

# India's Tata Group wins 'bid' for national carrier Air India



Air India planes are parked at Indira Gandhi International Airport in New Delhi, India, Monday, Aug. 30, 2021. Tata Sons, India's oldest and largest conglomerate, will be the new owner of the country's debt-laden national carrier Air India. (AP)

## Sale marks the return of airline to conglomerate

**NEW DELHI, Oct 10, (AP):** Tata Sons, India's oldest and largest conglomerate, will be the new owner of the country's debt-laden national carrier Air India, the government announced on Friday.

Its winning bid of 180 billion rupees (\$2.4 billion) beat India's SpiceJet chief Ajay Singh, who offered 151 billion rupees (\$2 billion) in his private capacity to acquire the airline, said Tuhin Kanta Pandey, secretary at the Department of Investment and Public Asset Management.

An initial sale attempt by the government in 2018 failed to attract any bidders.

The sale marks the return of Air India to the Tata group, a pioneer in Indian commercial aviation when it first launched the airline in 1932 before it was taken over by the government in 1953.

Ratan Tata, chairman emeritus of Tata Sons, said in a tweet, "The Tata Group winning the bid for Air India is great news! While admittedly it will take considerable effort to rebuild Air India, it will hopefully provide a very strong market opportunity to the Tata Group's presence in the aviation industry."

As part of its economic reforms agenda, the government pledged to offload more than a dozen loss-making government-run companies.

In January 2020, the government invited initial expressions of interest in the airline, which operates both domestic and international routes and has accumulated huge losses in the past decade. The government asked potential bidders to enter their bids in April this year.

On Friday, the government told reporters that Tata would absorb 153 billion rupees (\$2 billion) of the airline's more than 615 billion rupees (\$8.2 billion) debt burden.

The Tata group is a sprawling collection of nearly 100 companies that includes the country's largest automaker, the largest private steel company, and a leading outsourcing firm. The companies employ more than 350,000 people around the world. Tata bought Jaguar and Land Rover for \$2.3 billion from Ford in June 2008.

It also runs a budget airline, Air Asia India, in

## Coal stocks down to days India staring at power crisis

**NEW DELHI, Oct 10, (AP):** An energy crisis is looming over India as coal supplies grow perilously low, adding to challenges for a recovery in Asia's third largest economy after it was wracked by the pandemic.

Supplies across the majority of coal-fired power plants in India have dwindled to just days worth of stock.

Federal Power Minister R. K. Singh told the Indian Express newspaper this week that he was bracing for a "trying five to six months."

"I can't say I am secure ... With less than three days of stock, you can't be secure," Singh said.

The shortages have stoked fears of potential black-outs in parts of India, where 70% of power is generated from coal. Experts say the crunch could upset renewed efforts to ramp up manufacturing. Power cuts and shortages over the years have subsided in big cities, but are fairly common in some smaller towns.

Out of India's 135 coal plants, 108 were facing critically low stocks, with 28 of them down to just one day's worth of supply, according to power ministry data released on Wednesday, the most recently available.

On average, coal supplies at power plants had fallen to about four days worth of stock as of the weekend, the ministry said in a statement. That's a sharp plunge from 13 days in August. Power consumption in August jumped by nearly 20% from the same month

in 2019, before the pandemic struck, the power ministry said.

"Nobody expected economic growth to revive like this and for energy demand to shoot up so quickly," said Vibhuti Garg, an energy economist at the Institute for Energy Economics and Financial Analysis.

The shortfalls in supply were worsened by flooding of mines and other disruptions from unusually heavy rains, Garg said.

India mostly relies on domestically mined coal. With global coal prices at an all-time high, increasing imports is not an option, experts said. The government has asked state-run Coal India Ltd. to increase production.

Coal prices in Indonesia, one of India's suppliers, swelled to nearly \$162 per ton this month from \$86.68 in April, boosted by surging demand in China, where recent power cuts have forced factories to shut down and left some households in the dark.

"With the current prices, it is difficult for India to rely on external sources for coal as it's about two or three times more than what we pay domestically right now," said Swati DSouza, research lead at National Foundation for India.

With monsoon rains receding, coal deliveries have picked up and are likely to rise further, according to the power ministry. An official team is monitoring the situation and following up with Coal India Ltd. and the railways to improve supplies, the ministry said.

cooperation with Malaysian carrier Air Asia Berhad, and full-service carrier Vistara with Singapore Airlines.

Air India carried more than 18 million domestic passengers in 2019, and has suffered from overly bureaucratic management and political interference as privately owned low-cost carriers gained market share.

It has been incurring losses since its 2007 merger with a state-owned domestic carrier, Indian Airlines.

The new owner will be taking on a fleet of 121 Air India aircraft and 25 planes from its subsidiary Air India Express, which operates low-cost flights to more than 30 destinations in India, the Middle East and Southeast Asia.

## China, US officials hold meeting

**BEIJING, Oct 10, (AP):** China and the US held a virtual meeting on Saturday regarding the two countries' fraught trade relationship, after a lengthy break in negotiations.

China's top trade negotiator Liu He called US Trade Representative Katherine Tai to discuss the "Phase 1"

trade deal, negotiated under the Trump administration, along with other major economic concerns, according to a statement from China's Commerce Ministry.

Both sides "conducted pragmatic, candid and constructive exchanges" according to the statement.

## Weekly Money Market Report

10 October 2021



### US Nonfarm Payrolls Dissappoint by a Wide Margin

#### Highlights

- Following weeks of debate, US Senators voted to increase the nation's debt limit by \$480bn until December 3. The decision came just two weeks prior to a deadline that would have left the US unable to borrow.
- The US labor report provided disappointing data for the second month in a row. Nonfarm payrolls added just 194,000 jobs versus the 500,000 expected.
- In Canada, better than expected labor data brought the figure back to pre-pandemic levels. The Canadian dollar rallied 0.62% against the USD following the release.
- US crude inventories rose unexpectedly last week, prompting a slight retreat in oil prices.
- Stocks on Wall Street rose, while Treasury bond prices fell and the greenback was little changed.

#### United States

##### US Senate Votes to Extend \$28.4 trillion Debt Ceiling

In avoidance of a historical default, US senators voted 50-48 to temporarily increase the nation's debt limit by \$480bn until December 3. The bill was finally approved following weeks of partisan debates, and came less than two weeks before a deadline that would leave the US unable to borrow money or pay off loans for the first time ever. The bill now needs approval by the Democrat-held House of Representatives, and will be sent to President Joe Biden to be signed into law.

For months, Republicans had rejected the Democrats' appeals on raising the debt limit and pointed to the Biden administration's ambitious spending plans. However, earlier last week, the Senate's top Republican Mitch McConnell said his party would back the short-term extension even as many Republicans objected. Pressure was already mounting as Biden called for business leaders to voice their concerns. Meanwhile, Treasury Secretary Janet Yellen warned that the US government risked running out of money by October 18 if no deal was reached.

Wall Street rallied modestly on news of the agreement while the dollar ended the week mostly unchanged. Meanwhile, yields on the 2-year and 10-year Treasury bonds rose to end the week at 0.3198% and 1.6118% respectively. Nevertheless, the decision provides only temporary relief as Democrats and Republican lawmakers will still have to tackle the issue once again before the end of the year. Additionally, Biden's top domestic priorities are also in focus with an infrastructure plan worth nearly \$550 billion as well as a much more expansive, \$3.5 trillion effort focused on health, safety net programs and the environment.

##### Second Straight Month of Disappointing Labor Data

The US added fewer jobs than expected in September, complicating a critical decision by the Federal Reserve regarding scaling back monetary support before the end of the year. Nonfarm payrolls added just 194,000 jobs last month versus projections for a 500,000 rise, marking the smallest advance so far this year. The unemployment rate fell to 4.8%, though was partly reflecting a decline in labor force participation. Meanwhile, average hourly earnings advanced 0.6% in September, the strongest monthly advance since April, highlighting the attempt of companies to attract workers. Today, there are still 5 million more Americans unemployed compared to pre-pandemic levels. Nonetheless, reopening of schools and the end of expanded federal unemployment benefits should lead to a pickup in hiring in the coming months.

Still, the data risks not satisfying the Fed's criteria of "substantial further progress" for labor market improvement. Following last month's meeting, Fed Chair Jerome Powell noted that "a reasonably good

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employment report" for September would lead the bank to begin tapering asset purchases. This lead to wide spread expectations of a taper announcement for the next policy meeting in November, however the latest data creates uncertainty in this regard. Powell added that officials broadly support the stimulus program ending in the second half of 2022, however such decisions regarding tapering would not provide a "direct signal" about the timing of future interest rate increases.

#### Canada

##### Employment Returns to Pre-Pandemic Levels

According to Statistics Canada, the country added 157,100 jobs in September versus expectations of a 60,000 gain. This sent the unemployment rate lower to 6.9% in September from 7.1% in August, while the labor force participation rate improved slightly to 65.5% from 65.1%. The better than expected data reinforces the Bank of Canada's expectations of a strong rebound in the economy after contracting earlier this year due a third wave of Covid induced restrictions. The USD/CAD pair fell sharply on the back of the robust report alongside disappointing US labor data.

#### Commodities

##### Oil Prices Pull Back from 3-Year High

An unexpected rise in US crude inventories prompted a retreat in oil prices following recent robust gains that sent prices to multi-year highs. According to the US Energy Department, data last week revealed crude inventories rose by 2.3 million barrels last week versus expectations for a dip of 418,000 barrels. This sent Brent crude back down to the \$80 level, still gaining 3.65% for the week.

The latest surge in commodity prices sent Brent to a 2018 high of \$83.47 before easing. As of Friday, the global benchmark is up 56% year-to-date, adding to inflationary pressures that could slow the global recovery from the Covid-19 pandemic. Despite rising demand for energy alongside pressure by the US and other consumer nations to raise output, the Organization of the Petroleum Exporting Countries and allies stuck to their previous agreement of gradually adding supply to the market. According to the deal reached in July, the groups' decision entails raising production by 400,000 barrels a day in November - a figure representing less than 0.5% of world demand. Analysts believe the group has a more cautious view regarding demand even as many believe demand for oil will far outstrip supply in the months ahead.

#### Kuwait

##### Kuwaiti Dinar

USD/KWD closed last week at 0.30160.

##### Rates - 10<sup>th</sup> October, 2021

Currencies	Previous Week Levels				This Week's Expected Range		3-Month Forward
	Open	Low	High	Close	Minimum	Maximum	
EUR	1.1591	1.1527	1.1640	1.1567	1.1375	1.1660	1.1595
GBP	1.3545	1.3530	1.3655	1.3611	1.3410	1.3710	1.3617
JPY	111.03	110.81	112.25	112.22	111.20	114.15	112.16
CHF	0.9307	0.9229	0.9312	0.9271	0.9170	0.9470	0.9253

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# What is More Important: A Good Product or a Good After-Sales Service? Huawei combines both with HUAWEI Care in Kuwait

Are the technical specifications of an electronic device the only thing to consider when making a purchase? Although the specifications of any device have a significant impact on the user experience, they are not the only factor to be considered: In recent years, a growing percentage of shoppers started looking into the after-sale service too. As a result and in order to stand out in a fiercely competitive market, many brands are shifting their focus to service optimization as Post-Purchase Customer Experience becomes a priority

According to Kantar's BrandZ™ Most Valuable Global Brand Rankings for 2021, HUAWEI had its name listed again with the brand value increased by 29% year-on-year. What is HUAWEI's secret to consistently ranking high in global brand rankings? Aside from its cutting-edge technology and products, another factor that might be overlooked is HUAWEI's customer service and especially their after-sale service.

HUAWEI has been working hard to improve its customer service professionalism and friendliness all along, and has earned a reputation for providing high-quality services

with HUAWEI Care.

Customers expect their needs to be met, and they expect the brand to be customer-centric, that's why HUAWEI Care provides worry-free quality assurance and helps Huawei users extend the product service life, allowing them to keep their devices for a longer period of time. HUAWEI Care is now available in Kuwait, which is a fantastic news and customers who purchase HUAWEI Care through authorized sales channels are eligible for a warranty on their devices.

HUAWEI Care value-added service can also help users save money on repairs (in some cases, for free), while also ensuring that original parts are used and a quality warranty is provided. Devices will also be repaired by certified technicians at HUAWEI Customer Service Center.

**HUAWEI Care-Extended Warranty:** By extending the warranty on devices, HUAWEI Care-Extended Warranty can relieve users of the worry of high maintenance costs.

**HUAWEI Care-Screen Protection:** We rely on our smartphones for everything. Every now and then, our phone's screen

## HUAWEI Care

More Care, Less Worries

- Extended Warranty
- Screen Protection
- Accidental Damage Protection for Watch
- Loss Care for FreeBuds



may be damaged. Inadequate repair will result in a poor quality but also might compromise the device's performance. When users purchase HUAWEI Care-Screen Protection, the phone's screen will be replaced with the original screen one time for free if it is accidentally damaged (falling, compressing or crashing) as they may send their phone to an authorized service center to have it repaired, and shipping is free both ways.

\*The service excludes devices that have been soaked, bent, deformed,

or handled/disassembled by an unauthorized service provider.

### HUAWEI Care -Loss Care for FreeBuds

Earbuds are small and easy to use and sometimes they could be misplaced easily: That's why HUAWEI Care catered a special service if you are concerned about losing or damaging an earbud. When purchasing HUAWEI loss care for FreeBuds service, users get a new single earbud for half the price once a year if your earbud

was lost or damaged, and the new earbud comes with a 90-day warranty.

### HUAWEI Care-Accidental Damage Protection for Watch

HUAWEI has considered a number of scenarios in which a watch could be damaged (accidental colliding, dropping, squeezing or liquid ingress). If your watch is damaged, you only need to pay the service fee (which is not waived on service day) and it will be repaired once with original spare parts (the watch

strap not included).

Customers who are familiar with HUAWEI may be aware of the other premium services previously offered prior to the launch of HUAWEI Care, such as HUAWEI Battery Replacement (as low as 8 KD), and HUAWEI Service day

Huawei has built a close relationship with its customers over the years, and customers recognize Huawei even more because of that: Its longstanding customer service philosophy has been crystallized into HUAWEI Care, which represents an update to the brand's mutually beneficial relationship with its customers.

While Previously Huawei focused on repairing any damage that had already been caused, now preventive maintenance has become priority, with the goal of alleviating customer concerns about device repair. HUAWEI has constantly been growing and evolving, so did its commitment to providing a warm and excellent customer service.

\*The information provided above is subject to change based on the official website or the activities of HUAWEI Customer Service Center.