

Unilever leads pack on price rises as consumer goods industry squeezed

LONDON — Unilever has raised prices faster than its biggest rivals P&G and Nestle since the middle of 2021, in a replay of its strategy during the 2007-09 financial crisis.

The British maker of Dove soap, Hellmann's condiments and Marmite spread, said at the end of October that its price increases hit an all-time high of 12.5% in the third quarter.

Consumer goods firms are juggling how much they can offset rising energy and labor costs without losing consum-

ers, many of whom are already switching to supermarkets' own label goods.

Nestle and P&G both raised prices by less than 9.5% in the same period, having roughly matched one another since mid-2021.

Unilever's greater exposure to emerging markets and food, where cost and margin pressures have been most intense, partly explains the difference, analysts say.

Ratcheting up prices, however, risks damaging relationships with retailers,

which are also trying to protect their margins.

The last time Unilever was close to such large rises was at the height of the global financial crisis. In the final quarter of 2008, its prices rose about 9%, dwarfing P&G's 4% hikes.

Unilever said price rises vary by category and market and not all consumers were experiencing the 12.5% hikes.

"There are several levers we can pull before increasing prices on shelf, which is a last resort and carefully considered,

including reducing promotional activity and offering a selection of products that have higher margins," a spokesperson for the company said.

Unilever has high exposure to regions and countries with high inflation including Latin America, Turkey and Russia, while P&G is more US-focused, Bernstein analyst Bruno Monteyne said.

"These countries have high inflation, linked to weak foreign exchange. That shows up in Unilever's foreign exchange

translation losses that are much bigger," he said.

TENSIONS

Unilever's cost inflation is running at more than 20% this year, compared to 14%-15% at Nestle, Barclays analyst Warren Ackerman said, although its rivals may not yet have hit the peak of their price rises.

"It's related to how much inflation they are dealing with and exposure to commodities," said Mr. Ackerman of Unilever.

Nestle acknowledged that cost pressures are intensifying.

"We are still absorbing significant cost, which has led to a notable decline in our gross profit margin," a Nestle spokesperson said. — **Reuters**

FULL STORY

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Turkey blames blast on Kurdish militants, arrests 22

ISTANBUL — Turkey's government blamed Kurdish militants on Monday for a blast that killed six people in Istanbul's main shopping street, and said police had detained 22 suspects, including the person suspected to have planted the bomb.

State broadcaster TRT released footage of police escorting a woman, the main suspect, from an apartment after an overnight raid.

Interior Minister Suleyman Soylu said the Kurdistan Workers Party (PKK) and the Syrian Kurdish YPG militia, which Ankara says is a wing of the PKK, were responsible for the attack on the historic and bustling Istiklal Avenue on Sunday.

Mr. Soylu said the order was given in Kobani and the bomber passed through Afrin — both cities in northern Syria where Turkish forces have carried out operations against the YPG in recent years.

The woman, with curly hair and in a purple jumper with the words "New York" on it, was shown being brought into police headquarters in the TRT footage. Police used a dog to search the apartment and found gold, money and ammunition, it showed.

Six Turkish citizens, two members each of three families,

were killed in the attack. No group has claimed responsibility.

Hundreds of people fled after the blast on Istiklal Avenue, a popular spot for shoppers and tourists with a tramline running its length. The area, in the Beyoglu district of Turkey's largest city, had been crowded as usual at the weekend.

Earlier television news reports showed images of a person, who appeared to be a woman, leaving a package below a raised flower bed in the middle of the street.

The attack sparked concerns that Turkey could be hit with more incidents ahead of tense elections scheduled for June 2023.

A wave of bombings and other attacks began when a ceasefire between Ankara and the PKK broke down in mid-2015, ahead of a vote in November that year. The last major attack was a shooting at an Istanbul night club on 2017 New Year's Eve.

Istanbul has been attacked in the past by Kurdish, Islamist and leftist militants.

Of those wounded on Sunday, two of the five people being treated in intensive care were in a critical condition, the Istanbul Governor's office said. They were among the 31 wounded still in hospital, while 50 people had been discharged. — **Reuters**

For host Indonesia, a G20 summit dogged by Russia-Ukraine rancor

GROUP of 20 (G20) leaders meet on Tuesday under very different circumstances than those host Indonesia envisioned when it began planning the summit last year, with Russia's invasion of Ukraine hanging over proceedings even in the absence of Russia's leader.

Indonesia, the world's fourth-most populous country and Southeast Asia's largest economy, assumed the chair of the G20 in December with plans to focus on recovery from the coronavirus pandemic and boosting the interests of developing nations.

Instead, Russia's invasion of Ukraine in February threw the world into turmoil and threw Indonesia's preparations for the summit out of kilter, forcing it into a high-stakes struggle to manage divergent demands and ensure the summit on the island of Bali takes place.

"Just keeping the meeting together is already a big achievement," said Jose Rizal, executive director of the Center for Strategic and International Studies in Jakarta.

Russia's Feb. 24 invasion of its southern neighbor sparked calls by some Western leaders for a boycott of the G20 summit and for

the withdrawal of Russian President Vladimir Putin's invitation.

But Indonesia, closely associated from the 1950s with the formation of the non-aligned movement, has instead focused on its "bebas dan aktif" or "free and active" foreign policy, a position of non-alignment born out of the Cold War, to try to keep the peace amid the global fractures, analysts say.

Indonesia has held its ground on Russia, refusing to withdraw Mr. Putin's invitation, and also rejecting what Indonesian sources say has been pressure from G7 countries to condemn Russia at the summit this week.

President Joko Widodo, who has not previously focused on international affairs, traveled to Kiev and Moscow in June to meet Mr. Putin and Ukrainian President Volodymyr Zelensky, whom he also invited to the summit.

Jokowi, as the president is known, has been particularly focused on food and energy insecurity that has resulted from the war in Ukraine, in no small part because Indonesia is one of the world's largest importers of wheat.

Russia confirmed at almost the last minute that Mr. Putin would

not attend the summit with Foreign Minister Sergei Lavrov taking his place. Ukraine's Mr. Zelensky is due to address the summit via video link.

"It's like a family wedding where one member of the family is a black sheep, but you can't not invite them, but which table do you put them at?" said Dewi Anwar, a research professor at Indonesia's National Research and Innovation Agency.

'EXTREMELY DIFFICULT'

In a recent interview with Reuters, Indonesian Foreign Minister Retno Marsudi described this year's G20 as possibly the most fraught to date, with countries in some cases taking days to agree on the use of a single word.

Indonesia will breathe a sigh of relief as the summit opens but key issues remain unresolved.

A joint communique, which would need to be agreed by all parties, appears unlikely, with Indonesia instead pushing for a leaders' declaration, diplomatic sources say.

But even that could be thorny, according to a European diplomat.

"We have to make sure that Russia's war is mentioned in the G20 declaration in one way or

another. It can't be business as normal. But that is extremely difficult," the diplomat said.

"My estimate is that at the moment, 10 of the G20 countries are against criticizing Russia harshly in the declaration."

A traditional G20 "family photo" of leaders also appears to be off the table this year, sources say. While Indonesia recently condemned at the U.N. General Assembly Russia's declaration of its "annexation" of four Ukrainian territories, Jokowi has maintained the G20 should primarily be an economic forum.

"Free and active" means you have some independence and also discretion to choose which forum to fight for which battle, and Indonesia is very adept at that," said Ms. Anwar, arguing that the G20 should not be "held hostage" to one issue.

"At the end of the day the planet still revolves, climate change continues, and the pandemic continues to be a major threat."

Amid the geopolitical tension one clear win for G20 chair Indonesia, which has struggled with coronavirus vaccine equity, is the creation of a pandemic preparedness fund and pledges for it of \$1.4 billion. — **Reuters**

South Korea's education success falters in evolving economy

SOUTH KOREA's education system, a key driver of the nation's economic success, is facing increased criticism ranging from failing to meet the demands of a modern labor market to contributing to worsening mental health among the young.

Korea has the highest share of college graduates in the developed world and its citizens' educational zeal has been praised by US President Joseph R. Biden. The current system helped the nation rise from the ashes of war in the early 1950s to become a manufacturing powerhouse.

But a deeper inspection of the education sector highlights an obsession with "glamor" colleges at the expense of real-world skills, a lack of ongoing learning to remain competitive and an industry of cram schools that are blamed for rising teenage suicides.

Korea receives the lowest labor productivity return from education spending in the Organization for Economic Co-operation and Development (OECD). It spends 40% more on a typical teenage student than Ireland yet obtains 60% less in gross domestic product per employee.

The bulk of Korean spending on education goes to hagwons, businesses that instruct children on preparing for tests and exams via intensive coaching. These tutoring firms have swelled into a 23.4 trillion won (\$17 billion) industry by promising better exam results.

Hagwons for college admission normally charge hundreds of dollars a month. Enrollment begins early, with one English-teaching hagwon for kindergarten-age kids costing \$25,000 a year, five times the average tuition fee of a college, according to lawmaker Min Hyung-bae.

Korean students are regularly ranked among the world's best, but soon after they join the workforce, their cognitive abilities begin to slide at the fastest pace in the OECD.

Researchers cite a dearth of ongoing training, as well as a lack of competition and autonomy, among reasons workers are unable to maintain their edge.

Korea has the worst mismatch between labor-market needs and job skills in the developed world, with half of the nation's university graduates ending up in roles that have little to do with their degrees.

Part of the reason is Koreans' "golden ticket syndrome" that prioritizes entry to a prestigious university over attending a school that would help develop their lifelong passion and career, an OECD report found.

Nearly two-thirds of Korean firms say the skills they seek actually have little to do with whether an applicant is a college graduate, according to DaylCompany, an online campus operator. Korea is the only OECD member where the correlation between course taken in tertiary education and employment is essentially zero.



STUDENTS wearing masks rest in Seoul, South Korea, Aug. 25, 2020. **REUTERS**

Yet rising numbers of vocational students believe their next step must be attending college rather than joining the workforce. That likely worsens the training-job mismatch and erodes productivity. Those same students blame a culture that unfairly favors college graduates in both promotion and pay.

The share of vocational students is already low, at 18% last year, compared with an OECD average of 44%, according to Kim Tai-gi, a labor economist.

Yet attending college doesn't guarantee social mobility. The chances of moving up the social ladder have been on the decline as the share of college graduates has risen, surveys show.

An obsession with college has fueled the cost of cram schools and private tutoring, meaning many couples simply can't afford this extra education, making them reluctant to have children if they can't provide them with the best opportunities.

Korea last year shattered its own record for the world's lowest fertility rate and its population is projected to halve by the end of the century.

Stress over college entrance is a leading cause of teenage suicide, and also tends to correlate with the number of hours students spend at hagwons. Last year, the suicide rate jumped by 10.1% among teenagers, the biggest increase among all generations.

Policy makers are increasingly aware of the problems in the education system, but reforms have made little progress.

"Korea is caught in a trap of its own success," said Ban Ga-Woon, an economist at the Korea Research Institute for Vocational Education & Training. "Education has played a crucial role in bringing the nation this far, but may now be sabotaging its economic future." — **Bloomberg**

PHINMA strengthens outreach programs, introduces new batch of scholars



PHINMA National Scholars Batch 13 to 16 and officers of PHINMA Foundation and PHINMA University of Pangasinan visited the National Museum in February as part of their educational tour. On November 18, Friday, 47 students will be introduced as the newest recipients of the PHINMA National Scholarship (PNS) Program. File photo

MANILA - Proudly Filipino conglomerate PHINMA Corporation marks its 66th anniversary this month with a series of outreach activities, thanksgiving celebrations, and the introduction of the latest recipients of its scholarship program.

Members of the PHINMA Group will participate in 1PHINMA Reaches Out, the company's annual social outreach project, from Nov. 10 to 30. This year, efforts will center on environmental preservation and community development. Activities will include bloodletting, treeplanting, dental mission, and clean-up drive in 22 sites across the Philippines. PHINMA enjoins some 1,500 individuals—consisting of employees, their family and friends, and local community partners—to partake in the activities.

Forty-seven students from the Philippine Normal University (Manila), University of the Philippines (Diliman), Polytechnic University of the Philippines (Sta. Mesa), and PHINMA University of Pangasinan (Dagupan and Urdaneta) will be introduced as the latest batch of PHINMA National Scholarship (PNS) Program recipients on Nov. 18 during a luncheon at TRYP by Wyndham Hotel at the Mall of Asia Complex in Pasay City. The scholars underwent a rigorous selection process, which looked into their academic standing and interest in leadership and nation-building, among others.

Graduates of the PHINMA National Scholarship Program are expected to take the board exam within a year of graduation, serve in the Philippines for at least 5 years, and continually pay it forward by volunteering, organizing community activities, or adopting a scholar.

"PHINMA believes in the value of education and its power to transform lives. That is why we seek to contribute in our own little way, by capacitating these students and opening opportunities for them," said Roberto M. Laviña, president of PHINMA Foundation.

During the luncheon with the new scholars on Nov. 18, Ms. Riza Mantaring will give a keynote address on the value of professionalism. Ms. Mantaring was the CEO of Sun Life Philippines before stepping down in 2019. She is currently an independent director at PHINMA Corporation and several other companies. She is also the treasurer of the Makati Business Club.

Also on Nov. 18, Archbishop Socrates Villegas, D.D. will lead a thanksgiving mass from Pangasinan. "We will celebrate on this special day the year that has passed and the many decades before that. We will cheer on the achievements we've accomplished despite the headwinds we've had to navigate. We vow to pursue, as we have in the past 66 years, our mission of making lives better," said Ramon R. del Rosario Jr., PHINMA Chairman and CEO.

These outreach programs supplement PHINMA's pursuit of its mission of making lives better through its businesses in construction materials, education, property development, and hospitality. These provide the company an opportunity to do good while doing well, said Mr. del Rosario.

Dr. Chito B. Salazar, PHINMA President and COO, said the Group had fruitful gains in 2022 and much of it is owed to the employees and stakeholders who put their hearts in their work. He stressed that it was them that allowed the company to flourish in the past decades, and it will be them who will continue to allow the company to grow.

"The socioeconomic landscape has changed over the last 66 years, but our commitment to our mission and our faith in our people remains constant. PHINMA Corporation and its leaders are thankful to the people who tirelessly contribute to the realization of our vision of making lives better," he said.