

Travelers wearing face masks line up to check in for an American Airlines flight to Los Angeles at Beijing Capital International Airport in Beijing, Thursday, Jan. 30, 2020. (AP)



US airlines say China is forcing them to cancel some flights

U.S. airlines say China has blocked more than a dozen recent and future flights from entering the country, which has been tightening already-strict COVID-19 travel restrictions. China ordered the cancellations after some passengers tested positive for COVID-19 on flights that arrived in China in late December, according to industry officials. American Airlines said Tuesday that six of its flights from Dallas-Fort Worth to Shanghai in late January and early February have been canceled. United Airlines

said it was forced to cancel six flights from San Francisco to Shanghai later this month. Delta Air Lines said it canceled one flight last week and another this Friday to Shanghai. Airlines for America, which represents the largest U.S. passenger and cargo carriers, said it was discussing the matter with U.S. and Chinese government officials to find ways to minimize the impact on travelers. The Biden administration had no immediate comment.

The blocking of flights is the latest development in a dispute between the two countries over international flights and rules designed to prevent the spread of the coronavirus. China has been ratcheting up travel restrictions after recent outbreaks of COVID-19 as it prepares to host the Winter Olympics in early February. China limits capacity on inbound flights - currently to 75% - and requires passengers to be tested before departure and after arriving in the country. (AP)

Market Movements

13-01-2022

		Change	Closing pts			Change	Closing pts
SAUDI	- Tadawul	+121.93	12,079.01	EUROPE	- Euro Stoxx 50	-0.49	4,315.90
UK	- FTSE 100	+12.13	7,563.85	JAPAN	- Nikkei	-276.53	24,489.13
UAE	- DFM	+6.46	3,214.60	EGYPT	- EGX 30	-47.69	12,012.31
PHILIPPINES	- PSEi	+92.62	7,307.75	PAKISTAN	- KSE 100	-153.05	45,763.20
INDIA	- Sensex	+85.26	61,235.30				
SINGAPORE	- Straits Times STI	+2.32	3,257.30				

Business

Growth held back by ongoing supply-chain disruptions and labor shortages

Fed survey finds economy growing modestly despite COVID

WASHINGTON, Jan. 13, (AP) - The Federal Reserve has said that the economy was growing at a modest pace at the end of 2021 but was still being held back by ongoing supply-chain disruptions and labor shortages.

In its latest survey of business conditions around the country, the Fed said its 12 regional banks found that the economy was continuing to grow. But many regions reported a sudden pullback in spending on leisure travel, hotels and restaurants because of the rapid spread of the omicron variant of the coronavirus.

"Although optimism remained high generally, several districts cited reports from businesses that expectations for growth over the next several months cooled somewhat during the last few weeks of 2021, a period when COVID cases were rising sharply."

Of the Fed's 12 districts, only one, Dallas, reported "robust" growth in the closing weeks of 2021. But even in that district, Fed officials noted that "uncertainty increased amid a new surge in COVID-19 cases and concern that labor and supply-chain shortages will persist well into 2022."

At the opposite extreme, the Fed's New York district reported an economy growing at only a subdued pace, held back by "intensifying supply disruptions, labor shortages and the omicron outbreak."

The other 10 Fed districts generally reported modest to moderate growth with many citing threats posed by the rise in COVID cases.

Kathy Bostjancic, senior economist at Oxford Economics, said that the beige book showed "companies cited strong demand for workers but great difficulty in finding available labor."

She said this severe tightness in the labor market was driving robust wage growth nationwide and, while pay increases were strongest for low-skill workers, wage gains were starting to spread to higher-skill levels.

The Fed survey found that some districts were reporting that price increases were starting to decelerate somewhat but many business contacts still reported high costs associated with ongoing supply chain disruptions.

The Fed survey, known as the beige book, will form the basis for discussions when the central bank holds its next meeting on Jan. 25-26.

In testimony Tuesday at his confirmation hearing for a new four-year term leading the central bank, Fed Chair Jerome Powell warned that high



Federal Reserve Board Chairman Jerome Powell testifies during his re-nominations hearing before the Senate Banking, Housing and Urban Affairs Committee, Tuesday, Jan. 11, 2022, on Capitol Hill in Washington. The Federal Reserve says the economy was growing at a modest pace at the end of 2021 but was still being held back by ongoing supply-chain disruptions and labor shortages. In its latest survey of business conditions around the country, the Fed said its 12 regional banks found that the economy was continuing to grow. (AP)

US wholesale prices jump 9.7%, set record for 2021

Jobless claims rise by 23,000 to 230,000

WASHINGTON, Jan. 13, (AP) - Prices at the wholesale level surged by a record 9.7% for all of 2021, setting an annual record and providing further evidence that inflation is still present at all levels of the U.S. economy.

The Labor Department reported Thursday that its producer price index, which measures inflation before it reaches consumers, did slow on a monthly basis rising just rose 0.2% in December compared to November, when prices had shot up 1%.

The 12-month increase in wholesale inflation of 9.7% was also lower than a revised 9.8% increase for the 12 months ending in November. However, the government uses the December to December change for the yearly increase and on that basis the 9.7% rise was the fastest annual jump on record, far above the 0.8% increase in 2020 and the 1.4% rise in 2019.

Thursday's report came a day after the government reported that consumer inflation jumped 7% in December from a year earlier, the highest such inflation rate since 1982.

The price increases at both the wholesale and retail levels have been attributed in large part to snarled supply chains at a time of surging demand. President Joe Biden's approval ratings on the economy have taken a hit because of the surge in prices, especially for consumer necessities like food and energy.

In a separate report, the number of Americans applying for unemployment benefits rose last week to the highest level since mid-November, but still low by historic standards. U.S. jobless claims climbed by

23,000 last week to 230,000, the Department of Labor said Thursday. The four-week moving average, which smooths out week-to-week blips, rose nearly 6,300 to almost 211,000.

The weekly applications, a proxy for layoffs, have risen in four of the last five weeks, a period that runs in tandem with the spread of the omicron variant. Yet the jobs market has bounced back strongly from last year's coronavirus recession. Jobless claims had fallen mostly steadily for about a year and they dipped below the pre-pandemic average of around 220,000 a week.

"The rise in claims likely reflects an increase in layoffs due to the surge in COVID cases," said economists Nancy Vanden Houten and Kathy Bostjancic of Oxford Economics. "Claims may remain elevated in the near term, but we expect initial claims will gravitate back to the 200k level once the omicron wave passes. Encouragingly, there are indications that cases from the

omicron variant are peaking." Altogether, 1.6 million people were collecting jobless aid the week that ended Jan. 1.

Companies are holding onto workers at a time when it's difficult to find replacements. Employers posted 10.6 million job openings in November, the fifth-highest monthly total in records going back to 2000. A record 4.5 million workers quit their jobs in November - a sign that they are confident enough to look something better.

The job market has bounced back from last year's brief but intense coronavirus recession. When COVID-19 hit, governments ordered lockdowns, consumers hunkered down at home and many businesses closed or cut back hours. Employers slashed millions of jobs in March and April 2020, and the unemployment rate rocketed to 14.7%.

But massive government spending - and eventually the rollout of vaccines - brought the economy back.



Treasury Secretary Janet Yellen speaks to lawmakers during a House Committee on Financial Services hearing on Capitol Hill in Washington, Wednesday, Dec. 1, 2021. The Treasury Department reported, Wednesday, Jan. 12, 2022 that the December deficit of \$21.3 billion was the smallest monthly deficit since a \$13 billion shortfall in December 2019. (AP)

FTC's 'antitrust case' against Facebook can proceed: judge

WASHINGTON, Jan. 13, (AP) - A federal judge has ruled that the Federal Trade Commission's revised antitrust suit against Meta, formerly known as Facebook, can proceed, shutting down the social media company's request for a dismissal.

In a revised complaint filed last August, the FTC argues that the company pursued a "buy or bury" strategy against rivals to suppress competition.

This is the FTC's second antitrust run at the company. A federal judge in June dismissed antitrust lawsuits brought against Facebook by the agency and a broad coalition of state attorneys general that were among multiplying efforts by federal and state regulators to rein in tech titans' market power.

The FTC is seeking remedies that could include a forced spinoff

of Facebook's popular Instagram and WhatsApp messaging services, or a restructuring of the company.

U.S. District Judge James Boasberg, who in June ruled that the FTC's original lawsuit was "legally insufficient" and didn't provide enough evidence to prove that Facebook was a monopoly, said in Tuesday's ruling that the first complaint "stumbled out of the starting blocks."

But he added that, though the "core theory" of the lawsuit - that Facebook is a monopoly engaging in anticompetitive behavior - remains unchanged, the facts alleged this time around are "far more robust and detailed than before."

Meta said in an emailed statement it is "confident the evidence will reveal the fundamental weakness of the claims."

inflation could make it harder to restore the job market to full health.

At the Fed's last meeting in December, Powell said the central bank was accelerating its efforts to tighten credit, with the goal of restraining inflation before surging prices became entrenched.

His comments came as U.S. households are under pressure from rising prices for food, gas, rent and many other items. The government reported Wednesday that consumer prices rose 7% over the past 12 months, the fastest pace since 1982.

Govt spending slows

US posts smallest monthly deficit in 2 yrs in December

WASHINGTON, Jan. 13, (AP) - The federal government last month posted its smallest monthly budget deficit in two years thanks to a rebounding economy that helped boost tax receipts, coupled with slower spending as some COVID relief programs ended.

The Treasury Department reported Wednesday that the December deficit of \$21.3 billion was the smallest monthly deficit since a \$13 billion shortfall in December 2019. That was before the COVID pandemic hit in the U.S. and pushed millions of people out of work and sent the economy into a short but steep recession.

For the first three months of this budget year, which began on Oct. 1, the government has recorded a deficit of \$377.7 billion. That's 30.1% below the shortfall run up during the same period a year ago when the government was still spending trillions of dollars to keep the economy from falling into an even deeper funk.

Many of those government support programs have now ended or are being tapped less as more people get back to work.

In the October-December period, government revenues were up 30.1% compared to the same period a year ago. Tax revenues from individuals and corporations were both up by solid amounts, reflecting an economy growing this year at the fastest pace since the mid-1980s.

Government spending during that period rose by a much smaller 3.8% compared to the same period a year ago to \$1.43 trillion. The government outlays and tax receipts, which totaled \$1.05 trillion, were both records for the first three months of a budget year.

The December deficit of \$21.3 billion compared to a deficit in December 2020 of \$143.6 billion. There would have actually been a surplus last month if not for calendar quirks that required some government benefit payments for January to be paid in December.

The deficit for the 2021 budget year that ended in September was \$2.78 trillion, the second highest in history. That followed a record \$3.13 trillion deficit in the 2020 budget year, reflecting the massive government spending that occurred because of the COVID pandemic.

Economists believe that with the COVID spending winding down, this year's deficit will be about half the size of the 2021 shortfall.

Oxford Economics is projecting a deficit of \$1.40 trillion this year. Nancy Vanden Houten, an economist with the firm, said that figure is \$70 billion higher than what she was forecasting in December, an increase that reflects the fact that Oxford Economics now expects the economy in 2022 to grow at a slower pace of around 4%, as measured by the gross domestic product.

That would be down from a December GDP forecast of 4.4% for 2022. Many economists have been lowering their growth forecasts for this year to reflect the surge in COVID cases in recent weeks.

Launched 13 years ago to embody the bank's strategy for recruiting national talent

NBK Academy Celebrates the Graduation of the 25th Batch

Najla Al-Sager: The Academy is one of the initiatives we are proud of, aiming to qualify professional national banking leaders



National Bank of Kuwait (NBK) Academy celebrated the graduation of the 25th batch, the 2nd in 2021, of newly hired employees who successfully met admission criteria for this intensive course, specially designed for fresh Kuwaiti university graduates.

The graduation ceremony was attended by Mr. Emad Al-Ablani, GM - Group Human Resources and Najla Al-Sager, Head of Talent Management, Group Human Resources at National Bank of Kuwait, subject to all precautionary measures taken by the bank against coronavirus.

The Academy's training program, which lasted for four months, hosted 13 participants and covered various areas of the banking business, such as banking principles, risk

management, financial accounting, marketing, negotiation, consumer and commercial lending, as well as training on creativity, innovation and design thinking. Various blended learning interventions occurred through in person and virtual courses. Furthermore, their development continues through eLearning after the academy ends.

On this occasion, Najla Al-Sager, Head of Talent Management, Group Human Resources at National Bank of Kuwait, said: "NBK Academy is one of the initiatives we are proud of, aiming to qualify professional national banking leaders."

NBK pays great attention to enhancing the skills of its employees, harnessing all its capabilities to contribute to

their career development by providing training and development programs in cooperation with the most prestigious educational institutions, she added.

Al-Sager emphasized that NBK's strategy to develop its human cadres is placed at the heart of its strategic plans, due to its belief that an efficient work team guarantees the provision of high-quality banking services of all kinds, and across the different markets, the bank operates in.

Launched 13 years ago, NBK Academy embodies the bank's strategy to recruit fresh graduate national talents as well as develop and qualify them to work in the banking sector.

It is worth mentioning that the program content is regularly enhanced to keep

pace with the latest international researches and studies related to the banking sector and administrative sciences.

The Academy reflects NBK's vision to support sustainable human capital development as one of its top strategic priorities and a shared responsibility between the various governmental institutions and the private sector.

NBK Academy was launched in 2008 with a view to pave the way for fresh Kuwaiti graduates to join the banking services sector. The Academy provides graduates with the best training programs developed in cooperation with leading international institutions and universities to meet the demands of the labor market.