

Business

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Biden plan grinds toward Senate approval

Democrats reach compromise with Manchin over COVID-19 relief package

WASHINGTON: US Democrats were on track yesterday for a final vote on President Joe Biden's massive COVID-19 relief package after agreeing to scale back unemployment benefits, with passage increasingly likely in the evenly divided Senate. With the sun rising in Washington, bleary-eyed senators continued their all-night session voting on nearly two dozen amendments and counting as they hammered out the \$1.9 trillion stimulus bill, which Biden insists will revive the pandemic-hit US economy.

Negotiations in the Senate had frozen the chamber's action for more than 10 hours Friday, before the Democrats reached a compromise with moderate Senator Joe Manchin, who had balked at the scale of the benefits. "This agreement allows us to move forward on the urgently needed American Rescue Plan," White House spokeswoman Jen Psaki said.

Republicans have stood uniformly opposed to the giant package, but Democrats - who cannot afford to lose a single vote - united to beat back repeated efforts to derail the legislation. The action came against a backdrop of strong US economic data signaling that the world's largest economy may finally be healing. Yet the economy was still short 9.5 million jobs compared with February 2020, before the pandemic began.

Biden's economic advisers said the current pace of job gains meant it would take two years to recover to pre-virus levels. "We can't go one step forward and two steps backward," Biden said Friday at the White House. "The rescue plan is absolutely essential to turning this around." But the whole bill came under threat by an impasse over the amount and duration of supplemental unemployment insurance benefits for people left jobless during the pandemic.

Democrats had struggled to keep Manchin's support for expanded unemployment aid in the measure. Ultimately he agreed to a compromise that reduced jobless benefits from \$400 to \$300 and extended them to Sept 6, rather than through October as many Democrats had wanted. "We have reached a compromise that enables the economy to rebound quickly while also protecting those receiving unemployment benefits" from being hit with unexpected tax bills, Manchin said in a statement. The amendment passed 50-49 along party lines.

'Vote-a-rama'

An effort to include a national minimum wage hike to \$15 an hour - a Biden priority - failed, however. Biden's proposal would be the third major stimulus package to help the economy weather the coronavirus crisis. Republican opponents have argued the latest plan is excessive, since the economy has already started to recover.

But with the Manchin hurdle overcome, Democratic unity could see the measure across the finish line. It first needed to advance beyond the endurance test known as a "vote-a-rama", in which several amendments and motions were being voted on in rapid-fire succession in the Senate. Republicans moved to adjourn but Democrats, perhaps eager to wear down their opponents, hung together and voted down the motion so they could plow ahead.

"Make no mistake: We are going to continue working until we get the job done," Democratic majority leader Chuck Schumer said. The Senate is deadlocked 50-50. In the event of a tie Vice President Kamala Harris would cast the deciding vote. But Harris' tie-breaker has not been needed, as



WASHINGTON: US President Joe Biden holds a roundtable meeting on Friday with Americans who will benefit from the COVID-19 pandemic relief checks that are a part of the American Rescue Plan. —AFP

a Republican senator went home Friday on a family emergency and could not vote.

A limp bipartisan cheer rose up yesterday when an amendment addressing veterans' protections earned unanimous approval. But otherwise the posture was adversarial, with Republicans offering multiple amendments which forced rival Democrats into casting politically fraught votes. Republican minority leader Mitch McConnell decried the bill as "a parade of left-wing projects" and said "our country's already set for a roaring recovery".

With debate raging over the stimulus plan,

February saw better-than-expected hiring as pandemic-battered businesses began recruiting again. Payrolls jumped by 379,000 last month, almost double expectations, and pushed the unemployment rate down slightly to 6.2 percent, the Labor Department reported. Most of the gains were in the leisure and hospitality sector, which was devastated in the pandemic's early months. US unemployment was at a record low before the pandemic began but spiked to 14.7 percent last April after COVID restrictions were imposed. Joblessness has since declined, but at an increasingly slow pace. — AFP

Lebanese dread end to subsidies

BEIRUT: To feed her family, Lebanese mother Sandra Al-Tawil sold her fridge and washing machine. Now she fears the cash-strapped state will scrap food subsidies, plunging them deeper into poverty. Lebanon is locked in its worst economic crisis since the 1975-1990 civil war, with no end in sight. The value of the Lebanese pound has plunged, driving up the price of crucial imports like food and fuel and triggering small but angry protests.

More than half of Lebanon's population is poverty stricken and relies on subsidies, but a central bank demand for "an immediate plan to ration subsidies" is looming. "We're already tightening our belts. What will we eat if we can no longer buy rice or lentils?" 40-year-old Tawil said. Tawil and her husband lived a comfortable life in Dubai before returning to their homeland to open a high-end hair salon in 2019.

But that dream turned to nightmare after the financial crisis and the COVID-19 pandemic hit. "I had to sell my washing machine and fridge... just to get the minimum of daily bread and

pay rent," said the mother of two young children. Her husband found a job at the start of the year, and the Beit El Baraka charity is helping them out with food and school fees. But Tawil is still worried, and furious with the political class she blames for the malaise. "If I see people heading out to protest, I'll be the first to join them," she said.

Money running out

In a country that imports 80 percent of its food, much of the six million population depends on subsidies to get by. Even without them being lifted, many are already struggling, said Beit El Baraka founder Maya Ibrahimchah. "There have been many more demands for help over the past four months," she said. "Those we are helping today are all from the middle class."

The state has poured up to \$437 million into subsidies a month, the World Bank estimates, to keep prices in check for bread, medicine, fuel and electricity, as well as around 300 other items since mid-2020. To counter the pound's drastic devaluation, importers get access to dollars at a preferential rate to ensure they can afford to continue bringing in supplies.

For flour, fuel and medicine, for example, they offer dollars at the official exchange rate of 1,507 pounds to cover most of their cost. But traders must resort to the black market to



BEIRUT: Maya Ibrahimchah, the founder and president of the Lebanese NGO Beit al-Braka (house of blessings) organizes the stock of food to be distributed to the needy at the organization's headquarters on Feb 23, 2021. — AFP

cover the difference, where Tuesday the rate hit a record low of 10,000 pounds to the dollar. As a result, in less than a year the price of a large bag of subsidized bread has risen from 1,500 to 2,500 pounds.

Authorities have remained vague about how the subsidies will be reduced, though meetings are ongoing. In early December, central bank governor Riad Salameh said it could only fund subsidies for another two months. Later that month, he said two billion dollars were available for them. At the end of February, the central

bank's website showed it had \$17.9 billion in foreign currency reserves, yet \$17.5 billion of that is the bank's required reserves. The bank did not respond to AFP's repeated requests for comment. The UN food agency has warned any subsidy reduction would have "major inflationary repercussions" and "put an unbearable strain on households". The price of bread could increase by up to three times and fuel by 4.5 times, the World Food Program said, adding it was critical to immediately scale up assistance to the poorest. — AFP

US, EU hail 'fresh start' with truce in planemaker feud

WASHINGTON: Washington and Brussels hailed an opportunity to restore frayed ties as US President Joe Biden and EU leader Ursula von der Leyen on Friday suspended tit-for-tat trade tariffs in a longstanding aircraft dispute. The truce in the 16-year-old transatlantic dispute over subsidies for rival planemakers Boeing and Airbus represents a significant ratcheting back of the aggressive trade policies pursued by former US president Donald Trump.

Following a phone call on Friday, Biden and von der Leyen's announced a four-month suspension of billions of dollars in punitive import tariffs, in what the White House said was an opportunity "to repair and revitalize the US-EU partnership". "I was glad to speak to President Biden this afternoon - the first of many exchanges and the start of a good personal partnership," von der Leyen, president of the European Commission, said in a statement. "President Biden and I agreed to suspend all our tariffs imposed in the context of the

Airbus-Boeing disputes, both on aircraft and non-aircraft products, for an initial period of four months."

The call was the European Union chief's first with Biden since he came to office, although the pair spoke in November after he won the US presidential election. Each side has won WTO rulings in the dispute which authorized the governments to impose punitive tariffs, including US duties on a record \$7.5 billion in EU goods.

Washington has imposed tariffs on European products like wine, cheese and olive oil, and 15 percent tariffs on Airbus. And the EU levied additional duties on \$4 billion worth of American products including Boeing planes and farm produce such as wheat and tobacco, plus alcoholic spirits and chocolate.

'Fresh start'

Biden initially maintained the duties imposed by his predecessor but also pledged to rebuild relations with American allies and trading partners that frayed over the past four years. On Thursday the United States and Britain - which hosts an Airbus plant and was part of the EU when the dispute started - also agreed to suspend retaliatory tariffs for four months.

Von der Leyen said in her statement that she hoped the suspension signaled a



"fresh start". She said her call with Biden touched on many other aspects of transatlantic relations. "We both committed to focus on resolving our aircraft disputes, based on the work our respective trade representatives," she said. "This is excellent news for businesses and industries on both sides of the Atlantic, and a very positive signal for our economic cooperation in the years to come."

A joint statement issued by both parties stressed their committed to finally resolving the dispute, which would lead to closer cooperation in other areas, and reinforce the allies as they review ties with a rising China. "This will allow the EU and the US to ease the burden on their industries and workers and focus efforts towards resolving these long running disputes at the WTO," it said. — AFP

Honda launches advanced self driving cars

TOKYO: Honda launched the world's most advanced self-driving car licensed for the road on Friday, releasing an initial batch of 100 models in Japan. The Legend is capable of adaptive driving in lanes, as well as passing and switching lanes under certain circumstances. The car also features an emergency stop function in case a driver is unresponsive to handover warnings, and Honda touts extensive safety testing.

"Approximately 10 million patterns of possible real-world situations were simulated during system development, and real-world demonstration tests were conducted on expressways for a total of approximately 1.3 million kilometers," it said in a statement. Experts said the limited rollout would help determine whether there is sufficient demand for more autonomous vehicles.

Vehicle autonomy is classified along a 0-5 scale, with 5 indicating

essentially total autonomy. The Legend is Level 3. Several automakers have already manufactured vehicles capable of Level 3 autonomy, but few countries have legal frameworks permitting their sale and use. Honda's Legend release comes after the carmaker won approval for sales in Japan last November.

The government had already amended the law to allow for such vehicles, believing self-driving cars will be key in a country with a rapidly ageing population in need of safe transportation solutions. Automakers and tech firms are locked in a fierce battle for the lead in self-driving technology, with electric carmaker Tesla among the challengers.

For now, analysts say automakers are still a long way from a true Level 4 system, in which a car is considered to no longer have a driver, just passengers. Level 5 vehicles would theoretically have no steering wheel or other driver controls and would be capable of handling all terrain types and weather without driver assistance. Honda's limited release of the Legend will be available only for lease sales. The partially self-driving sedan is priced at 11 million yen (\$102,000). — AFP

Twitter working on way to 'undo' fresh tweets

SAN FRANCISCO: Twitter on Friday confirmed that it is working on a button that would give people a chance to take back freshly fired-off tweets before they are posted. While the feature would not be an edit option long clamored for by Twitter users, it would provide a brief window of opportunity of several seconds to "undo" a tweet after sending. "We can confirm we are testing this feature," a Twitter spokeswoman said in reply to an AFP inquiry.

The feature would be in addition to the delete function but would prevent a tweet from appearing on a user's timeline. Google's free Gmail service provides a similar chance to reconsider emails being sent. Twitter put out word this week that it would be testing products throughout the year, and "hopefully" some would be rolled out.

Plans shared by Twitter recently include a possible subscription service in which users would pay for special content from high-profile accounts, part of an economic model to diversify its revenue. The social media platform is working on a new Super Follows service as it searches for new revenue streams beyond targeted advertising, it said at an annual meeting of investors. — AFP