Gulf Bank launches podcast 'Let's Talk Business' to highlight startup successes

Program series to feature little-known origin stories behind favorite local brands

KUWAIT: Gulf Bank has announced the launch of new episodes "Let's Talk Business," a program series consisting of interviews with local entrepreneurs. The initiative is part of the Bank's overarching strategy of fostering economic and community sustainability in Kuwait.

The new episodes, launching in the form of a podcast, features interviews highlighting the stories behind the founding and expansion of some of the most popular local-born businesses. The podcast aims to foster a culture of entrepreneurship by highlighting the largely hidden aspects behind the success of a business, including the challenges faced by modern business owners, ways to manage a business, ways to diversify and expand a business, financing a business, and business acquisitions and exits.

The entrepreneurs are interviewed by Tareq Al-Saleh, Deputy General Manager of the Economic Research Unit at Gulf Bank, who presents each story in a simple language, targeting young entrepreneurs striving to start businesses of their own. Commenting on the new podcast, Al-Saleh said, "At Gulf Bank, we are proud to serve numerous small- and medium-sized enterprises (SME) on an ongoing basis, providing them with a variety of services. Having worked closely with a number of local SMEs, we have also been fortunate to learn about some of the unique and exciting stories of the founders and companies behind some of the distinguished brands today, whose original stories and challenges might come as a surprise to the general public. Our new 'Let's Talk Business' podcast highlights some of the hidden and not traditionally known aspects behind some of our local entrepreneurs, and discusses how the founders reached the level they are at today. During the course of recording this podcast, I have been very fortunate to meet with an incredible group of inspiring entrepreneurs in Kuwait, and I look forward to meeting more in the future."

Tareq Al-Saleh   Lujain Al-Qenaei

Lujain Al-Qenaei, the Assistant Manager for Corporate Communications at Gulf Bank, also commented: "As part Gulf Bank's ongoing commitment to sustainability, we are keen to spread a culture of entrepreneurship and support local youth projects, whether it's by providing entrepreneurs with a wide array of banking services, or enabling founders to highlight their success stories and discuss the challenges they managed to overcome. As part of the new podcast, we also aim to present a new standard of entrepreneurial role models who have achieved success in a variety of sectors, and are a source of inspiration and encouragement for entrepreneurs who are looking to start their own businesses. Now more than ever, economic sustainability is a requirement demanded by today's business landscape, with more youth choosing the path of self-employment and financial freedom. In turn, these new trends are also contributing to the national economy, thanks in part to the jobs and diversity that entrepreneurship introduces to the market."

"Let's Talk Business" is Gulf Bank's newest podcast, created in collaboration with Belmokhba, a local creative content creation and production house. The first episode of the program will air on Thursday, October 7 at 9:00 pm on Gulf Bank's digital and social media channels (Instagram and YouTube), with new episodes airing every week. Gulf Bank's vision is to be the leading Kuwaiti Bank of the Future. The Bank is constantly engaging and empowering its employees as part of an inclusive and diversified workplace in recognition of every employee's role in delivering customer excellence and serving the community at large. With its extensive network of branches and innovative digital services, Gulf Bank is able to give its customers the choice of how and where to conduct their banking transactions, all while ensuring a simple and seamless banking experience.

Gulf Bank is committed to maintaining a robust sustainability program at the community, economic, and environmental levels through sustainability initiatives that are strategically selected to benefit both the country and the Bank. Gulf Bank supports Kuwait Vision 2035 "New Kuwait" and works with the different relevant parties to achieve it.

WOLFSBURG: A worker wears a protective mask at the Volkswagen assembly line after VW re-starts Europe's largest car factory after coronavirus shutdown in Wolfsburg, Germany. — AFP

Chip crisis crimps German, UK car sales but electric up

FRANKFURT: New car sales in Germany and Britain sank in September as a global chip shortage bedevils the auto sector, but electric demand accelerated in both countries, data showed yesterday.

After a strong recovery at the beginning of the year, a worldwide shortage in semiconductors-key components in both electric and conventional vehicles-has hamstrung automakers. In Germany-Europe's top economy — 196,972 new cars were registered in in September, 26 percent fewer than in the same month last year, according to the KBA federal transport authority.

The sector was set to "stagnate or even go backwards" this year despite the "low, coronavirus-hit" sales figures for 2020, the president of the VDIK car importers' federation Reinhard Zirpel said. Since the beginning of the year, 2,017,561 cars have been sold in Germany, lagging behind the figure for the same period last year by 1.2 percent.

Major German parts manufacturer Continental said it expected the semiconductor shortage to continue into 2022. "Many market observers assume that only beginning in 2023, when capacity at chipmakers has increased, will there be a clear improvement in the situation," Continental CEO Nikolai Setzer told German news agency DPA.

This week, carmaker Opel closed its plant in the eastern city of Eisenach until the start of 2022 due largely to the shortfall in chips. Production at the central Volkswagen plant in Wolfsburg has also been halted for almost two weeks as Germany's biggest carmaker adjusts to limits in supply. In contrast to the general trend, electric vehicles saw significant growth, with 58.8 percent more sold in September than in the same month last year. In the UK, new registrations for all cars dived almost 35 percent last month on a yearly basis to 215,312 vehicles, the Society of Motor Manufacturers and Traders said in a statement. That was the lowest September level since 1998, and comes after sales were already hit hard last year by pandemic lockdowns.

"This is a desperately disappointing September and further evidence of the ongoing impact of the Covid pandemic on the sector," noted SMMT Chief Executive Mike Hawes. "Despite strong demand for new vehicles over the summer, three successive months have been hit by stalled supply due to reduced semiconductor availability, especially from Asia."

But like in Germany, new electric vehicle registrations soared, rising almost 50 percent to hit 32,721.

Analysts expect Britain's electric car demand to surge further in the coming months in the face of recent shortages of motor fuel. "Recent motor fuel shortages will give people who are considering trading up to a new vehicle more reason to consider an electric vehicle," Pantheon Macro economist Samuel Tombs said.—AFP

Fed asks watchdog to review officials' trading

WASHINGTON: The Federal Reserve has asked its watchdog to investigate the trading activities of senior officials, the US central bank said Monday, after two resigned following criticism of their stock market activities. "As part of our comprehensive review, we began discussions last week with the Office of Inspector General for the Federal Reserve Board to initiate an independent review of whether trading activity by certain senior officials was in compliance with both the relevant ethics rules and the law," a Fed spokesperson said. "We welcome this review and will accept and take appropriate actions based on its findings."

Last week, Dallas Fed bank Robert Kaplan announced he would leave his post on October 8, while Eric Rosengren, who leads the Boston Fed, moved his already-scheduled retirement up by several months to September 30. The two officials engaged in large stock trades in 2020, at a time when the Federal Reserve was aggressively acting to support the US economy amid the impact of the COVID-19 pandemic, according to financial disclosures first reported by The Wall Street Journal.

Kaplan noted the trading criticisms in his departure, while Rosengren cited pre-existing health issues. Fed chair Jerome Powell stressed that the officials had not violated any existing rules, he nonetheless announced plans to review the ethics rules regarding investing. Last Friday, Bloomberg reported Fed Vice Chair Richard Clarida moved between $1 million and $5 million into a stock fund from a bond fund in February 2020, a day before Powell announced the central bank could act as the COVID-19 pandemic worsened.

Weeks later, the Fed slashed its benchmark lending rate to zero and pumped trillions of dollars of liquidity into the financial system to keep it functioning as the pandemic caused a sharp downturn. A central bank spokesperson told AFP the trades are "a preplanned rebalancing of his accounts" made prior to the Fed's deliberations over their reaction to COVID-19, and the funds were chosen with the approval of the bank's bank ethics officials. —AFP

Zero net emissions by 2050: A huge challenge for airline industry

BOSTON: How can passengers take 10 billion flights a year without contributing to global warming? The question of "greening" the international aviation sector by 2050 constitutes a colossal task whose stakes-and sheer numbers-can make the head spin, according to the airlines themselves.

At its general assembly in Boston Monday, the International Air Transport Association (IATA) said it is now aiming for "net zero carbon emissions" by the middle of the century, a bold but necessary goal in the face of global warming, according to its CEO Willie Walsh. But by signing up to the goals of the Paris climate accord, and those of the European Union, IATA, which represents the airlines, does not envisage that a massive reduction in emissions will also involve a massive reduction in its operations. Quite the opposite. "For us the main target is to continue growing, because it's not the traffic that is the enemy, it's the emissions," said Sebastian Mikosz, IATA vice president in charge of environmental affairs and sustainable development.

Even though air transport has suffered a huge downturn due to the Covid-19 pandemic, with a drop from 4.5 billion travelers in 2019 to 1.8 billion in 2020, IATA estimates that by 2050 more than 10 billion trips per year will be made by plane. As it stands, the aviation sector produces 900 million tons of CO2 per year, according to IATA. By 2050, if nothing is done to reduce the industry's carbon footprint, that will rise to 1.8 billion tons.

That would mean that over 30 years, 21.2 billion tons of CO2 would be released into the atmosphere. Reducing this level to gradually achieve net zero emissions in 2050 poses an enormous technological challenge that the IATA estimates will cost companies around $1.55 trillion between 2020 and 2050.

10,000% increase in production

IATA says that the main solution lies in the use of sustainable aviation fuels (SAF), which would allow the industry to get 65 percent of the way toward its goal. These fuels-made from biomass, waste oils and could even be made from carbon capture in the future-have the advantage that they can be used directly in existing aircraft, which are designed to run on 50-percent blends of kerosene. And such fuel sources can reduce CO2 emissions by 80 percent compared to kerosene over their entire life cycle, according to IATA. Airbus and Boeing have pledged that their fleets will be able to fly 100 percent on SAF by 2030, but SAF accounts for less than 0.1 percent of aviation fuel currently used.

Encouraged by governments, the infrastructure to produce SAFs is being set up in the United States and Europe, but is still embryonic-and the cheapest fuel that comes out costs four times more than kerosene, a fossil fuel. "The problem is the capacity and the supply," said Mikosz, who said the goal was "basically to grow to 450 billion liters of SAF compared to 100 million liters."

"We need to multiply our supply by 10,000 percent," he said. Still, IATA believes that the technological advances promised by the aerospace industry, in particular new electric or hydrogen planes such as those that Airbus is preparing for 2035, are not yet a sure enough bet for the sector to rely on in order to "decarbonize" beyond 13 percent by 2050.

"If those technologies do not deliver what we need by 2050... we can compensate it through SAF," said Mikosz. The European aviation sector, in publishing its own roadmap towards carbon neutrality for 2050 last February, said it was counting on technological advances to cut 37 percent of its emissions by 2050 and on SAF to cut 34 percent.—AFP

Chinese developer Fantasia fails to make debt payments

BEIJING: Another Chinese homebuilder has hit financial trouble after missing payments on debt obligations, adding to worries over the country's property sector as embattled giant China Evergrande teeters on the brink of collapse. Fears of contagion through the Chinese economy have grown as Evergrande, the most indebted of the country's private homebuilders, struggles with more than $300 billion in liabilities and heads towards a massive restructuring.

Fantasia Holdings failed to repay a $205.7 million note Monday, the Shenzhen-based company said in a statement. This came as property management firm Country Garden Services Holdings said that a unit of Fantasia had missed repayment on a 700 million yuan ($108 million) loan, saying it was likely the company would default.

The news also comes as investors await news from Evergrande after it suspended trading of its shares Monday pending an announcement on a "major transaction", with reports saying Hong Kong real estate firm Hopson Development Holdings planned to buy a 51 percent stake in its property services arm. While Fantasia is a smaller player in the market than Evergrande, its struggles highlight investor concerns over companies' financial disclosures.

Yesterday, S&P Global Ratings lowered its rating of Fantasia to "SD" or "selective default", saying this highlighted its strained liquidity. Just a day before, Fitch Ratings downgraded Fantasia to "CCC-", a move that points to default as a possibility.

The ratings agency added in a statement that although media reports said Fantasia missed an earlier payment to bondholders, the bond "does not appear to have been disclosed in the company's financial reports". "We believe the existence of these bonds means that the company's liquidity situation could be tighter than we previously expected.

"Furthermore, this incident casts doubt on the transparency of the company's financial disclosures," Fitch added. Separately, S&P downgraded another Chinese property firm-Sinic Holdings-saying its "debt-servicing ability has almost been depleted".

The company has been unable to service interest repayments, which could result in "accelerating repayments on Sinic's other debt obligations", S&P said on Monday. Fitch downgraded Sinic from "CCC" to "C" yesterday, reflecting its view that "a default-like process has begun" for the company. The boss of Shanghai-based Sinic hit the headlines last month when he lost more than a billion dollars in a market meltdown linked to fears about Evergrande.

Zhang Yuanlin saw his net worth drop from $1.3 billion to $250.7 million on September 20, according to Forbes, when his firm was forced to halt trading in Hong Kong following an 87 percent slump in its share price. China's real-estate sector has been under tightened scrutiny in recent months, with regulators announcing caps for three different debt ratios in a scheme dubbed "three red lines" last year. Beijing has stayed silent on the travails of Evergrande, but state media has trailed various responses in a nod to the mood towards a private company that grew on a debt binge in the boom years of Chinese real estate. —AFP