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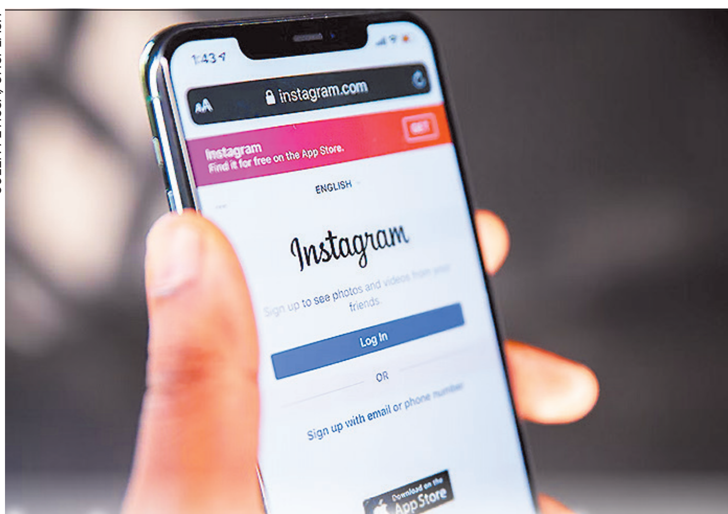

Instagram rolls out teen accounts with enhanced controls amid concerns

META Platforms is rolling out enhanced privacy and parental controls for Instagram accounts of users under 18 in a significant overhaul aimed at addressing growing concerns around the negative effects of social media.

Meta will port all designated Instagram accounts automatically to "Teen Accounts," which will be private accounts by default, the company said on Tuesday.

Users of such accounts can only be messaged and tagged by accounts they follow or are already connected to, while sensitive content settings will be dialed to the most restrictive available.

Users under 16 can change the default settings only with a parent's permission. Parents will also get a suite of settings to monitor who their children are engaging with and limit their use of the app.

Several studies have linked social media use to higher levels of depression, anxiety and learning disabilities, particularly in young users.

Meta, ByteDance's TikTok and Google's YouTube already face hundreds of lawsuits filed on behalf of children and school districts about the addictive nature of social media. Last year, 33 US states including California and New York sued the company for misleading the public about the dangers of its platforms.

Top platforms, including Facebook, Instagram, and TikTok, allow users who are 13 years of age and above to sign up.

Meta's move comes three years after it abandoned development on a version of the Instagram app meant for teenagers, after lawmakers and advocacy groups urged the company to drop it, citing safety concerns.

In July, the US Senate advanced two online safety bills — The Kids Online Safety Act and The Children and Teens' Online Privacy Protection Act — that would force social media companies to take responsibility for how their platforms affect children and teens.

As part of the update, the under-18 Instagram users will be notified to close the app after 60 minutes each day. The accounts will also come with a default sleep mode that will silence notifications overnight.

Meta said it will place the identified users into teen accounts within 60 days in the US, UK, Canada, and Australia, and in the European Union later this year. Teens around the world will start to get teen accounts in January. — ***Reuters***

Edtech firm Instructure looking to set up PHL office by next year

By Aubrey Rose A. Inosante
Reporter

EDUCATION TECHNOLOGY (edtech) firm Instructure Holdings, Inc., the developer of the learning management system Canvas, aims to open a physical office in the Philippines next year amid a growing user base.

"We are continuing to invest in people and we're looking at opening up an office here," Harrison Kelly, Managing Director for the Asia-Pacific (APAC) region at Instructure told *BusinessWorld* on the sidelines of an event on Sept. 6.

"It's going to enable us to bring tightly integrated teams together as we continue to grow out, which will provide a better experience, not only operationally for Instructure, but also to our end customers."

Mr. Kelly said establishing an office in the Philippines is of "immediate importance" for the company and could happen within the next 12 months or sooner.

The company's APAC headquarters is located in Sydney, Australia, while its main office is in Salt Lake City, Utah.

Instructure's flagship product, student application Canvas, is being used in six out of the top 10 rated universities in the Philippines such as the University of the Philippines, Ateneo de Manila University, De La Salle University, and University of Santo Tomas.

"In the Philippines, we first set foot here in 2017. We've seen a market uplift over that time; COVID was an obvious accelerant," he said.

He added that the adoption has differed per area, they mainly saw increased use of Canvas in Central Manila and other major cities in the Philippines.

"With a couple of the new things that we've got on the horizon, we know we can break down those barriers to access and provide that equity of learning for all," Mr. Kelly said.

The company is investing in artificial intelligence (AI), he said. Instructure recently unveiled its new AI-powered tools, including automated discussion summaries, content translation, and a Smart Search API feature in Canvas, among others.

"We know [AI] is here to stay. We know it's a disruptor. It's going to be intangibly linked with people's future, whether that's in a school or institutional setting or whether that's in the workforce," Mr. Kelly said.

"But certainly, with our focus on lifelong learning, student success, and AI, that's going to underwrite how we think about our near-term future and mid-term future," he added.

Private equity firm KKR & Co. will take Instructure private for $4.8 billion, Reuters reported in July.

Earlier this year, Instructure completed the acquisition of academic credential management platform Parchment for $835 million. — *with* ***Reuters***

Snap advances bet on augmented reality devices with upgraded version of its Spectacles glasses

SNAP announced an upgraded version of its Spectacles augmented reality (AR) glasses on Tuesday, doubling down on its bet that wearable devices to enhance the view of the real world will be one of the next frontiers in tech.

Snap, long known for its ephemeral messaging app Snapchat and animated filters, has been an early leader in augmented reality, which can overlay digital effects onto photos or videos of real-life surroundings through a camera or lens.

The first edition of Spectacles launched in 2016, but the effort has not increased revenue for Snap, whose business relies on selling digital advertising.

Larger rivals are also racing to advance AR. Meta is expected to unveil its first AR glasses during its Connect developer conference next week.

The fifth generation of Spectacles is powered by a new operating system called Snap OS. The user interface responds to the wearer's hands and voice and the operating system better understands the user's surroundings to render AR effects, said Snap CEO Evan Spiegel during the company's annual partner summit.

The glasses have a larger field of vision than previous generations and automatically tints in sunlight.

Spectacles will not be sold to consumers initially and instead will be available for $99 per month to developers who create AR features.

That is a key step toward building adoption among everyday users, Mr. Spiegel said in an interview ahead of the summit.

"There has to be really compelling experiences," he said. "By working really closely with developers and just continuously improving our platform, I think we're going to get to a place where there are a lot of compelling lenses for people to try with Spectacles."

The new operating system will also enable developers to make better AR experiences between two or more Spectacles wearers, Snap said. For example, two users in the same room could play chess on a virtual board that is rendered in the players' surroundings.

A SIMPLIFIED SNAPCHAT

Snap also announced a redesign of the Snapchat app, reducing its previous five separate sections to three. The company previously simplified how users can interact with ads on Snapchat to improve results for advertisers.

Still, Snap shares are down 40% this year as the company struggled against larger digital-ad platforms with more users.

In a letter to staff this month, Mr. Spiegel said Snap has reversed two years of declining revenue and would continue to compete for ad dollars by going after smaller advertisers.

But he laid out the case for continuing to pursue AR, citing it as a nascent field where Snap can create user demand. — ***Reuters***

Tupperware files for bankruptcy protection as demand slumps for its colorful containers

TUPPERWARE Brands and some of its subsidiaries filed for Chapter 11 bankruptcy protection on Tuesday, succumbing to declining demand for its once-popular colorful food storage containers and ballooning losses.

The company's struggles to stem the drop in sales resumed after a brief surge during the pandemic when people cooked more at home and turned to its airtight plastic containers to store leftovers.

The post-pandemic jump in costs of critical raw materials such as plastic resin, as well as labor and freight further dented the company's margins.

In August, Tupperware had raised substantial doubt about its ability to continue as a going concern for the fourth time since November 2022 and said it faced a liquidity crunch.

The company listed $500 million to $1 billion in estimated assets and $1 billion-$10 billion in estimated liabilities, according to bankruptcy filings in the US Bankruptcy Court for the District of Delaware.

Tupperware has been planning to file for bankruptcy protection after breaching the terms of its debt and enlisting legal and financial advisers, Bloomberg reported on Monday.

The report said the bankruptcy preparations began following prolonged negotiations with lenders over the more than $700 million in debt. — ***Reuters***

US retail sales surprise on the upside

WASHINGTON — US retail sales unexpectedly rose in August as a decline in receipts at auto dealerships was more than offset by strength in online purchases, suggesting that the economy remained on solid footing through much of the third quarter.

The report from the Commerce department on Tuesday also showed retail sales were a bit stronger than initially thought in July. It combined with the decline in the unemployment rate last month to push against financial market expectations for a half-percentage-point interest rate cut from the US Federal Reserve on Wednesday. US central bank officials started a two-day policy meeting on Tuesday.

The Atlanta Fed raised its third-quarter GDP growth estimate to a 3% annualized rate from a 2.5% pace after the data. The economy grew at a 3% pace in the second quarter.

Retail sales increased 0.1% last month after an upwardly revised 1.1% surge in July, the Commerce department's Census Bureau said. Economists polled by Reuters had forecast retail sales, which are mostly goods and are not adjusted for inflation, falling 0.2% after a previously reported 1% jump in July. Estimates ranged from a 0.6% decline to a 0.6% gain.

Retail sales increased 2.1% on a year-on-year basis in August. Online store sales rebounded 1.4% after falling 0.4% in July. Sales at gasoline stations dropped 1.2%, reflecting lower prices at the pump. Cheaper gasoline is likely freeing money for other spending.

Sales at sporting goods, hobby, musical instrument and book stores increased 0.3%. Building material and garden equipment store sales edged up 0.1%.

Sales at miscellaneous retailers shot up 1.7%, while those at health and personal care outlets increased 0.7%.

But sales at food services and drinking places, the only services component in the report, were unchanged after rising 0.2% in July. Economists view dining out as a key indicator of household finances.

Furniture store sales fell 0.7%. Receipts at electronics and appliance outlets dropped 1.1%, while those at clothing retailers decreased 0.7%. Receipts at motor vehicle and parts dealers dipped 0.1% and department store sales tumbled 1.1%.

Some of the decline in sales was likely due to lower prices rather than volume. Prices for goods, including furniture, have been on a downward trend.

Financial markets saw a roughly 59% probability of a 50-basis-point (bp) rate cut on Wednesday, down from 67% before the retail sales data was published, according to CME Group's FedWatch Tool. The odds of a quarter-point rate reduction were around 41%, up from 33% earlier.

UNDERLYING STRENGTH

The Fed has maintained its benchmark overnight interest rate in the current 5.25%-5.5% range for more than a year, having raised it by 525 bps in 2022 and 2023.

EDUARDO SOARES/UNSPLASH

Most economists expect the central bank to cut interest rates by 25 bps on Wednesday, arguing that the economy is not in enough distress to warrant the half-percentage-point reduction being anticipated by financial markets.

The unemployment rate fell to 4.2% in August after four straight monthly increases lifted it to a near three-year high of 4.3% in July. The jobless rate has been largely driven by increased labor supply from immigration, which is now slowing.

Layoffs remain low by historical standards, leaving the labor market in a position to continue generating steady wage gains that are supporting consumer spending and the overall economy. Subsiding inflation is lifting household's purchasing power. Economists are split on the implications that a declining saving rate could have on spending.

Some view the saving rate, which dropped to 2.9% in July and is near levels last seen in 2008, as portending softer spending ahead. They also expect precautionary saving to rise if the labor market deteriorates, which could weigh on spending.

Others, however, argued that the government was not fully capturing income earned by undocumented immigrants. They also pointed to strong household balance sheets against the backdrop of higher house and stock prices as supportive of future consumer spending.

"For all the signs that low-income consumers are struggling, we think the risks of that weakness migrating up the income spectrum are low," said Michael Pearce, deputy chief economist at Oxford Economics. "Middle- and higher-income households sit on considerable wealth gains since the pandemic, mainly reflecting the surge in housing equity."

Retail sales excluding automobiles, gasoline, building materials and food services increased 0.3% last month after rising by an upw

Factory output increased 0.9% last month amid a surge in motor vehicle production after a downwardly revised 0.7% drop in July, the Fed said in a second report. Economists had forecast factory output would rise 0.3% after a previously reported 0.3% decline in July.

Business inventories also rose slightly above expectations in July, a potential boost in the calculation of GDP this quarter

"Manufacturing is nowhere near as weak as would normally be the case if the US economy were in recession," said Conrad DeQuadros, senior economic advisor at Brean Capital. — ***Reuters***

Von der Leyen leads new EC with focus on security, competitiveness

STRASBOURG, France — European Commission (EC) chief Ursula von der Leyen on Tuesday named a new team to lead the European Union's (EU) most powerful institution for the next five years and tackle challenges to the region's security, competitiveness and growth.

Reversing the 27-nation bloc's lagging competitiveness, building up robust military manufacturing capacity and ensuring a fair transition to green energy will be key goals, the German conservative said.

Key appointments include Spain's Energy and Environment Minister Teresa Ribera as the bloc's new antitrust chief, whose job will be to rein in the power of Big Tech and ensure that the EU achieves its green goals.

With a record as one of Europe's most ambitious policy makers on climate change, Ms. Ribera could intensify a crackdown against Big Tech led by outgoing antitrust chief Margrethe Vestager. She will also seek to ensure the EU's single market is not distorted by companies benefiting from foreign subsidies.

"The whole college (Commission) is committed to competitiveness," said von der Leyen, who this summer was handed a second term as EU chief executive by member states after her political camp won the most votes in the EU elections. — ***Reuters***

Big Tech, calls for looser rules await new EU antitrust chief

BRUSSELS — Teresa Ribera will have to square up to Big Tech, banks and airlines if confirmed as Europe's new antitrust chief, while juggling calls for looser rules to help create European Union (EU) champions.

Nominated by European Commission President Ursula von der Leyen for the high-profile antitrust post on Tuesday, Ribera has been Spain's minister for ecological transition since 2018.

The 55-year-old Spanish socialist, one of Europe's most ambitious policy makers on climate change, will have to secure European Parliament approval before taking up her post.

As competition commissioner, she will be able to approve or veto multi-billion euro mergers or slap hefty fines on companies seeking to bolster their market power by throttling smaller rivals or illegally teaming up to fix prices.

One of her biggest challenges will be to ensure that Amazon, Apple, Alphabet's Google, Microsoft and Meta comply with landmark rules aimed at reining in their power and giving consumers more choice.

Apple, Google and Meta are firmly in outgoing EU antitrust chief Margrethe Vestager's crosshairs for falling short of complying with the Digital Markets Act. — ***Reuters***