UAE restructures government

Seeks more agility as it deals with coronavirus impact

● The restructuring was announced by UAE Vice President

Reuters | Dubai

The United Arab Emirates announced a broad government restructuring yesterday for more "agile and swift" decision-making following the coronavirus pandemic, merging government entities and appointing new economy and industry ministers.

Prime Minister and Vice-President of the United Arab Emirates and ruler of Dubai Sheikh Mohammed bin Rashid al-Maktoum attends the Gulf Cooperation Council's (GCC) Summit in Riyadh, Saudi Arabia

The head of Abu Dhabi's national oil company ADNOC, Sultan al-Jaber, was named as industry and advanced technology minister and Abdullah al-Marri was appointed economy minister. The restructuring was announced by UAE Vice President Sheikh Mohammed bin Rashid al-Maktoum on his official Twitter account.

The energy and infrastructure ministries were merged under a single portfolio to be headed by current energy minister Suhail Al Mazrouei.

An ADNOC spokesperson said al-Jaber would retain his post as ADNOC chief executive.

"The aim ... is a government that can more quickly make decisions and deal with changes and more adeptly seize opportunities in dealing with this new stage in our history; a swift and agile government," Sheikh Mohammed said.

He gave it a year to achieve priority targets for the country, which is the region's business, trade and tourism hub.

Changes include abolishing half of government service centres and converting them to digital platforms within two years and merging around half of federal agencies.

The Federal Water and Electricity Authority, Emirates Post, Emirates General Transport Corp, and Emirates Real Estate Corp were placed under the Emirates Investment Authority.

The economy ministry got two ministers of state — Ahmed Belhoul for business and small and medium enterprises, and Thani al-Zeyoudi for foreign trade. Omar al-Olama was named minister of state for digital economy and artificial intelligence.

"The future working environment in medicine, education and trade will change dramatically and we aim to be at the forefront of these changes," Sheikh Mohammed said.

In June, the central bank forecast that the oil-exporting country's economy would likely contract by 3.6 per cent this year due to the coronavirus pandemic.

The non-oil private sector grew in June for the first time this year, emerging from months of contraction as coronavirus restrictions were lifted.

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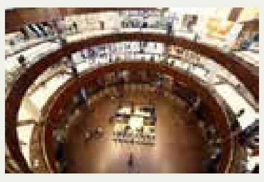
To abolish half of government service centres and convert them to digital platforms and merge around half of federal agencies.

Non-oil private sector jumps back to growth in June - PMI

Reuters | Dubai

The United Arab Emirates (UAE) non-oil private sector grew in June for the first time this year, emerging from months of contraction as coronavirus restrictions were lifted, a survey showed yesterday. The seasonally adjusted IHS Markit UAE Purchasing Managers' Index (PMI), which covers manufacturing and services, rose to 50.4 in June from 46.7 in May, edging above the 50.0 mark that separates expansion from contraction.

"At 50.4 in June, the UAE PMI signalled the first stage of recovery in the non-oil private sector. More firms are now seeing an increase in activity as opposed to a decline, while new orders grew at the fastest rate in ten months," said David Owen, economist at survey compiler IHS Markit.



People shop at The Dubai Mall, in Dubai, UAE

Output levels grew at their strongest pace since October last year and new orders grew at their fastest since August as demand improved after the easing of lockdown measures.

In late June, the UAE announced the lifting of a nightly curfew in place since mid-March. The daily number of infections has fallen from a peak of some 900 in late May to average between 300 and 400 in recent weeks.

As of July 1, the UAE had reported 49,069 cases of the new coronavirus and 316 deaths.

Despite the jump in the headline index, companies are still cutting costs after months of lower activity, which led to a drop in the employment sub-index to 46.4 from 48.7 in May.

"Evidence from panellists suggested that balance sheets remain in a tricky situation, as firms made another solid cut to workforces in order to reduce costs. Thus it may be a long path to recovery for the labour market," Owen said.

UK PM Johnson to phase out Huawei's 5G role within months - The Telegraph

Reuters

British Prime Minister Boris Johnson is expected to begin phasing out the use of Chinese tech giant Huawei's technology in Britain's 5G network as soon as this year, The Daily Telegraph reported on Saturday.

Employees wait for a shuttle bus at a 5G testing park at Huawei's headquarters in Shenzhen, Guangdong province, China

Officials are drawing up proposals to stop installing new Huawei Technologies equipment in the 5G network in as little as six months, and to speed up the removal of technology that is already in place, the newspaper reported.

The move comes after the nation's spy agency GCHQ raised new security fears over Chinese technology.

A report prepared by GCHQ's National Cyber Security Centre concludes that new US sanctions on Huawei will force the company to use untrusted technology that could make the risk impossible to control, the newspaper said.

The sanctions have had a "severe" impact on the firm that significantly changes GCHQ's calculations, the report said.

The report is expected to be presented to Johnson this week.

Luckin Coffee chairman ousted by shareholders: Bloomberg, citing report

● Three other board directors including Sean Shao were also removed

Reuters

Charles Zhengyao Lu, non-executive chairman of Luckin Coffee

Luckin Coffee Inc Chairman Charles Zhengyao Lu has been ousted by shareholders from the embattled coffee chain, just days after a proposal to remove him failed to get board approval, Bloomberg News reported on Sunday, citing Chinese web portal 163.com.

Three other board directors including Sean Shao were also removed at an extraordinary shareholders meeting in Beijing on Sunday, the report said.

Ying Zeng and Jie Yang will be added as independent board directors, the report added.

Luckin Coffee declined to comment.

Luckin stated just days ago that a proposal to remove Lu as chairman of the embattled coffee chain's board did not get the number of necessary votes from directors to pass.

The China-based coffee chain had earlier in the week wound up an internal probe into fake annual sales of about $300 million, following which several of Luckin's directors proposed the ousting of Lu.

Lu, who is the controlling shareholder of Luckin, is also the founder of auto-rental firm CAR Inc and Chinese ride-hailing firm Ucar Inc.

During the investigation, Luckin sacked its chief executive and chief operating officers, who had previously held top positions at Lu's other firms.

Saudi private sector support

Dubai

Saudi government initiatives to support the financing of the private sector to mitigate the impact of the coronavirus oubreak have exceeded 51 billion riyals ($13.60 billion), the central bank said on Sunday.

French economy probably bouncing back faster than expected - central bank

Governor of the Bank of France Francois Villeroy de Galhau

Reuters | Paris

The French economy is pulling out of the slump induced by the coronavirus outbreak at least as fast as expected a month ago, and maybe even a little faster, Bank of France Governor Francois Villeroy de Galhau said yesterday.

"It's going at least as well as we expected in early June ... and probably even a little better," Villeroy said on LCI television.

Trump repeats vow to defeat 'radical left' in July Fourth speech

Reuters | Washington

US President Donald Trump on Saturday vowed to defeat the "radical left," in an Independence Day speech at the White House that condemned recent protests against monuments to historical figures as attempts to destroy the United States.Trump claimed without evidence that 99% of coronavirus cases in the United States were "totally harmless."Trump also said China must be "held accountable" for failing to contain the disease.

Bitain nears 500 million pound deal for Sanofi/GSK COVID-19 vaccine: Sunday Times

● Talks were ongoing with different parties about access

Reuters | London

A small bottle labeled with a "Vaccine" sticker is held near a medical syringe in front of displayed "Coronavirus COVID-19" words in this illustration

Britain is close to agreeing a 500 million pound ($624 million) supply deal with Sanofi and GlaxoSmithKline for 60 million doses of their potential COVID-19 vaccine, the Sunday Times reported.

The newspaper said that Britain was considering taking an option to buy the vaccine should it work in human trials, which are due to begin in September.

Sanofi was not immediately available to comment on the report, while a spokesman for GSK declined to comment.

A spokeswoman for Britain's business ministry, which is handling Britain's supply of potential COVID-19 vaccines, said talks were ongoing with different parties about access but did not confirm if the Sanofi/GSK project was among them.

"The Government's Vaccines Task Force is actively engaging with a wide range of companies both in the UK and abroad to negotiate access to vaccines," she said.

"Appropriate announcements of these arrangements will be made as and when agreements with any of these companies are finalised and signed."

Sanofi is working on two possible COVID-19 vaccines, one of which uses an adjuvant made by GSK to potentially boost its efficacy.

Its timeline for clinical trials is behind the likes of Moderna Inc, the University of Oxford in collaboration with AstraZeneca Plc, and an alliance of BioNTech and Pfizer Inc, whose projects all grabbed headlines by moving to human trials as early as March.

Sanofi and GSK have both said they are prioritising quality over speed in developing a vaccine.