

Child workers detected throughout Hyundai-Kia supply chain, Alabama

● The employment of children at Hwashin and Ajin hasn't been previously reported

● As many as 10 Alabama plants that supply parts to Hyundai or Kia have been investigated for child labour

Reuters | Greenville, Alabama

At least four major suppliers of Hyundai Motor Co and sister Kia Corp have employed child labour at Alabama factories in recent years, a Reuters investigation found, and state and federal agencies are probing whether kids have worked at as many as a half dozen additional manufacturers throughout the automakers' supply chain in the southern U.S. state.

At a plant owned by Hwashin America Corp, a supplier to the two car brands in the south Alabama town of Greenville, a 14-year-old Guatemalan girl worked this May assembling auto body components, accord-



Authorities caught wind of child workers in Hyundai's supply chain when a school official heard kids missed class to work at Hwashin, which builds body parts in Greenville

ing to interviews with her father and law enforcement officials. At plants owned by Korean auto-parts maker Ajin Industrial Co, in the east Alabama town of Cusseta, a former production engineer told Reuters he worked with at least 10 minors. And six other ex-employees of Ajin said they, too, worked alongside multiple underage laborers.

In two separate statements sent by the same public relations firm, Hwashin and Ajin said their policies forbid the hiring of any worker not of legally employable age. Using identical language, both companies said they hadn't, "to the best of our knowledge," hired underage

workers. The employment of children at Hwashin and Ajin hasn't been previously reported. The news follows a Reuters report in July that revealed the use of child workers, one as young as 12, by SMART Alabama LLC, a Hyundai subsidiary in the south Alabama town of Luverne. In August, the U.S. Department of Labor said that SL Alabama LLC, another Hyundai supplier and a unit of South Korea's SL Corp, employed underage workers, including a 13-year-old, at its factory in Alexander City.

Since then, as many as 10 Alabama plants that supply parts to Hyundai or Kia have been investigated for child labour by various state and federal law en-

forcement or regulatory agencies, according to two people familiar with the probes. The investigations are being conducted across small towns and rural outposts where many of the suppliers and the job recruiters that staff them are located. It isn't yet clear whether the probes will lead to criminal charges, fines or other penalties, the two people said.

On Aug. 22 a team of Labour Department and Alabama state inspectors arrived unannounced at one of Ajin's plants, according to people familiar with the operation. As the team arrived, workers rushed out the back and left the premises before they could be questioned, one of the inspectors told a meeting of Alabama's anti-human trafficking task force last month, according to two people who attended. The inspection hasn't previously been reported.

A Labour Department spokesman, Eric Lucero, told Reuters that the agency's Wage and Hour Division has an open investigation into Ajin, but declined to confirm whether the probe was related to child labor.

In its statement, Ajin said it "will cooperate fully" with any investigations by regulators and law enforcement.

Aramco and TotalEnergies to build \$11 bn Saudi petrochemicals plant

Reuters | Paris

Saudi Arabian Oil Company (Aramco) and TotalEnergies (TTEF.PA) will join forces to build a new petrochemicals complex in Saudi Arabia, the French energy group said on Thursday.

The project involves investment of about \$11 billion, of which \$4 billion will be funded through equity by Aramco (62.5%) and TotalEnergies (37.5%), the statement said.

The investment decision is subject to closing conditions and approvals, with construction scheduled to begin in the first quarter of 2023 and commercial operation targeted for 2027.

The planned Amiral complex, integrated with the existing Saudi Arabia Total Refining and Petrochemical (SATORP) refinery located in Jubail on Saudi Arabia's eastern coast, will be owned and operated by Aramco and TotalEnergies.

The overall complex, including adjacent facilities, is



A sign with the logo of French oil and gas company TotalEnergies

expected to create 7,000 jobs locally.

The petrochemicals facility will enable SATORP to convert its refinery off-gases and naphtha, as well as ethane and natural gasoline supplied by Aramco, into higher-value chemicals.

The complex will eventually provide feedstock to other petrochemicals and speciality chemical plants in the Jubail industrial area, requiring an estimated \$4 billion of additional investment.

Turkey's Baykar launches new jet-powered drone, aiming for air-to-air combat

Reuters | Istanbul

Turkish defence firm Baykar said its first jet-powered unmanned aerial combat vehicle (UCAV) completed its maiden flight on Wednesday, as the company continues to gain popularity globally, most recently by helping Ukraine's army fight Russian forces.

Baykar released a video showing the Kizilelma (Golden Apple) UCAV taking off and then returning to an airbase which it said was in the north-western Corlu province, 85 kilometers west of Istanbul. Flight radar data also showed an unknown aircraft with a BYK07 call sign detected over Corlu Airport on Wednesday.

The company's earlier Bayraktar TB2 drone has featured prominently in global conflicts, pushing Baykar into the global spotlight and transforming it into a major manufacturer and



Kizilelma (Red Apple), Turkish defence firm Baykar's first jet-powered unmanned aerial combat vehicle (UCAV)

exporter.

International demand for Baykar's propeller-driven drones soared after their impact in Syria, Ukraine, and Libya, where their laser-guided armor-piercing bombs helped repel an offensive by UAE-supported forces two years ago. International demand for Baykar's propeller-driven drones soared after their impact in Syria, Ukraine, and Libya

Bahrain Petroleum Company (Bapco) celebrated with its employees National Day and His Majesty the King's Accession to the Throne at the company's different departments and facilities. Dr Abdulrahman Jawahery, Bapco's Chief Executive Officer congratulated the Leadership and the loyal citizens, ensuring Bapco's continuous commitment to supporting sustainable development efforts throughout Bahrain.



Electric vehicle production set to surge in 2023 despite low sales

Reuters | Detroit

The past year was sobering for investors who poured money into Tesla Inc (TSLA.O) and rival electric vehicle startups that hoped to emulate Tesla CEO Elon Musk's success.

As interest rates rose and financial markets gyrated, shares in many EV startups deflated. Rivian Automotive Inc (RIVN.O), which had a higher market value than Ford Motor Co (F.N) shortly after it went public in 2021, lost more than 70% of its value over the past year.

Other EV startups fared worse. Electric van maker Arrival warned it could run out of cash in less than a year. Lucid Group Inc (LCID.O), backed by Saudi Arabia's sovereign wealth fund, struggled to build its sleek Air luxury EVs. Chinese Tesla challenger Xpeng Inc's (9868.HK) shares lost more than 80% of their value.

Now comes the hard part: Persuading more mainstream consumers to come along for the ride.



The all-electric Ford F-150 Lightning pickup truck is unveiled at the company's world headquarters in Dearborn, Michigan

WHY IT MATTERS

The automobile industry is pouring more than \$1 trillion into a revolutionary shift from combustion engines to electric vehicles guided by software. From Detroit to Shanghai, automakers and government policymakers have embraced the promise of electric vehicles to provide cleaner, safer transportation. European countries and California have set 2035 as the deadline for ending sales of new

combustion passenger vehicles.

Tesla Inc's (TSLA.O) surge to become the world's most valuable automaker - achieving a \$1 trillion valuation last year - humbled established automakers such as Toyota Motor Corp (7203.T) and Volkswagen AG (VOWG_p.DE) that once were reluctant to go electric.

Starting next year, a wave of new electric vehicles from pickup trucks to middle market SUVs and sedans will hit the world's major markets.

Industry executives and forecasters do not agree on how rapidly electric vehicles could take over half the global vehicle market, let alone all of it.

In China, the world's largest single automotive market, battery electric vehicles have captured about 21% of the market. In Europe, EVs account for about 12% of total passenger vehicle sales. But in the United States, EV market share is only about 6%.

Among the barriers to EV adoption, industry executives and analysts said, were a dearth of public fast-charging infrastructure, and the rising cost of EV batteries, driven by shortages of key materials and uncertainty over government subsidies that have buoyed EV purchases in major markets including the United States, China and Europe.

Electric vehicle sales likely will not increase in a smooth, ever-ascending curve, said AFS President Joe McCabe. If there is a recession next year, as many economists forecast, that will slow EV adoption.

Wards Intelligence forecasts that combustion vehicles will make up just under 80% of North American sales in 2027. Based on automakers' product plans, Wards analyst Haig Stoddard said at a recent conference that manufacturers "expect strong ICE (internal combustion engine) volume heading into the next decade."

WHAT DOES IT MEAN FOR 2023?

Throughout 2022, established automakers such as Mercedes, Ford and General Motors Co

(GM.N) unveiled dozens of new electric vehicles to challenge Tesla and the upstarts.

Mass production of most of these vehicles kicks into gear starting in 2023 and 2024.

By 2025, there could be 74 different electric vehicle models offered in North America, McCabe said. But he predicts fewer than 20% of those models are likely to sell at volumes above 50,000 vehicles a year. Automakers could be stuck with too many niche models and too much capacity.

Slowing economies threaten overall vehicle demand in Europe and China, too.

During the early years of the 20th Century, new auto companies sprang up, backed by investors eager to catch the wave of mass mobility that Henry Ford and other automotive pioneers started. By the 1950s, the global auto industry had consolidated and once-heralded brands such as Duesenberg had disappeared.

The next few years will determine whether the 21st Century's crop of electric vehicle brands will follow a similar path.



By 2029, electric vehicles could account for a third of the North American market, and about 26% of vehicles produced worldwide, according to AutoForecast Solutions, a consultancy.