

Business

Volkswagen faces first mammoth diesel lawsuit on its home turf

Germany's largest post-war industrial scandal erupted 4 years ago

BRAUNSCHWEIG, Germany: A case pitting hundreds of thousands of owners of manipulated diesel cars demanding compensation opened against German car behemoth Volkswagen yesterday, four years after the country's largest post-war industrial scandal erupted.

Around 450,000 people have joined a first-of-its-kind grouped proceeding, introduced by lawmakers after the "dieselgate" emissions cheating scandal broke in 2015.

The first hearing in what is likely to be a grinding, years-long trial began at 10 am (0800 GMT) in Brunswick, around 30 kilometres (19 miles) from VW headquarters in the northern city of Wolfsburg. The second is planned for November 18. Consumer rights group VZBV, representing the plaintiffs, says the German carmaker deliberately harmed buyers by installing motor control software that allowed vehicles to pollute far more on the road than under lab conditions.

"I would like Volkswagen to reimburse the purchase price" said Andreas Sarcletti, a customer who had made the trip from nearby Hanover, "but I'm worried the trial is going to last a very long time."

Uwe Reinicke, who bought a manipulated vehicle in 2011, said "I don't think it's right, the way Volkswagen treated us." "VW ought to finally, properly admit that they lied," he added.

The trial is Germany's largest so far in the tentacular diesel scandal, which last week saw VW chief executive Herbert Diess charged with market manipulation over his role.

50 questions for judges

"Several regional tribunals have already found against Volkswagen" and granted plaintiffs compensation, judge Michael Neef noted as the proceedings opened. Alongside the grouped proceeding, 61,000 individual lawsuits have been filed in Germany, but Brunswick may not follow those earlier rulings.

Of the around 50 questions about the case

judges must decide on, whether Volkswagen "caused harm" by acting "dishonestly" will be "one of the central, difficult questions," Neef added. "We're confident of our chances, since Volkswagen committed fraud," VZBV lawyer Ralph Sauer told AFP ahead of the hearing.

VW lawyer Martine de Lind van Wijngaarden countered that there was "no harm and no basis to this claim" because "hundreds of thousands of cars are used" on the roads without problem. Judges said that even if they find there was harm, the amount diesel owners receive in compensation would be based on the present-day market value—not the original purchase price.

Every owner registered in the trial will have to claim individually, even if the plaintiffs were to win the case. VW thinks a final judgement could arrive in 2023 at the earliest, if the case is appealed all the way to the Federal Court of Justice. Individual proceedings could then take at least another year—in the court of first instance.

By then, the cars' market value will have further eroded, making a buyback cheaper for the firm.

Instead, the judges mentioned the possibility of a settlement, while allowing that such talks "would not be easy" given duplicates and foreign residents on the list of plaintiffs.

The VZBV says it is "open" to an out-of-court settlement but "in that case, VW would have to pay a significant sum after all," Mueller said. VW for its part finds a mass settlement "hard to imagine".

30 billion euros

Since 2015, when Volkswagen admitted to manipulating 11 million vehicles worldwide to fool emissions tests, the scandal has cost the group over 30 billion euros (\$33 billion) in fines, compensation and legal costs. Most of that sum — \$22 billion—has gone to the US, while in Germany VW has so far paid just 2.3 billion euros spread across three fines.

Alongside car owners, investors are claiming



BRAUNSCHWEIG: Prosecution lawyer Ralph Sauer (left) of the Federation of German Consumer Organisations (VZBV) discusses with Volkswagen's defending lawyers Martina de Lind van Wijngaarden (center) and Patrick Schroeder (right) at the Stadthalle venue on the first day of the model case proceedings in Germany against German car maker Volkswagen (VW) over its cheating in emissions tests involving millions of diesel cars, yesterday in Braunschweig, northern Germany. —AFP

damages for losses they suffered when the group's share price plummeted after it came clean. And earlier this week, chief executive Herbert Diess and supervisory board chief Hans Dieter Poetsch were charged with market manipulation.

Former chief executive Martin Winterkorn, who stepped down over the scandal, has been also charged with fraud. Away from the legal battlegrounds, "dieselgate" has sped up the fuel's decline from its status as lower-carbon alternative to petrol, favored with government subsidies. In Germany, its

market share among new registrations has fallen from 46 to 33 percent. Car bans are also looming in some city centres because of the level of nitrogen oxides (NOx) emissions.

The diesel scandal is "part of the group's history" just like the famous Beetle and Golf models, says VW brand chief Ralf Brandstaetter. "The diesel crisis was a catalyst for our transformation," Brandstaetter told AFP in a recent interview, pointing to VW's 30 billion euro investment in a new electric range to "regain society's respect". —AFP

Warba Bank announces winners of Al-Sunbula draws

KUWAIT: Warba Bank, "the Best Investment Bank" and "Best Corporate Bank" in Kuwait, held its weekly Sunbula draw number 37. The draws announced the 8 lucky winners in the presence of representatives from the Ministry of Commerce and Industry and bank officials. The bank proudly announced the weekly draw number 37 and five lucky winners of KD 1000 prize: Ahmad Salah Naser Al-Mesbah, Mohammad Naser Meshaab Al-Mutairi, Molla Samran Motlaq Al-Azmi, Abdullah Hussain Johar Ali and Ghazi Obaid Merdhi Al-Enezi.

Al-Sunbula both account and fixed deposits are the perfect choices for customers who wish to save money and achieve steady returns while at the same time have the opportunity to win cash prizes throughout the year. In line with the bank's mission to develop and differentiate its offerings, Warba Bank has enhanced its Sunbula campaign for 2019 with more cash and prizes reaching more than KD 1 million. Warba Bank will continue its weekly draws for five winners of KD 1,000 each. What's new in 2019 are the "Mega Draws" which will be held every quarter to reveal five winners, the 1st winner will get KD 100,000! The four winners thereafter will each get the latest Land Cruiser VXR. Furthermore, the final mega draw held in January 2020 will feature 2 more Land Cruiser VXRs!

As for the chances for winning, each customer is eligible to enter the draw against each KD 10 in the Sunbula Account. Nevertheless, Sunbula Fixed Deposit investors also get chances in the Sunbula draws along with high expected returns that reach up to 3.5 percent distributed either monthly or at maturity upon the customer's preference.

Furthermore, Warba Bank is leveraging on its Customer Onboarding solution, in line with its ambitious five-year strategy that enables non-Warba Bank customers to request the opening of Al-Sunbula account in a simple electronic manner without having to visit the branch, through 5 simple steps in 5 minutes. New customers will be able to request opening the account at anytime, anywhere, through the new and unique electronic system used to implement this service. Representatives will then contact the customer to determine the appropriate time to visit the branch to get required signatures, verify the customer's identity, deliver his/her debit card, and activate the account.

ZEE5 Global wins 'Digital Content Service of The Year'

DUBAI: ZEE5 Global, the largest entertainment platform for Indian content, has been crowned Digital Content Service of The Year at the 2019 Telecoms World Middle East Awards in Dubai. The 'Digital Content Service of The Year' award recognizes OTT platforms, content providers or broadcasters in the region who have set themselves apart in a hyper-competitive industry. The award was received by Archana Anand, Chief Business Officer, ZEE5 Global from a panel of judges at a ceremony held at The Conrad Hotel, Dubai on 24th September.

As the largest and most comprehensive OTT platform for Indian content worldwide, ZEE5 Global is well loved by not only Indians and South Asians across the Middle East but also the local population that loves Bollywood movies. Its content library includes over 2000 movies including latest Bollywood blockbusters as well as TV Shows, exclusive Originals, 60+ Live TV channels and more, across 17 languages, making it a truly unparalleled global offering. A freemium proposition, ZEE5 Global has

been extremely aggressive in the Middle East market. The platform has already partnered with key players in the region to enable users to seamlessly access the premium content via telco billing and also built key offline retail partnerships with LuLu and Eurostar. ZEE5 Global has also recently partnered with Jalesh Cruises.

Amit Goenka, CEO, ZEE International and ZEE5 Global said "As we expand across the globe, we are deeply committed to offering a highly localized entertainment experience for our audiences across key markets. The Middle East is one of the most dynamic and competitive regions in the world, and we are extremely happy to have been recognized for our performance here."

Archana Anand, Chief Business Officer, ZEE5 Global said, "We are thrilled to receive this recognition within the first year of our presence in global markets. Telecoms World Middle East is a highly coveted platform and we are glad that our efforts and ambitions especially in an important market like the Middle East are being recognized. Through a strong tech backbone, key ecosystem partnerships, high quality content including a huge library of Bollywood movies, and well-defined audience strategies, this win further fuels our drive to deliver the best entertainment experience to our global audiences."

The ZEE5 app can be downloaded from the Google Play Store or iOS App Store. The app is also available on Samsung Smart TVs, Apple TVs, Android TVs and Amazon Fire TV.



SMEs must harness strengths of their logistics providers

KUWAIT: Contributing more than 22 percent to the GCC's GDP, small and medium enterprises (SMEs) are collectively creating new business opportunities and shaping the economy, whilst fast-tracking structural changes. In Kuwait, SMEs currently contribute three percent to the country's GDP. A \$6.5 billion National Fund seeks to drive growth in the sector by providing start-up capital and increasing mentorship. To sustain this momentum, SMEs need to stay on top of new platforms and advancements to retain their competitive edge and continue reaching a global audience. At a time when global trade has never been more accessible to smaller businesses, the success and realization of growth opportunities within the SME sector can be achieved by aspiring to enable seamless trade flows and customer service, alongside managing financial cash flow requirements, foreign currency reserves and customs clearance more efficiently. This is in addition to building an understanding of regulations and overcoming barriers such as language and cultural gaps.

To be able to grow and expand into new markets, SMEs should focus on marketing their strengths, leaving infrastructure and delivery of products to specialists. For the modern consumer today, deciding

factors for choosing a brand goes beyond product features, with purchase decisions often influenced by delivery times, the availability of package information, and a seamless return or exchange process. Technology and operational aspects aside, these businesses are ultimately driven by people; people who are the end-users of the products and services. Therefore, we encourage business owners to develop a keen understanding of the export market and gain an overview of local standards and the business environment. Digitization has helped the logistics industry, who in turn support companies with online tools which can help manage customs and manage documentation online, boosting transparency and eliminating guesswork. Services such as calculating duties and taxes, paperwork support, and streamlining cross-border returns are capabilities now embedded within logistics service providers.

Your logistics provider can assist you with improving customer experience and managing costs, in addition to managing the challenges of cross border trading and delivering your products on time. Your logistics provider can also support you with the flexibility to scale your business without hiring additional staff, buying a fleet of vehicles or being involved with long-term building leases. Working as partners, business owners can collaborate with logistics providers to build a solid integrated supply chain, opening access to new markets and boosting revenue streams. Going one step further, they can even provide value-added suggestions and identify gaps that businesses don't necessarily have visibility in. SMEs across the world are mostly optimistic about the prospect of exporting despite perceived barriers.

Findings from a specially commissioned global research study by FedEx Express4 indicate that SMEs in Latin America, the Caribbean, the Middle East, the Indian subcontinent and African regions are particularly bullish: approximately 70 percent see themselves doing international business and enjoying higher international revenues by the end of the decade. At FedEx, we believe in the power of our global networks to connect people and possibilities around the world. In our experience, a strong national SME sector that has opportunities



Jack Muhs

for growth into new markets, and reaching new customers not only helps those businesses prosper, but enables communities to flourish, and people to thrive. In short, a growing SME sector makes the world a better place for everyone involved. My personal recommendation to businesses is to progress at a pace that suits them, and not feel pressured to go international before they are truly ready. Also, invest time in understanding your supply chain, work with your logistics provider to understand the real-world costs of delays and what the actual timelines might be. This will help you plan your business better.

Gulf Bank announces winners of Al-Danah weekly draw

KUWAIT: Gulf Bank held its weekly draw on 29th September 2019 announcing the names of the winners for the week of 22-26 September 2019. The weekly draw consists of five winners who receive

KD 1,000 each, every week.

The winners this week are:
Nazih Abdulhameed
Ali Reda Fathallah Gholamy
Taleb Hussain Alsaraf
Bader Erkhayes Albadri
Abdullah Menkhi Khalaf Alfadhli

Gulf Bank's final Al-Danah draw for KD 1,000,000, will be held on 16 January 2020, where the Al-Danah millionaire will be announced at a live event.

Gulf Bank encourages customers to increase their

chances of winning with Al-Danah by depositing more into their Gulf Bank accounts using the new ePay (Self-Pay) service, which is available on Gulf Bank's online and mobile banking services.

Al-Danah offers a number of unique services to customers, including the Al-Danah Deposit Only ATM card, which allows account holders to deposit money into their accounts at their convenience. Account holders can also calculate their chances of winning the draws through the 'Al-Danah Chances' calculator available on the Gulf Bank website and app.