

In this file photo, wheels are attached as workers assemble a tractor at John Deere's Waterloo, Iowa assembly plant. (AP)



most Deere workers reject contract offer from tractor maker

The vast majority of United Auto Workers union members rejected a contract offer from Deere & Co. Sunday that would have delivered at least 5% raises to the workers who make John Deere tractors and other equipment.

"The tentative agreement reached by the UAW and John Deere was rejected this evening by a majority of 90% of the membership," UAW Vice Pres-

ident Chuck Browning said in a statement Sunday night.

Negotiators will return to the bargaining table Monday to try and work out a new deal to cover more than 10,000 workers at 14 plants across the United States. The union set a strike deadline of 11:59 p.m. Wednesday.

Officials at the Moline, Illinois-based company said operations will continue as

normal in the meantime. Brad Morris, vice president of labor relations for Deere, expressed disappointment that the offer was rejected.

"After weeks of negotiations, John Deere reached tentative agreements with the UAW that would have made the best wages and most comprehensive benefits in our industries significantly better for our employees," Morris said. "John

Deere remains fully committed to continuing the collective bargaining process in an effort to better understand our employees' viewpoints.

The proposed contract would have delivered immediate 5% raises for some workers and 6% raises for others depending on their positions within Deere's factories. The pact also called for 3% raises in 2023 and 2025. (AP)

Market Movements

11-10-2021

	Change	Closing pts		Change	Closing pts		
JAPAN	- Nikkei	+449.26	28,498.20	SAUDI	- Tadawul	-53.91	11,512.11
UK	- FTSE 100	+51.30	7,146.85	EUROPE	- Euro Stoxx 50	-0.77	4,072.52
EGYPT	- EGX 30	+51.82	10,714.78	UAE	- DFM	-3.45	2,770.08
PHILIPPINES	- PSEI	+217.15	7,124.01	PAKISTAN	- KSE 100	-647.88	43,829.35
INDIA	- Sensex	+76.72	60,135.78				
SINGAPORE	- Straits Times STI	+0.68	3,113.49				

Business

'Trio completely reshaped empirical work in the economic sciences'

3 US-based economists win Nobel for research on wages, jobs

STOCKHOLM, Oct 11, (AP) — A US-based economist won the Nobel prize for economics Monday for pioneering research that showed an increase in minimum wage does not lead to less hiring and immigrants do not lower pay for native-born workers, challenging commonly held ideas. Two others shared the award for creating a way to study these types of societal issues.

Canadian-born David Card of the University of California, Berkeley, was awarded half of the prize for his research on how minimum wage, immigration and education affect the labor market.

The other half was shared by Joshua Angrist from the Massachusetts Institute of Technology and Dutch-born Guido Imbens from Stanford University for their framework for studying issues that can't rely on traditional scientific methods.

The Royal Swedish Academy of Sciences said the three have "completely reshaped empirical work in the economic sciences."

In a study published in 1994, Card looked at what happened to jobs at Burger King, KFC, Wendy's and Roy Rogers when New Jersey raised its minimum wage from \$4.25 to \$5.05, using restaurants in bordering eastern Pennsylvania as the control - or comparison - group. Contrary to previous studies, he and his research partner Alan Krueger, who died in 2019, found that an increase in the minimum wage had no effect on the number of employees.

Card's minimum wage research fundamentally altered economists' views of such policies. As noted by the Economist magazine, in 1992 a survey of the American Economic Association's members found that 79% agreed that a minimum wage law increased unemployment among younger and lower-skilled workers. Those views were largely based on traditional economic views of supply and demand: If you raise the price of something, you get less of it.

By 2000, however, just 46% of the AEA's members said minimum wage laws increase unemployment, largely because of Card and Krueger's research. Their findings sparked interest in further research into why a higher minimum wouldn't reduce employment. One conclusion was that companies are able to pass on the cost of higher wages to customers by raising prices. In other cases, if a company was a major employer in a particular area, it may have been able to keep wages particularly low, so that it could afford to pay a higher minimum without cutting jobs. The higher pay would also attract more applicants, boosting labor supply.

Card also found that incomes of those who are native born workers can benefit from new immigrants, while immigrants who arrived earlier are the ones at risk of being negatively affected. To study the effect

of immigration on jobs, Card compared the labor market in Miami in the wake of Cuba's sudden decision to let people emigrate in 1980, leading 125,000 people to leave in what became known as the Mariel Boatlift. It resulted in a 7% increase in the city's workforce. By comparing the evolution of wages and employment in four other cities, Card discovered no negative effects for Miami residents with low levels of education. Follow-up work showed that increased immigration can have a positive impact on income for people born in the country.

Angrist and Imbens won their half of the award for working out the methodological issues that allow economists to draw solid conclusions about cause and effect even where they cannot carry out studies according to strict scientific methods.

Card's work on minimum wage was an example of a "natural experiment," or a study based on observation of real-world data. The problem with such experiments is that it can sometimes be difficult to isolate cause and effect. For example, if you want to figure out whether an extra year of education will increase a person's income, you can simply compare the incomes of adults with one more year of schooling to those without.

Yet there are many other factors that may determine whether those who got an extra year of schooling are able to make more money. Perhaps they are harder workers or more diligent and would have made more money than those without the extra year even if they did not stay in school. These kinds of issues cause economists and other social science researchers to say "correlation doesn't prove causation."

Imbens and Angrist, however, developed statistical methods to get around these challenges and determine more precisely what can actually be said about the causes and effects of natural experiments.

"I was just absolutely stunned then to get a telephone call," Imbens said from his home in Massachusetts. "And then I was just absolutely thrilled to hear the news ... that I got to share this with Josh Angrist and David Card," whom he called "both very good friends of mine." Imbens said Angrist was best man at his wedding.

Krueger, who worked with Card on some of the research that won the Nobel, died in 2019 at 58. He taught at Princeton for three decades and was chief Labor Department economist under then-President Bill Clinton. He served in the Treasury Department under then-President Barack Obama, then as Obama's chairman of the Council of Economic Advisers. Nobel prizes are not awarded posthumously.

The award comes with a gold medal and 10 million Swedish kronor (over \$1.14 million).

EKONOMIPRISET 2021
THE PRIZE IN ECONOMIC SCIENCES 2021

David Card, USA
"for his empirical contributions to labour economics"

Joshua D. Angrist, USA
"for their methodological contributions to the analysis of causal relationships"

Guido W. Imbens, USA
"for their methodological contributions to the analysis of causal relationships"

From left, on the screen are the winners of the 2021 Nobel prize for economics; David Card of the University of California at Berkeley; Joshua Angrist from the Massachusetts Institute of Technology; and Guido Imbens from Stanford University, announced during a press conference at the Royal Swedish Academy of Sciences, in Stockholm, Sweden, Monday, Oct 11, 2021. (AP)

Shortages, shipping, shutdowns hit 'manufacturers' across Asia

Automakers and producers of IT products hardest hit sectors

BEIJING, Oct 11, (AP) — Shortages of power, computer chips and other parts, soaring shipping costs and shutdowns of factories to battle the pandemic are taking a toll on Asian economies.

Data released showed Japan's factory output slowed while China's manufacturing outlook weakened.

Japan's Suzuki Motor Corp. became the latest automaker to idle produc-

tion lines for a few extra days due to shortfalls in components.

While Japan and some other countries are beginning to ease out of emergency measures to curb the spread of the coronavirus, others are having to reimpose such precautions, adding to uncertainty over the outlook for regional and global growth.

Factory output in Japan fell in August by 3.2% from the month before, as pandemic-related shutdowns hit manufacturers across Asia. That followed a 1.5% decline in July.

Automakers and producers of IT products and other electrical machinery were the hardest hit, the government reported.

Suzuki said it expected to suspend operations at a factory in central Japan for an extra three days and to do the same two days at another factory.

Other automakers also have slowed operations, citing shortages of computer chips and other parts.

Retail sales fell a much worse than expected 4.1% from a month earlier due to weak demand for clothing and appliances.

While there are signs of improvement in some parts of Asia, "fresh peaks for new daily cases in some countries and relatively slow progress in vaccination rollouts in Southeast Asia mean the risks of semiconductor and other component shortages could persist for an extended period," Harumi Taguchi of IHS Markit said in a commentary.

In another sign of slowing activity, an official survey of factory managers showed Chinese manufacturing slowing in August.

The manufacturing purchasing managers index, or PMI, fell from 50.1 in August to 49.6 in September on a 0-100 scale where 50 marks the break between expansion and contraction.

The survey was conducted before power shortages began causing factories in some parts of China to begin suspending operations.

The weakest readings were in energy intensive areas such as chemicals and metals, Julian Evans-Pritchard of Capital Economics said in a report.

"Respondents to the surveys noted that material shortages and transportation delays were still holding back output," he said.

Surging demand for computers and other equipment for remote work has strained supplies of the microchips that run them.

Shortages of shipping containers and occasional shutdowns of ports due to COVID-19 outbreaks also have caused bottlenecks throughout global supply chains.

"Chinese and South-east Asian ports are still suffering the consequences of those earlier closures, with record queues of ships waiting to unload," Rabobank said in a report on the shipping industry.

It estimated that 10% of global container capacity was waiting offshore for unloading.



In this file photo, workers watch as a truck passes by stacks of shipping containers at a port in Yingkou in northeastern China's Liaoning Province. (AP)

Enabling customers to conduct their transactions by themselves 24/7

NBK Opens Its Newest Advanced Self-service Branch at Khairan Square

Al-Othman: The branch is considered a revolution to the traditional branches concept

As part of its continuous efforts to provide the most advanced, top-notch banking services, National Bank of Kuwait (NBK) announced the opening of its newest advanced self-service branch at Khairan Square, which features exceptional banking services and solutions that enable customers to conduct all their transactions quickly and easily, using state-of-the-art interactive devices.

NBK Customers will be able to conduct their transactions by themselves 24/7, as the branch embraces ATM, CDM and ITM. In addition, the bank is offering a conference room for customers to meet with officers, through NBK Mobile Banking, NBK Call Center, or by scanning the QR code at the branch and booking an appointment, from 10 am to 10 pm, all week round.

The new branch also features screens displaying all new and revamped services, and available offers, as well as meeting spaces all encompassed in a modern design to ensure customer convenience and a unique banking experience.

The new branch underscores NBK's care to ensure customers' convenience while conducting their banking transactions; starting from the design embracing the latest technologies, and the display screens available all over the branch.



On this occasion, Mr. Mohamed Al-Othman, GM - Consumer Banking Group at National Bank of Kuwait said: "The new branch reflects our keenness to provide top-notch and exceptional banking services to our customers to ensure offering them banking solutions that are on par with the latest international standards. This comes in line with our efforts to implement the Group's digital transformation roadmap, which aims to strengthen our position as a leading provider of digital banking services."

Khairan Square Branch located

in Khairan, in conjunction with The Grand Avenues Branch, are considered as a revolution to the concept of traditional banking branches. Starting from the design and the mechanism of providing interactive services and adopting state-of-the-art technological solutions, these branches represent a qualitative leap in the way of providing banking services and a milestone in our digital evolution journey, he added.

Al-Othman highlighted that NBK strives to provide the utmost benefit



Mohammed Al-Othman

to its customers through its strategy aiming to create integration between its branch network covering all areas in Kuwait, and its advanced digital offerings. This comes in line with its digital transformation roadmap, which opens the way to offer customers a wider spectrum of products and services.

NBK continues to strengthen its leading position in the banking sector, boasting the largest domestic banking network in Kuwait with 68 branches all over Kuwait, in addition to a large POS network exceeding 15,000 terminals, including the largest market share of NFC-enabled POS terminals in Kuwait. In addition, NBK has the largest owned ATM network comprising 355 ATMs, including more than 116 CDMs.