

Indonesia and United Arab Emirates reach trade pact

● Sharply reduced duties on most goods

● Text of the agreement was not released

● Deal to increase bilateral non-oil trade to \$10 billion within five years

Reuters | Abu Dhabi

Indonesia and the United Arab Emirates yesterday signed a free trade agreement, strengthening economic ties between Southeast Asia's largest economy and the major oil producing Gulf state.

The accord, reached during a visit by Indonesian President Joko Widodo to Abu Dhabi, will remove or sharply reduce duties on most goods traded between the Muslim countries.

The UAE economy ministry said Indonesian palm oil, food products, fashion wear and Emirati petrochemicals, rubber products, plastics and steel would benefit from reduced or

“It's going to add about \$4.6 bn to our GDP by 2030. It's going to increase the exports by \$3.2 bn and increase the imports by \$2.6 bn by 2030

EMIRATI MINISTER OF STATE FOR FOREIGN TRADE THANI AL ZEYUUDI



Trucks with palm oil fresh fruit bunches queue for unloading at a factory in West Aceh, Indonesia

eliminated tariffs.

The accord includes chapters on services, investments, intellectual property rights and mutual recognition of each others' halal certification, Indonesia's trade ministry said.

The text of the agreement was not released and still needs to be ratified by both countries, which is largely procedural in autocratic UAE but could take months in democratic Indonesia.

Indonesia's main exports to the UAE are palm oil, jewellery and precious metals, while Emirati exports to Indonesia are mostly petroleum gases and non-crude oils, iron and non-al-

loy steel, according to the Observatory of Economic Complexity.

Oil rich UAE has forged closer trade ties with Indonesia as part of an ambition to double its own economy to \$816 billion by the end of the decade, in part by signing free trade agreements.

It has signed similar deals with India and Israel this year.

Emirati Economy Minister Abdullah bin Touq told reporters the deal with Indonesia could increase bilateral non-oil trade to \$10 billion within five years, up from around \$3 billion last year.

Indonesian Trade Minister Zulkifli Hasan said that Jakarta

expects more UAE investment in Indonesia following the pact, which he said would boost exports to the Middle East and elsewhere.

The UAE will benefit from greater access to the Indonesian market of over 270 m people at time when it is diversifying its trade links and seeking to create jobs for its 1 million citizens.

Emirati Minister of State for Foreign Trade Thani Al Zeyoudi told Reuters the government estimated the trade pact would create 55,000 highly skilled jobs in the UAE by 2030.

“It's going to add about \$4.6 bn to our GDP by 2030. It's going

to increase the exports by \$3.2 bn and increase the imports by \$2.6 bn by 2030,” he said in an interview.

The UAE is in bilateral free trade talks with at least a dozen other countries, including Aus-

tralia and South Korea.

“We're almost done with Colombia. It is going to be signed in the coming few weeks,” Al Zeyoudi said, adding that an accord in Turkey could be reached before the end of the year.



The UAE, a country of about 10 million people, is a major trade hub for the Middle East and parts of Africa, Asia and Europe.

US factory activity slows to two-year low

Reuters | Washington

US manufacturing activity slowed more than expected in June, with a measure of new orders contracting for the first time in two years, signs that the economy was cooling amid aggressive monetary policy tightening by the Federal Reserve.

The survey from the Institute for Supply Management (ISM) on Friday also showed a gauge of factory employment contracting for a second straight month, though an “overwhelming majority” of companies indicated they were hiring.

The ISM survey's index of national factory activity dropped to 53.0 last month,



Autonomous robots assemble an X model SUV at the BMW manufacturing facility in Greer, South Carolina

the lowest reading since June 2020, when the sector was rebounding from a COVID-19 slump. That followed a reading of 56.1 in May. The index would need to decline to 43.1 to signal a recession.

A reading above 50 indicates expansion in manufacturing, which accounts for 11.8% of the US economy.

Tesla hit by new lawsuit alleging racial abuse against Black workers

Reuters | San Francisco

Fifteen Black former or current employees at Tesla (TSLA.O) filed a lawsuit against the electric car maker on Thursday, alleging they were subjected to racial abuse and harassment at its factories.

The workers said they were subjected to offensive racist comments and behaviour by colleagues, managers and human resources employees on a regular basis, according to the lawsuit filed in a California state court.

The harassment, which occurred mostly at Tesla's Fre-



The view of Tesla Inc's US vehicle factory in Fremont, California

mont, California, factory, included using the n-word and such terms as “slavery” or “plantation” or making sexual comments such as “likes booty,” the lawsuit said, adding that the automaker's “standard operating procedures include blatant,

open and unmitigated race discrimination.”

The filing described one plaintiff, Teri Mitchell, as being regularly harassed by co-workers and managers who used racial slurs and made statements including, “It is rare for Blacks to work here. I don't know how long you will be able to stay here.”

It said that Montieco Justice, a production associate at Tesla's Fremont factory, was immediately demoted upon returning to Tesla after taking an authorized leave of absence as a result of contracting COVID-19.

Chinese state airlines to buy almost 300 Airbus jets

Reuters | Beijing/Sydney

China's “Big Three” state airlines pledged on Friday to buy a total of almost 300 Airbus jets, the biggest order by Chinese carriers since the start of the COVID-19 pandemic.

In apparently coordinated announcements, Air China and China Southern Airlines said they would each buy 96 A320neo-family jets worth \$12.2 billion at list prices. China Eastern Airlines said it would buy 100 airplanes of the same type, worth \$12.8 bn.

Ukraine requests Turkey detain Russian-flagged ship it says carrying Ukrainian grain

● Ukraine says ship involved in illegal export of grain

● Kahakh based owner says ship chartered to Russian company

● Kremlin previously denied Russia stolen any Ukraine grain

Reuters | London/Istanbul

Ukraine has requested that Turkey detain and arrest the Russian-flagged cargo ship Zhibek Zholy carrying a cargo



Workers storage grain at a terminal during barley harvesting in Odesa region, as Russia's attack on Ukraine continues, Ukraine

of Ukrainian grain taken from the Russian-occupied port of Berdyansk, according to a

Ukrainian official and document seen by Reuters.

The Ukrainian foreign min-

istry official, citing information received from the country's maritime administration, said the 7,146 dwt Zhibek Zholy had loaded the first cargo of some 4,500 tonnes of grain from Berdyansk, which the official said belonged to Ukraine.

In a letter dated June 30 to Turkey's justice ministry, Ukraine's prosecutor general's office separately that the Zhibek Zholy was involved in the “illegal export of Ukrainian grain” from Berdyansk and headed to Karasu, Turkey, with 7,000 tonnes of cargo, which is a larger cargo than cited by the official.

The Ukrainian prosecutor general's office asked Turkey to “conduct an inspection of this sea vessel, seize samples of

grain for forensic examination, demand information on the location of such grain”, the letter said, adding that Ukraine was ready to conduct a joint investigation with Turkish authorities.

A Russian-installed official in Russian-occupied areas of Ukraine's Zaporizhzhia region said on Thursday that after a stoppage of several months the first cargo ship had left Berdyansk port without naming the Zhibek Zholy.

Kremlin officials in Moscow did not immediately respond to a request for comment on Friday.

Ukraine has accused Russia of stealing grain from the territories that Russian forces have seized since its invasion began in late February. The Kremlin has

previously denied that Russia has stolen any Ukrainian grain.

Turkey's foreign ministry did not immediately reply to a request for comment on the arrival of the Zhibek Zholy.

Kazakh based KTZ Express confirmed to Reuters the Zhibek Zholy was owned by the company but said it was taken under a bare boat charter - when no crew or supplies are involved in the lease - by Russian company Green-Line, which was not designated under any sanctions.

Earlier this month Russia's defence minister said the Ukrainian ports of Berdyansk and Mariupol, controlled by Russian forces, were ready to resume grain shipments.