

# China extends probe into US-listed technology firms after Didi blow

## Country's major internet firms wield massive influence among its army of consumers

BEIJING: Beijing widened a crackdown on its embattled technology sector yesterday by announcing probes into two more US-listed Chinese companies, a day after banning ride-hailing giant Didi Chuxing from app stores following its huge New York initial public offering.

The country's major internet firms wield massive influence among its army of consumers, but have in recent months had their wings clipped in a regulatory crackdown that has scuppered listings and hit business as the government seeks to rein in their influence. The latest targets are newly listed companies Full Truck Alliance — a merger between truck-hailing platforms Yunmanman and Huochebang — and Kanzhun, which owns online recruitment platform Boss Zhipin.

"The overarching message here from regulators is, you need to have your house in order domestically before listing abroad," said Kendra Schaefer, head of tech policy research at Beijing-based consultancy Trivium China. The three platforms have been told to stop new user registrations during the investigation "to prevent security risks to national data, safeguard national security and protect public interest", the Cyberspace Administration of China (CAC) said.

Hours earlier, the watchdog ordered the removal of Didi from app stores following a similar probe, which it said found the firm's user data collection and use in "serious violation" of regulations. It also cited national security for the probe, an unusual move against a domestic tech firm. However, there were few details on the probe or Didi's alleged violations.

Didi has pledged to rectify any problems, and

said that the takedown "may have an adverse impact on its revenue in China". The move does not prevent existing users from booking through Didi, but throws a wrench in the company's growth plans after its bumper New York IPO last week raised \$4.4 billion, one of the biggest in the US over the past decade. The investigation was announced just after China wrapped up tightly-choreographed celebrations for the centenary of its ruling Communist Party. It also comes at a time of heightened tensions between Beijing and Washington with the tech sector a key issue of disagreement.

Dubbed China's Uber, Didi was founded just nine years ago by former Alibaba executive Cheng Wei. It has gone on to dominate the country's ride-hailing market after winning a costly turf war against the US titan in 2016 and taking over Uber's local unit.

### Shifting landscape

It now claims more than 15 million drivers and nearly 500 million users, with services available in 16 countries, including Russia and Australia. But its rise also comes amid what Kevin Kwek, senior analyst on Asian financials at Bernstein, called a clear "trend towards tightening on tech".

Chinese tech companies fell in Hong Kong yesterday as investors assessed the situation, with e-commerce platform Meituan down 5.6 percent, Alibaba dropping nearly three percent and Tencent — which has a stake in Didi — sliding 3.6 percent.

Tokyo-listed SoftBank, which has a 21.5 percent stake in the firm, plunged 5.4 percent. Didi, with a near monopoly on ride-hailing, is "the most high



BEIJING: A driver uses the map on the Didi Chuxing ride-hailing app on his smartphone while driving on a street in Beijing yesterday. —AFP

profile cyber security case" of its kind, University of Hong Kong law professor Angela Zhang told AFP. But the action was lauded by state-run Global Times, which said the country must not allow "any internet giant to become a super database of Chinese personal information even more detailed than the state".

A top Didi executive took to social media over the weekend to rebuff rumours the firm had been sharing domestic data with the United States, calling it "absolutely impossible". Last year, authorities pulled the plug on a planned record \$34 billion IPO by Alibaba's financial arm Ant Group, before launching an anti-monopoly probe into the tech behemoth. — AFP

## Sydney Airport gets \$17bn takeover bid

SYDNEY: Sydney Airport received a multi-billion-dollar takeover bid from a consortium of Australian investors yesterday, sending its share price soaring. The consortium of infrastructure investors and Australian pension funds offered Aus\$8.25 per share — or Aus\$22.3 billion (US\$17 billion).

The proposal "has been made during a global pandemic which has deeply affected the aviation industry and the Sydney Airport security price", the airport's board said in a statement to the Australian Securities Exchange. "The indicative price is below where Sydney Airport's security price traded before the pandemic." The investors — calling themselves the Sydney Aviation Alliance — confirmed the approach, saying they invested on behalf of more than six million Australian pension fund members.

The alliance said the proposal would ensure substantial ongoing Australian ownership of the country's biggest airport, contending it was "in the long-term interest of Sydney and the travelling public". Sydney Airport's share price spiked more than 30 percent on the offer, which is now being considered by the company's board. — AFP

## NBK's Economic Update

### Trade recovery is getting underway in 2021

KUWAIT: Total trade in goods (exports plus imports) increased by 20% q/q in IQ21, compared to 5.8% in the previous quarter. In addition, the trade balance (total exports minus imports) recovered to near its IQ20 level at KD 1.6 billion compared with KD 0.8 billion in 4Q20. Trade growth was driven by both exports and imports, with the former jumping by 30% q/q (2.6% y/y).

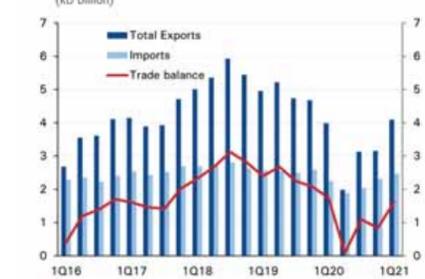
• Oil exports (92% of total exports) increased by

34% q/q mainly due to a higher KEC oil price, which surged by 36% q/q (15.7% y/y) to reach \$60/bbl during IQ21, while oil production was little changed. Non-oil exports (domestic exports plus re-exports) fell by 6.3% q/q mainly due to the decline in capital goods (-28% y/y) and intermediate goods ex. oil (-8.7% y/y). On the other hand, consumption exports increased by 12.9% q/q on higher re-exports of passenger cars, which rose by 27% q/q.

• The rise in imports by 6.8% q/q reflects the continued, albeit gradual, normalization of demand and improvement in the broader economy. Consumption goods - worth around half of all imports - rose 6.7% and were back above pre-pandemic levels helped by a further rebound in car imports, which had dropped sharply last year. Imports of capital goods however saw renewed decline (-4.4%) likely reflecting the continued sluggish pace of domestic investment.

• In terms of trade direction, China remained the main trading partner for Kuwait, acquiring around

Chart 1: Kuwait trade (KD billion)



Source: CSB

7% of total Kuwaiti trade (excluding oil exports) in IQ21, followed by the UAE, the US, Saudi Arabia, and India.

## stc participates in virtual Digital Leadership Summit

KUWAIT: Kuwait Telecommunications Company - stc, a world-class digital leader providing innovative services and platforms to customers, enabling the digital transformation in Kuwait, announced its participation in the virtual Digital Leadership Summit - MENA, organized by TM Forum, an alliance of over 850 global companies working together to break down technology and cultural barriers between digital service providers, technology suppliers, consultancies, and system integrators. The summit aimed at sharing insights on the different growth opportunities operators in the Middle East, and other regions around the world, are exploring to create new value and sustainable growth for customers through connectivity solutions.

stc released a statement highlighting its participation in the "Successfully operationalizing the enterprise opportunity" panel, where Anoud Muthaib, General Manager of Strategy & Marketing at solutions by stc, the specialized business arm of Kuwait Telecommunications Company - stc, added to the discussion by highlighting some of the favorable developments and opportunities available in the market. Throughout the panel discussion, Muthaib focused on some of the key points that have transformed the services offered by the company to meet the diverse needs of customers. These progressive steps also reflect stc's business model and strategy to introduce and capitalize on the latest technologies to radically transform the telecom industry through pioneering digital solutions.

The panel discussion covered the strategic direc-

tion taken by stc throughout the past couple of years to invest in and develop a strong 5G infrastructure and network. Since then, the Company had been exploring innovative ways to monetize its 5G infrastructure through advanced Business Support Systems, including upgrading to the Huawei Convergent Billing System. The upgraded system enabled solutions by stc to pursue multi-dimensional capabilities in monetizing its solutions, ranging from connectivity to service segments such as Slice SLAs, Support Service Levels, as well as leveraging data aggregation for AI and cloud storage. These functions are expected to provide a competitive advantage in the local and regional markets.

The new technologies are expected to enable the multi-faceted monetization of capabilities including connectivity speed, latency, slice SLA, high-value content, edge charging and AI processing.

In terms of the 5G evolution to Stand Alone (SA), Muthaib emphasized that the new core architecture opens the door to new monetizing and development opportunities for various business models, promoting CPS progress in the 5G enterprise value chain going beyond connectivity. The possibility cases of the 5G SA network through stc provide low latency, massive connectivity capabilities and enhanced services. This in return enables solutions by stc, the Company's business arm, the capacity to introduce new and innovative services to enterprise customers. 5G SA serves as a vital ingredient in accelerating and maximizing monetization by expanding the offering line and introducing new-to-market services. Virtual reality (VR), Intelligent Analytic Services through AI, mobility solutions that enable smart vehicle applications, in addition to other transformative services have been launched by solutions by stc due to 5G SA's low latency, higher uplink, and downlink abilities.

Another vital topic discussed during the panel was the impact of empowering Multi-access Edge Computing (MEC) deployment to enhance applica-

This partnership brings together two leaders in their respective fields. Petal Search is a one-stop search engine integrated into Huawei devices, delivering a convenient, smooth, GDPR-compliant search experience. Wego harnesses powerful technology to find and compare results from hundreds of airline, hotel, and travel agency websites.

Adam Xiao, Managing Director of Huawei Mobile Services in the Middle East and Africa, said: "We believe that this partnership will transform the holiday and travel planning process for Huawei users as they consider their next trip. Travellers who search for destinations, flights, and hotels on Petal Search can be confident that they will get the best results, as well as the best deals available, from Wego. The timeliness of this is noteworthy, especially as international travel begins to reopen and families and individuals in our region plan their summer schedules."

MamounImedan, Managing Director, MENA and India, Wego, said: "This is an exciting development for customers of both Huawei and Wego, as Wego pres-



tion performance under the network. 5G SA will enable solutions by stc to become both Cloud-Native and Edge Native. This transition will allow service aggregation near the premises of enterprise customers, helping them realize use cases such as enterprise campus, industrial control, and massive IoT for a well rounded and enhanced experience.

Commenting on its role in the summit, stc indicated that the highly valued event served as a platform to showcase the ongoing developments in the industry, while exploring the various technologies that are shaping the digital solutions and telecom sectors. With 5G playing a major role in enabling digital transformation across various sectors, stc will continue to enhance and develop its 5G network, an initiative that also coincides with Kuwait's 2035 vision. As for its business arm, solutions by stc has been progressing within the value chain from "just connectivity" to "ICT solutions" for its enterprise customers. This supports the launch of distinctive services like 5G DDA, 5G VSaaS, and 5G Live Bus, leveraging on the key future savvy attributes of stc's world class network and IT infrastructure.



ents an unbiased comparison of all travel products and prices offered in the marketplace. We believe that partnerships like this one can play an important part in rebuilding consumer confidence and enthusiasm for travel. I am confident that we will see a steady increase in bookings over the coming months as people rediscover the love of travel."

Congratulations to  
"Al-Thuraya" Account winner  
Mohamed Naguib Abdelhadi

10,000  
KD

www.burgan.com

## BB announces winner of the Al-Thuraya salary account draw

KUWAIT: Burgan Bank, announced yesterday Mohamed Naguib Abdelhadi as the lucky winner of the draw prize of Al-Thuraya Salary Account monthly draw. The draw rewards new and existing customers who transfer their salary to Burgan Bank by offering them a chance to win KD 10,000 every month. Each account holder has one chance to enter the draw.

The Al-Thuraya account holders have the option to hold money in Kuwaiti Dinar and other major currencies and can access account-related services such as standing orders, loans and credit cards, and benefit from the discounts and offers throughout the year.

Customers wishing to open the Al-Thuraya account can do so by simply visiting the nearest Burgan Bank branch and obtain all the necessary details, or simply call the bank's call center.

## Huawei, Wego collaborate on one app travel experience

DUBAI: Huawei's Petal Search, the easy-to-use application and search engine pre-installed on Huawei smartphones, has inked a partnership on 01 July 2021 with Wego, a leading travel marketplace in the MENA and APAC regions.

With this, Huawei device users will see best deals and instant booking options for transport, stay, and attractions from Wego based on their searches, which they can instantly click to book. This enables a true one-app travel planning experience, and integrates the power of Petal Search with Wego's leading portfolio of deals and options. Users in 18 markets will benefit from this, including consumers in UAE, Egypt, and KSA.