the pandemic struck will resume their searches as COVID wanes. It took years after the 2008-2009 recession, they note, for the proportion of people working or seeking work to return to pre-recession levels. But the uncertainty created by a global pandemic, Zhao suggested, has made it harder to foresee when that might happen this time.

"We're not yet at the new normal, where we can really say what to expect in terms of the pace of workers re-entering the labor force," he said.

September's meager job gain will likely still be enough for the Federal Reserve to proceed with its plans to pull back on its extraordinary assistance to the economy, said Lydia Boussour, an economist at Oxford Economics. The Fed is expected to announce in November that it will begin slowing its bond purchases, which are intended to lower long-term loan rates and encourage more borrowing and spending.

Another factor behind the weakness in hiring last month was a sharp drop in local government education jobs. The number of such jobs fell by 144,000 last month despite the reopening of schools. That decline suggests that many local school systems didn't hire as many people as they typically do. Many have had trouble finding enough bus drivers, cafeteria workers and other support staff.

Most industries added jobs last month, though at a reduced pace. Transportation and warehousing, for example, which has been boosted by a spike in online shopping, added 47,000 jobs. Manufacturers added 26,000. Restaurants, hotels and amusement parks, though, gained just 74,000 positions, more than in August but far below the pace in the summer, when they were adding hundreds of thousands of workers a month.

In this file photo, a customer walks behind a sign at a Nordstrom store seeking employees in Coral Gables, Florida. On Friday, Oct. 8, US employers added just 194,000 jobs in September, a second straight tepid gain and evidence that the pandemic still has a grip on the economy with many companies struggling to fill millions of open jobs. (AP)

Russia now in full control of market

Energy industry 'shocked' by soaring prices & tight supply

By Kamel Al-Harami

Independent Oil Analyst

OPEC+ and its main partner Russia are squeezing on both fronts in the field of energy, oil and gas. This is causing panic in the market, as there is no end to the increase in the prices, and with oil price firmly at $80 per barrel, and gas at $300 per barrel, which is ten times higher than the level of last year.

The soaring gas supply and prices have left Europe vulnerable. Also, Asia is seeking more of the Russian gas and oil. It seems Russia is now in full control of the energy market without facing any challenge and with a great grip on the market.

Winter is coming and there seems to be no choice but to accept the higher prices without any alternative, and to agree to Russia's demand for Germany and European Union's approval of the pipeline agreement. The supply of gas can easily move again with higher volume, provided they approve and agree to the agreement concerning the recently-built Nordstream gas pipeline from Russia to Germany and bypassing Ukraine. The main obstacle to providing more fresh gas is just the approval of an agreement concerning a new pipeline. More gas will flow and there will be no shortage or reduction in gas prices. The USA is strongly against this and is warning Germany against falling into the trap and the so-called blackmail.

Al-Harami

The main cause for such tightness in energy supply is the recent hike in demand, as economies are reopening and waking up to demand stimulus after the last two dull years. This is causing panic buying and activities, which is affecting everybody globally.

Reduced reliance on fossil fuels such as coal, and the impact of extreme weather globally have depleted storage facilities, closed down factories and caused earthquakes that made people scared of fossil fuels and lowered the energy throughput. China as an example has been hit hard by the surge in prices, such that it had to close down factories and reduce to four-day weeks to reduce energy demand especially with soaring demand in some factories.

Will additional oil and gas supply into the energy market help to ease price hikes? Or will the world have to face higher inflation and later end up in recession?

Russia has to decide with its OPEC+ colleagues regarding the affairs of oil, while gas supply is its sole discretion.

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IMF extends 'debt service' relief for eligible countries

WASHINGTON, Oct 9, (KUNA): The International Monetary Fund (IMF) Executive Board approved on Friday a fourth tranche of debt service relief from the Catastrophe Containment and Relief Trust (CCRT) for 24 member countries "with eligible debt falling due in the period through January 10, 2022."

The approval of the fourth tranche totals SDR 87.9 million (USD 124 million).

The IMF noted "Subject to the availability of sufficient resources in the CCRT, debt service relief for all beneficiary countries could be provided for the remaining period from January 11 to April 13, 2022, amounting to approximately SDR 82.1 million and a cumulative debt service relief of about SDR 690 million."