EU warns Airbnb to obey rules or risk fines

AFP| Brussels,

The European Union yesterday warned holiday rental site Airbnb to bring consumer terms in line with the bloc's rules or risk financial penalties.

The European Commission, the executive arm of the 28-nation EU, said it found that some of Airbnb's pricing and other terms failed to meet EU guidelines.

"Airbnb has now until the end of August to propose detailed solutions on how to bring its conduct in compliance with EU consumer legislation," the commission said.

Brussels said the firm failed to meet EU guidelines on price transparency, with some prospective customers seeing prices increase as they proceeded with making a reservation.

US challenges counter-tariffs at WTO

AFP| Washington

The United States has launched challenges at the World Trade Organization to hit back at the major trading partners who have retaliated against President Donald Trump's tariffs on metals and goods from China.Washington opened separate disputes against China, the European Union, Canada, Mexico and Turkey, challenging the counter-tariffs they have since imposed on American farm exports and machinery, the office of the US Trade Representative said in a statement.

Despite outrage from EU, Canadian and Mexican authorities, the White House says alleged unfair trade by these economies justifies Trump's stinging tariffs -- but retaliation is not.

"The actions taken by the president are wholly legitimate and fully justified as a matter of US law and international trade rules," US Trade Representative Robert Lighthizer said in a statement.

"Instead of working with us to address a common problem, some of our trading partners have elected to respond with retaliatory tariffs designed to punish American workers, farmers and companies." Lighthizer said the counter-tariffs breached the member states' WTO obligations.

Bank stocks lift Gulf indices

TAQA, Dana Gas buck trend as lower oil prices weigh; Emaar Properties rises in Dubai

Reuters| Dubai

Gulf indices gained one per cent as second quarter earnings season got underway. - Reuters (File photo)

Most Gulf markets ended yesterday in positive territory with Saudi Arabian, Qatari, and Abu Dhabi indexes all gaining 1 percent or more as the second quarter earnings reporting season got under way and despite a drop in oil prices.

Abu Dhabi's main index added 1.1 per cent with support also from telecom shares. First Abu Dhabi Bank (FAB) closed up 2 percent, Emirates Telecom (Etisalat) up 1.8pc, and Abu Dhabi Islamic Bank (ADIB) up 1.6 percent.

ADIB reported on Monday a 3.8pc second-quarter profit rise to 572.7 million dirhams.

Energy shares weighed with Dana Gas falling 1.9pc and Abu Dhabi National Energy (TAQA) closing 2.4pc lower as the oil market slipped on potential production increases from Russia and other oil producers.

Qatar's benchmark index added 1.1pc with petrochemicals, metals and fertiliser producer Industries Qatar closing 4.7 percent higher.

Qatar Commercial Bank rose 1.2pc and Vodafone Qatar climbed 3.1pc.

Saudi Arabia's index closed up 1pc. Al Rajhi Bank rose 1.9pc, while National Commercial Bank rose 1.7pc, and Samba Financial Group edged up 2.7pc.

Developer Jabal Omar fell 1.4pc.

In Dubai, Emaar Properties closed up 2.8pc while Emaar Malls fell 0.5pc. Emaar Malls said after the market closed it had appointed former Marks & Spencer executive Patrick Bousquet-Chavanne as its new CEO.

Closing Bell

SAUDI	▲ 1.0% » 8,491
DUBAI	▲ 0.7% » 2,919
ABU DHABI	▲ 1.1% » 4,747
QATAR	▲ 1.1 % » 9,340
KUWAIT	▲ 1.0% » 5,390
BAHRAIN	▲ 0.6% » 1,352
OMAN	▼ 0.2 » 4,449
EGYPT	▼ 1.2% » 15,656

Oil falls 4pc to 3-month-low

Reuters| New York

Representative picture

Oil prices slumped 4 per cent yesterday, with Brent reaching a three-month low, as Libyan ports reopened and traders eyed potential supply increases by Russia and other producers.

Brent crude futures fell $3.09 to $72.24 a barrel, a 4.1 per cent loss, by 11:34 a.m. EDT (1534 GMT), while US West Texas Intermediate (WTI) crude decreased $2.74, or 3.9 percent, to $68.27 a barrel.

Brent's dive put it at its lowest level since mid-April.

Supply outages in Libya, a labor dispute in Norway and unrest in Iraq all helped to push oil prices higher late last week, though prices still fell for a second straight week.

"The complex has wasted little time in offsetting Friday's gains as the specter of increasing production out of Saudi Arabia, Russia and the US has come under increased focus now that Libyan ports appear to be reopening," Jim Ritterbusch, president of Ritterbusch and Associates said in a note.

Russia and other oil producers could raise output by 1 million barrels per day (bpd) or more if shortages hit the market, Russian Energy Minister Alexander Novak told reporters on Friday.

Also weighing on futures were reports that the U.S. could tap its Strategic Petroleum Reserve, which would add supply to the market.

Production in Libya remained under threat. While its ports are reopening, output at Libya's giant Sharara oilfield was expected to fall by at least 160,000 bpd after two workers were abducted by an unknown group, the National Oil Corporation said on Saturday.

On July 11, the NOC said four export terminals were being reopened after eastern factions handed over the ports, while a lengthy shutdown at El Feel oilfield in the southwest also ended.

$72.24
a barrel was the price of Brent crude futures by 1534 GMT

IMF warns of rising risks to global growth amid trade row

AFP| Washington

The global economy is still expected to grow at a solid pace this year, but worsening trade confrontations pose serious risks to the outlook, the International Monetary Fund said yesterday.

The IMF's updated World Economic Outlook (WEO) forecast global growth of 3.9 percent this year and next, despite sharp downgrades to estimates for Germany, France and Japan.

The US economy is still seen growing by 2.9 per cent this year, and the estimate for China remains 6.6pc, with little impact expected near term from the tariffs on tens of billions of dollars in exports the countries have imposed on each other so far.

"But the risk that current trade tensions escalate further -- with adverse effects on confidence, asset prices, and investment -- is the greatest near-term threat to global growth," IMF Chief Economist Maurice Obstfeld said.

The fund warns growth could be cut by a half point by 2020 if tariff threats are carried out.

Although the global recovery is in its second year, growth has "plateaued" and become less balanced, and "the risk of worse outcomes has increased," Obstfeld said in a statement.

'Disenchantment'

The report comes as US President Donald Trump has imposed steep tariffs duties on $34 billion in imports from China, with another $200 billion coming as soon as September, on top of duties on steel and aluminum from around the world including key allies.

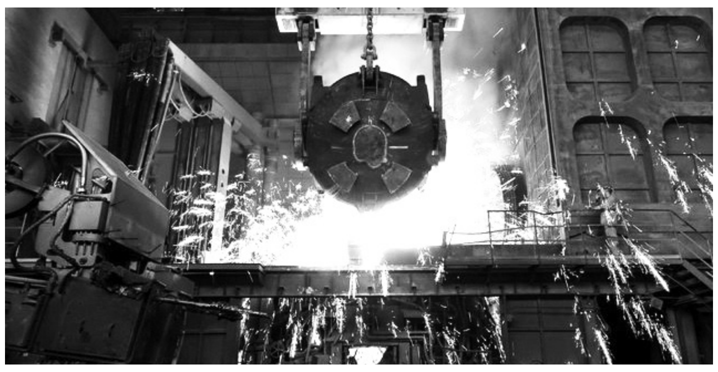
China has matched US tariffs dollar for dollar and threatened to take other steps to retaliate, while US exports face retaliatory taxes from Canada, Mexico and the European Union.

"An escalation of trade tensions could undermine business and financial market sentiment, denting investment and trade," the IMF report said. In addition, "higher trade barriers would make tradable goods less affordable, disrupt global supply chains, and slow the spread of new technologies, thus lowering productivity." The IMF said growth prospects are below average in many countries and urged governments to take steps to ensure economic growth will continue.

GDP GROWTH ESTIMATES	2018	2019
World	3.9 (0.0)	3.9 (0.0)
Advanced economies	2.4 (-0.1)	2.2 (0.0)
United States	2.9 (0.2)	2.7 (0.2)
Euro area	2.2 (-0.2)	1.9 (-0.1)
Germany	2.2 (-0.3)	2.1 (0.1)
France	1.8 (-0.3)	1.7 (-0.3)
Italy	1.2 (-0.3)	1.0 (-0.1)
Spain	2.8 (0.0)	2.2 (0.0)
Japan	1.0 (-0.2)	0.9 (0.0)
Britain	1.4 (-0.2)	1.5 (0.0)
Canada	2.1 (0.0)	2.0 (0.0)
Emerging & developing economies	4.9 (0.0)	5.1 (0.0)
Developing Asia	6.5 (0.0)	6.5 (-0.1)
China	6.6 (0.0)	6.4 (0.0)
India	7.3 (-0.1)	7.5 (-0.3)
Latin America and the Caribbean	1.6 (-0.4)	2.6 (-0.2)
Brazil	1.8 (-0.5)	2.5 (0.0)
Mexico	2.3 (0.0)	2.7 (-0.3)
Russia	1.7 (0.0)	1.5 (0.0)
Middle East and North Africa	3.5 (0.1)	3.9 (0.2)
Sub-Saharan Africa	3.4 (0.0)	3.8 (0.1)
World Trade Volume	4.8 (-0.3)	4.5 (-0.2)

China's GDP growth softens to 6.7 per cent in second quarter

Reuters| Beijing



A man works at a steel plant in Liaoning province, China. - Reuters (File photo)

China's economy expanded at a slower pace in the second quarter as Beijing's efforts to contain debt hurt activity, while June factory output growth weakened to a two-year low in a worrying sign for investment and exporters as a trade war with the United States intensified. The world's second-largest economy grew 6.7 per cent in the last quarter year-on-year - matching expectations - and looks set to meet the official 2018 growth target of around 6.5pc, though the trade row with Washington, a slowing property market and lower shipments have sharply increased the risks to the outlook.

> The intensifying trade conflict with the US will start to weigh on growth
>
> LOUIS KUIJS
> HEAD OF ASIA ECONOMICS FOR OXFORD ECONOMICS, HONG KONG

"We expect growth in H2 to be challenged by the slow credit growth and softer real estate activity. Also, the intensifying trade conflict with the US will start to weigh on growth," Louis Kuijs, Head Of Asia Economics for Oxford Economics in Hong Kong, wrote in a note. The second quarter GDP figure was slightly below the first quarter's 6.8pc, the National Bureau of Statistics said on Monday, with net exports a drag on overall first half economic growth.

As the trade tussle with Washington shows no signs of ebbing, more timely monthly activity data indicated growth was slowing at a faster pace going into the second half of the year.