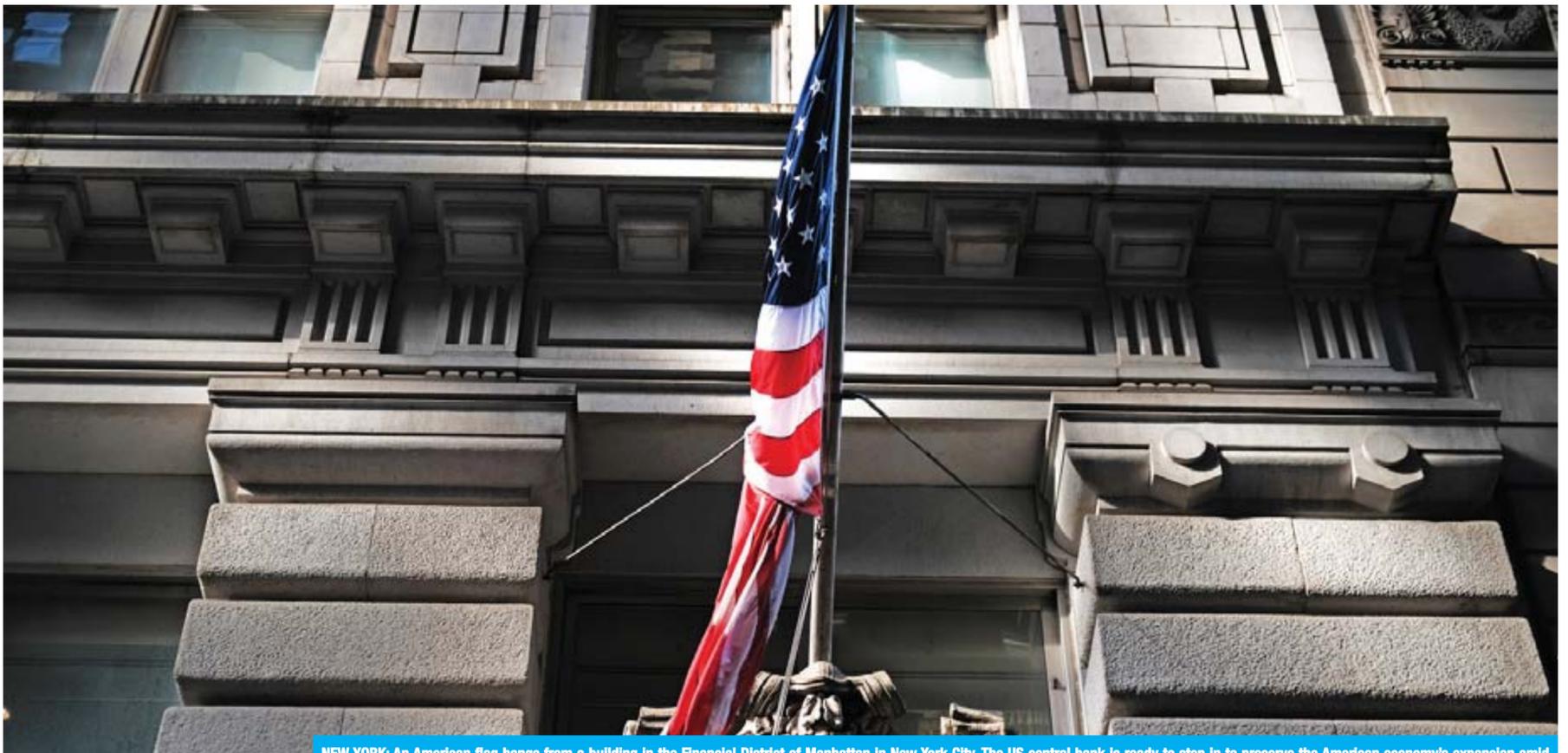


Business

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NEW YORK: An American flag hangs from a building in the Financial District of Manhattan in New York City. The US central bank is ready to step in to preserve the American economy's expansion amid mounting risks, Federal Reserve Chairman Jerome Powell said Friday. — AFP

Fed could step in to sustain growth: Powell

US job creation cools in Aug as Trump hammers Fed

ZURICH: The US central bank is ready to step in to preserve the American economy's expansion amid mounting risks, Federal Reserve Chairman Jerome Powell said Friday. While the Fed is not expecting a recession, trade frictions—as well as slower global growth and persistently low inflation—are among the “significant risks” that policymakers are watching, Powell said during a conversation at the University of Zurich.

The remarks should strengthen widespread expectations that the central bank will cut interest rates later this month. As it becomes increasingly apparent that the US economy has slowed in 2019, President Donald Trump has publicly berated Powell and the Fed for failing to loosen monetary policy fast enough—something Powell said Friday policymakers tune out.

“We see the most likely case for the US and for the world too as continued moderate growth,” Powell said. “We’re not forecasting or expecting a recession.” He added that the Fed will “continue to act as appropriate to sustain this expansion,” while “trade policy uncertainty will be weighing on business investment decisions.” Powell’s remarks echoed those made earlier this week by New York Fed President John Williams, the vice chair of the central bank’s monetary policy committee, who likewise said policymakers should be “vigilant” and “act as appropriate” to bolster growth.

The economic landscape has shifted this year, as business investment weakened noticeably, manufacturing has

fallen into decline and job creation has slowed. Powell noted, however, that unemployment had remained near historic lows for about 18 months while wages were rising, fueling consumer spending. “The consumer has been strong. The service sector has been strong,” he said. “Our labor market is in quite a strong position.”

Trump on Friday renewed his attacks on Powell, whom the president promoted to Fed chairman last year, denouncing both 2018’s interest rate increases and the pace of cutting so far this year. “Where did I find this guy Jerome?” Trump asked on Twitter. But in Zurich Powell reiterated that he and his Fed colleagues ignore such comments when they set monetary policy. Congress created the Fed to operate as an independent body. Powell also rejected the suggestion that the Fed could seek to oppose Trump’s reelection by temporarily undermining the economy.

William Dudley, a top former Fed official, caused a considerable stir last month by publicly suggesting the Fed should do just that. “Absolutely not,” Powell said. “Political factors play absolutely no role in our discussions.” He also reiterated the Fed’s cautious position on Facebook’s proposal to introduce a new digital currency, saying the approval process would not be a “sprint.”

Given Facebook’s global penetration, “it could be systematically important right away,” he said. “And because of that it would have to be held to the highest regulatory expectations.”

Meanwhile, America’s jobs engine downshifted in

August as employers unexpectedly held back hiring across major industries, another sign that the world’s largest economy is cooling off, government data showed Friday. As the numbers were released early Friday, President Donald Trump, whose record as a job creator could pale ahead of next year’s election, renewed his attacks on the US central bank, which he blames for failing to stimulate the economy fast enough.

The surprisingly soft result confirmed that labor markets in 2019 have slowed from their brisk pace last year, amid a protracted trade dispute with China that has dragged down global commerce, fueled business uncertainty and driven US manufacturing into recession.

Employers added a still-solid 130,000 net new positions for the month, far lower than analyst forecasts, while the jobless rate held steady at 3.7 percent for the third month in a row, according to Labor Department estimates. Figures for May and June were also cut by a total of 20,000 positions, bringing the rolling, three-month average to 156,000, well below the 241,000 seen in August last year. The report did bring some good news, however: wages continued to rise, suggesting consumer spending—which is almost single-handedly supporting US economic growth—will continue.

And the share of the working-age population with a job rose to its highest level since the depths of the Great Recession in December 2008. “The softening in job growth should surprise no one. But it doesn’t mean the

economy is headed toward a recession right away,” economist Joel Naroff told clients in a note. Economists on Friday also pointed out that August numbers are frequently revised upward in later months. Amid weak investment by companies and mounting fears of a recession, employers also say they are struggling to find qualified workers to fill open positions.

‘Oh, well...’

The slower jobs numbers should also support a Fed decision later this month to cut interest rates, as markets widely expect it will do for the second time this year. Late Thursday and early Friday, Trump took to Twitter to fire off the latest of many attacks on the US central bank, which he said had raised interest rates too quickly last year. “They were WAY too early to raise, and Way too late to cut—and big dose quantitative tightening didn’t exactly help either,” said Trump, who has advance access to the jobs report before its public release.

“Where did I find this guy Jerome?” he said, referring to Fed Chairman Jerome Powell, whom he prompted to central bank chairman. Workers got a bump in pay, as hourly wages rose 11 cents on average, putting them up more than three percent, year-on-year, for the 13th month in a row. But within the August jobs details there were other causes for concern. About a quarter of August hires came from the government itself as federal authorities ramped up staffing to conduct next year’s census. — AFP

Voice-command ovens, robots for pets on show at IFA tech fair

BERLIN: Europe’s biggest tech fair, Berlin’s IFA, is showcasing a flood of product launches until Wednesday. Here are five trends and gadgets making waves.

Fitness trainer for pets

No time to walk or play with your pet puppy or kitten? California start-up Varram showcased a Pet Fitness robot, which plays with cats and dogs at home via smartphone instructions, even dropping treats as a reward, while the owner is at work. Sensors in the robot help it detect and stay away from furniture to not get stuck, avoiding bored pets. The robot can be timed to play with the family pet at different times and keep track of how much activity the animal has had.

AI at home

As executive director Jens Heithecker told AFP, “three

main trends at IFA this year are 5G, voice control and AI (artificial intelligence)” with the latter two combined in innovations for the home. Siemens claimed two world firsts with an oven that opens on voice command and separate washing machine and clothes drier that communicate via wifi to predict how long garments will need to dry.

The Home Connect system links household appliances, suggests recipes and even knows which ingredients are already at home, via cameras in the fridge. Once the meal has been prepared, the oven door opens on voice command, leaving the cook with both hands to slide in the dish.

Meanwhile, the system’s washing machine has built-in sensors to measure the moisture in washed clothes, sending the information to the drier. However, the sensor cannot detect whether a stray black sock is about to ruin a load of white laundry. “That would be useful to know,” admitted a Siemens spokeswoman with a smile.

Christmas gifts

Heithecker tips that of the thousands of items showcased at IFA, headsets and wireless stereos will make popular Christmas gifts, as they are “affordable, moveable, high quality and part of the digitally connected world.” “Headsets with noise cancelling are mostly used in homes now, to squeeze out the surrounding noise – you go into your own world and won’t be disturbed if you want to hear music,” he added. However, some of these items do not

come cheap. Panasonic’s high-tech earphones are retailing for 1,200 euros (\$1,326) while Samsung’s massive 219-inch television, aptly called ‘The Wall’, is retailing to business customers for around 500,000 euros.

‘All-in-one’ 5G chip

Huawei created a buzz Friday by launching a new super-fast Kirin 990 processor, which has a version specially designed for the 5G era – the fifth generation of cellular network technology.

According to Huawei’s claim, the “industry’s first and only all-in-one” 5G chipset includes a modem with fast download speeds. The company also said that by using a single chip, the Kirin will make phones more efficient compared to their rivals, who use a separate processor and modem. The new Kirin chip, no bigger than a fingernail, “can make phones much smaller,” boasted Richard Yu, who is in charge of Huawei’s consumer business group. The Chinese firm is embroiled in US-China tensions with Washington advising its allies against using Huawei’s technology to build 5G networks, due to fears it could be used for spying by Beijing, an accusation the company denies.

Yu took no questions in Berlin, as Huawei also showcased their sleek Mate 30 Series, due to be launched on September 19 in Munich. Not to be outdone, Korean rivals Samsung also showed off their 5G Fold, a phone which folds out into a single screen.



BERLIN: The Galaxy Fold 5G phone is presented at the booth of Samsung during the international electronics and innovation fair IFA in Berlin on Friday. — AFP

High-tech relief

High-tech relief for the incontinent is offered by D-Free, a sensor which fits on the abdomen and detects changes in bladder size, calculating how full it is and giving a prediction via a smartphone about when the user will need to urinate. The system is aimed at young children being toilet trained and the elderly worried about being caught short. It keeps track of the average time between bathroom visits and a version for senior care homes tells staff which patients will soon need to visit the toilet. — AFP