

Business

Chemikuwait signs strategic agreement with Halliburton

Companies to manufacture specialty chemicals for oil and gas upstream industry

KUWAIT: Eng Alaa Hassan, CEO of Chemikuwait for Chemical Industries (CKCI), has expressed her satisfaction at announcing a major achievement by the company. A strategic agreement was signed with Halliburton Overseas Ltd, one of the major companies in oil and gas service sector.

This agreement signals a strategic relationship between the two companies to manufacture specialty chemicals that are essential in the oil and gas upstream industry. Using the latest Halliburton technologies, CKCI has already established the special units necessary to produce some of these chemical components and materials.

For its part, CKCI sees this welcomed relationship as a new important development for the advancement of the oil sector and general industries. Eng. Hassan



Eng Alaa Hassan



Eng Ahmad Dashti

believes that this agreement is a step in the right direction to building a successful industrial base for Kuwait. It will advance the local economy and help improve the

chances of diversifying the economy of Kuwait, as per the national plan.

This agreement between the two parties was developed in order to safeguard the availability of these materials throughout the process of manufacturing, and to mitigate difficulties that may arise because of shipping or any other problems. Eng Hassan believes that this association between Kuwaiti factories and international establishments can only lead to the mutual success of both parties, and the state of Kuwait in particular. Senior Executive Vice president of Chemikuwait for chemical Industries Eng Ahmad Dashti added that the decision to align with one of the major companies in the energy domain like Halliburton came in order to use the best technologies and materials available.

Eng Dashti noted that this comes from our duty in

the industrial sector to support the oil sector, as it forms the basis of the economy in the state of Kuwait, and permanence and continuity of the supply of these materials without interruption. This effort will lead to the enhancement and stability of the national products supply for businesses and projects being provided at the right time.

By reference to the vision of His Highness the Amir 'May God bless and protect him', and with His Highness's directions to continue to participate in economic development towards future prospects. Knowing the importance of this vision we are hoping to look to the future with all its hopes and aspirations. We at CKCI are keen to develop this special field of chemical industries and hope to grow and expand the interest of the country, industrial sector and oil sector alike.

KFH launches instant cross-border payments to KFH-Turkey

KUWAIT: Kuwait Finance House (KFH) has successfully launched instant cross-border payments service to KFH-Turkey using Ripple's technology, the enterprise blockchain solution for global payments. This confirms KFH's ongoing keenness to adopt the latest financial technology while delivering superior customer's banking experience.

Group General Manager Retail Banking at KFH, Khaled Yousif Alshamlan said that that instant cross-border payments service comes to serve customers who want to perform instant transfers to Turkey for personal expenses or investments, indicating Instant Transfer to KFH-Turkey is presented to KFH customers with zero-fees and the service is available 24/7 in a secure and fast manner through KFHonline service on the website and the mobile App (IOS and Android).

"Financial institutions can send payments anywhere instantly, reliably and cost-effectively by joining Ripple's growing, global network RippleNet", he added in a statement, indicating the service improves and facilitates customers' cross-border payment methods through trusted global banks network, maximizing the role of blockchain instant payment in providing best service as per highest quality standards".

Alshamlan boasted that KFH was among the first Kuwaiti banks to join RippleNet, reiterating this move enhances customer experience and comes in line with KFH digital transformation strategy.

He pointed out that KFH succeeded in making significant strides with its digital transformation journey, drawing attention to its advanced and innovative financial services and products, indicating the bank successfully launched the digital service "opening bank



Khaled Alshamlan

account online" for new customers, citizens and residents within minutes without having to visit the branch.

Alshamlan listed some of the innovative financial solutions provided by KFH which are: The free of charge "SWIFT GPI" service to track local and international banking transfers electronically for individuals and corporate via KFHonline, Kuwait Clearing Company KCC dividend subscription, transfer to KFH Trade, Baiti online, deposit of cheques via mobile, Cardless cash withdrawal by (QR Code, Civil ID & Mobile Number), and a complete update of KYC request "Know your customer".

He also mentioned the digital services of opening a gold account with options of selling, buying and trading online, Skiplino to book appointments electronically in the banking branches, KFHpay electronic payment service through which the customer can pay through the KFHonline mobile application or via the K-Net page, Chatbot, Push Notification service, Instant Cheque Printing and receiving gold biscuits instantly through XTM's available at the smart branches; KFH Go, in addition to many other highly efficient digital services.

Alshamlan reiterated KFH's keenness on constantly innovating unique digital banking solutions, confirming the ongoing efforts in utilizing AI and teaming up with Fintech for the best interest of customers, while moving forward in its digital transformation strategy.

What happened where the minimum wage was raised to \$15?

There is no consensus regarding the effects, as shown in Seattle, which in 2014 became the first major US city to adopt a \$15 minimum wage. A 2018 study from the University of Washington said the policy reduced total payroll in low-income jobs, with wages rising by three percent but hours dropping by six to seven percent. But a 2017 study by the University of California, Berkeley found the policy increased wages in the food services industry with no employment loss.

Howard Wright, the chief executive of the Seattle Hospitality Group and the co-author of the 2014 measure, said he largely discounts the conflicting appraisals of the Seattle policy. "Our economy has been booming so strongly until COVID," said Wright. —AFP



WASHINGTON, DC: Service industry workers listen to remarks and hold up signs during a rally in support of today's introduction of the Raise the Wage Act, which includes a \$15 minimum wage for tipped workers and is also included in President Biden's American Rescue Plan at the National Mall. — AFP

What happens when the US increases its minimum wage?

NEW YORK: Progressive lawmakers this week formally launched an effort to hike the US minimum wage, introducing legislation to gradually raise it from \$7.25 to \$15 an hour. The proposed increase is much larger than those in the recent past, but supporters argue it is warranted because it has been more than a decade since the wage was lifted, and the current minimum wage is too little for life in the United States.

When did the United States get a minimum wage?

First enacted by Congress in 1938 as part of the Fair Labor Standards Act, the wage has been amended several times, most recently in 2007, when Congress voted to lift it gradually from \$5.15 to \$7.25 an hour. Since that time, several states and local governments have raised the minimum wage to \$15 an hour or to other levels both higher and lower.

Of the 50 states, 21 currently honor the federal level of \$7.25, while the remaining states have a higher minimum. Twenty-five states currently prohibit cities and counties from setting a higher local wage than the state level, according to Resourceful Compliance, which tracks labor law.

How would the proposed increase work?

Under legislation introduced by Democrats in the House and Senate, the minimum wage would rise to \$9.50 an hour three months after the law is enacted, and then to \$15 in four intervals over a five-year period. The proposal also raises base pay for waiters and other employees who rely on tips, and directs the US labor secretary to annually calculate the median hourly wage of all employees. In years where the median increases, the federal minimum wage would be raised by the same percentage.

Would it hurt the economy?

Economists have long debated whether the economic lift from boosting workers' purchasing power more than offsets the added wage burden on businesses. There is no consensus on the matter.

"There has been a debate for years," said Gregory Daco, Oxford Economics' chief US economist, noting that some studies have shown it can cause job losses, while others have not.

Even the same study can be interpreted differently. Critics of the higher wage point to a finding in a 2019 Congressional Budget Office report that said lifting the level to \$15 an hour would result in 1.3 million workers losing their jobs. But defenders of the measure noted that the same report said the proposal would lift 1.3 million people out of poverty and boost wages for as many as 27 million more workers, arguing these benefits more than counter the lost jobs.



WASHINGTON, DC: Founder and President of Patriotic Millionaires Erica Payne speaks in support of yesterday's introduction of the Raise the Wage Act, which includes a \$15 minimum wage for tipped workers and is also included in President Biden's American Rescue Plan at the National Mall. — AFP

Minimum wage: How it works in Japan, Germany, UK and France

PARIS: The minimum wage, which US President Joe Biden aims to raise to \$15 per hour in the United States, can take different forms in different countries. Here is how it works in Japan, Germany, Britain and France.

Regionalization in Japan

Japan has a range of different minimum wages. Each of the country's 47 prefectures sets its own, taking into account the results of annual national negotiations between representatives of employers, employees and the labor ministry. There are also specific minimum wages for certain sectors in each prefecture, such as the manufacture of auto parts. The minimum wages are higher in urbanized areas. The highest is in Tokyo at 1,013 yen (\$9.68, 7.98 euros) per hour. The lowest is 792 yen in rural areas such as the northern prefecture of Akita or Okinawa in the southeast.

According to the labor ministry, 1.9 percent of employees are paid the minimum wage or less (there are exceptions) in companies with at least five employees. The minimum wage was raised by just 1 yen at the start of the current fiscal year on April 1, the smallest hike in 16 years. The previous four years it was increased by more than 20 yen as governments tried to boost domestic consumption and, indirectly, chronically low inflation.

Germany: No increase in joblessness

Following intense debate, Germany introduced a national minimum wage on January 1, 2015. A special commission, the Mindestlohnkommission, made up of representatives of employers and trade unions and headed by an independent president, is responsible for reviewing it. At 9.50 euros (\$11.50) per hour before taxes, it is relatively low compared to other European countries, and the commission has recommended it be hiked gradually to 10.45 euros (\$12.70) by July 1, 2022.

Much of the debate about the introduction of the minimum wage focused on whether it would lead employers to cut jobs. A study published in January 2021 by the Research Institute for the Future of Work found that the minimum wage had not led to an increase in unemployment. It found that that small and medium-sized companies had actually transformed temporary jobs into permanent ones. The IW think-tank, which is close to employers, found last year that the minimum wage had little effect on the risk of falling into poverty (defined as income less than 60 percent of the median), mostly because most minimum wage workers have other sources of income, such as that of a partner. On the contrary, part-time work, which is common in Germany, was linked to a higher risk of poverty.

British minimum wage to rise despite crisis

In Britain, the minimum wage, or National Living Wage, was created in its current form in 2016. Any increases are decided by the government on the recommendation of the independent Low Pay Commission. The objective in creating the new system was to increase the minimum wage to the level of 60 percent of the median wage by 2020, a goal which has been achieved according to a government commission. The hourly minimum wage for employees over the age of 25 was hiked by 6.2 percent on April 1, 2020 to £8.72 (\$11.98, 9.86 euros). Depending on the employee's age, it can fall as low as £4.15 (\$5.69, 4.69 euros) for apprentices under 16. About two million Britons are expected to benefit from an increase in the minimum wage to £8.91 (\$12.21, 10.06 euros) coming into effect in April, and the age of people receiving it has been lowered from 25 to 23. While there is currently no pub-

lic debate on the minimum wage, there is much discussion about a minimum income for those on unemployment benefits or others with low incomes.

France, a different 'helping hand'

France's minimum wage, or Smic, celebrated its 50th anniversary in 2020. Since 2008 it has been recalculated automatically each year based on inflation and purchasing power. In January, it was increased by just under one percent to 10.25 euros (\$12.45) per hour before taxes.

Some 2.25 million workers, or 13 percent of the private-sector workforce, benefitted from a 1.2-percent increase in the Smic at the beginning of 2020. The proportion of people receiving the minimum wage is three times higher for those in part-time work or employed in small companies, compared to the average of nine percent for employees on full-time contracts. Every year, a number of trade unions call on the government to raise the minimum wage by a greater amount than the automatic increase in order to give a "helping hand" to low-income workers.—AFP

Electric cars, fewer cows in NZ's climate plan

WELLINGTON: New Zealand unveiled a blueprint yesterday to phase out petrol-powered cars while its dairy industry, a key pillar of the economy, must slash cow numbers under the ambitious plan to be carbon neutral by 2050.

The changes are among a raft of recommendations presented to the government by the Climate Change Commission on steps New Zealand must take to drastically reduce greenhouse gas emissions and address climate change. Commission chairman Rod Carr acknowledged the advice was ambitious but said it was realistic and made a clear case for "immediate and decisive" action. "As a country, we need transformational and lasting change to meet our targets," he said.

"There are a few actions that are critical to meeting our targets: electric vehicles, accelerated renewable energy generation, climate-friendly farming practices and more permanent forests, predominantly natives." Prime Minister Jacinda Ardern said the document, which will now go out for public consultation, showed the impact of the reforms would not be an economic burden.

"The cost of action on the economy is not as great as many have previously thought. In fact, action on climate change is an economic opportunity for New Zealand," she said. "Action on climate change is critical to our ongoing economic success. New Zealand exporters rely on our clean, green brand and there will be new opportunities for Kiwi businesses as we adapt to a zero-carbon economy." The commission found New Zealand's current climate commitments were not compatible with global efforts to limit warming to 1.5 degrees Celsius above pre-industrial levels, but said change was achievable at little cost.—AFP