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Issues

WINNER TAKES ALL IN MEGA SOCCER SHIRT DEALS

By Emma Thomasson

A battle between Adidas and Nike for dominance of the global soccer gear market is driving a steep rise in sponsorship payments to elite clubs - and cutting into the two manufacturers' profits. Shirt deal inflation is reinforcing the advantage of about a dozen clubs with a global fan base - among them Barcelona and Real Madrid, the two Manchester clubs and Paris Saint Germain. These same clubs benefit from bigger revenues from broadcast rights, helping them pay for the best players. The clubs' gain comes at Adidas and Nike's expense.

Nike stock dropped this week after Morgan Stanley downgraded it to "equal weight", primarily on concerns the firm is losing US market share to Adidas and Under Armour, but also citing a profit squeeze from the rising cost of sponsorships. "At the top, it is a pure power struggle between Nike and Adidas," said Peter Rohlmann, a marketing consultant who advises clubs and federations on such deals. "The costs don't play a role. They want to keep their competitor out."

Under the terms of sponsorship deals, the brand pays the clubs for the license to sell replica jerseys and other merchandise. The clubs usually receive a fixed fee, kit for the team, plus royalties of some 10-15 percent of the merchandise sold and performance bonuses if the team wins major trophies. Only the highest-profile clubs, and a few national sides like Brazil and Germany, can shift the millions of shirts that justify deals now worth as much as \$100 million (\$111.58 million) a year.

Spanish champions Barcelona are market leaders, selling 3.6 million shirts last season, according to Euromerica agency, followed by Bayern Munich, Chelsea and Manchester United. This top four has negotiated new kit deals with Nike or Adidas in the last two years worth double or triple what they were previously receiving. Champions League winners Real Madrid are demanding a big hike from Adidas.

Power Struggle Escalates

Competition has intensified since Nike took the lead in the market for football shoes in 2014, prompting Adidas - long the world's top soccer brand - to shift strategy to focus its spending on fewer top teams and players. Its biggest win was to oust Nike at Manchester United in a deal worth £75 million (\$110 million) a year over a decade. Nike, slipping in the US market after it lost singer Kanye West to Adidas and basketball star Steph Curry to Under Armour, is now retaliating. Its new deal with Barcelona last month hit a new record of up to \$155 million (\$173.66 million).

Nike declined to comment for this article. Brand president Trevor Edwards has justified the Barcelona deal by saying the club has millions of fans worldwide, adding that the relationship "extends Nike's leadership position in football". Nike has also trumped Adidas at Chelsea, more than doubling the value of the contract. "We think Nike... is willing to sacrifice margin to keep its stars and sign new ones," Morgan Stanley analysts wrote, noting that deals for Nike and Under Armour are up about 70 percent since 2013.

Half a Billion on Five Deals?

Adidas could be forced to stump up almost half a billion euros a year for its top five soccer deals - almost a quarter of its marketing budget - if it yields to demands from Germany and Real Madrid for more. "Clubs are becoming increasingly sophisticated," said Glenn Lovett, head of global strategy at sports data firm Repucom. "Football is the most global sport and this is where you need to be if you want to be a global brand."

Adidas says the high media profile of top teams and players shifts merchandise - particularly in Asia - and also indirectly helps sales of training and running gear. "The top clubs will get more expensive while those that are not so good will have problems," Chief Executive Herbert Hainer said. He sees a limit of not much above 100 million euros a year for the most expensive contracts.

The next tier of clubs are having to make do with much less, opening up opportunities for firms like Puma, Under Armour and New Balance. Fans at Bayer Leverkusen complained after the Bundesliga's third ranked club only managed to secure around \$2 million a year with local brand Jako after being dropped by Adidas. Under Armour, which sponsored its first English side in Tottenham Hotspur in 2011, recently took over from Adidas at Southampton for £8 million a year.

Puma faces demands for a hike from Leicester City after a fifteen-fold jump in demand for its shirts due to its surprise victory in the Premier League, although the contract - worth just £1 million a year - runs until 2018. With the European championships and Copa America about to start, Nike and Adidas are also competing for national sides. World Cup winners Germany are pushing Adidas to leapfrog Nike's record contract with Euro 2016 hosts France worth \$43 million a year. —Reuters

THE END OF THAILAND'S TIGER TEMPLE



Washington Watch

MY ROLE WITH DEMOCRATIC DRAFTING COMMITTEE

By Dr James J Zogby

I wasn't going to write about this subject, but something happened yesterday over lunch that prompted me to reconsider. I was having a peaceful meal with my wife when two men sat down in the next booth. In loud voices they began to discuss the state of the presidential contest. At one point, the gentleman directly behind me said, "and Sanders picked that Cornel West and that guy who's the head of the Arab League who has it in for Israel..."

That did it. I spun around and said, in a polite but firm voice, "I'm that guy. I'm not the head of the Arab League and I'm asking you to change the subject now." Shocked, the man responded "you're him!" and began asking me questions. I cut him off making it clear that I was having lunch and wasn't interested in pursuing the matter. They promptly changed the subject, as I had requested. After we finished eating, I turned to the two men and explained who I was and why I found the crude description of me to be so aggravating.

In some ways I fault The Washington Post and other mainstream news outlets for having unleashed the mini-frenzy that followed my recent appointment to the Democratic Party's platform drafting committee. When I first heard from DNC Chair Debbie Wasserman-Schultz that I was to be named to the committee, I held my breath, fully expecting an attack from the usual collection of far-right, anti-Arab, and hardline pro-Israel groups. Sure enough, they didn't disappoint. I was called "a professional Israel-hater", "a defender of terrorism", "Bernie's Svengali", and it was claimed (falsely) that I had "accused Israel of committing a Holocaust".

Hatchet Man

This, unfortunately, is what I have learned to expect from that crowd. What, however, I found most troubling was the first headline that appeared in The Washington Post announcing "Sanders wins greater say in Democratic platform; names pro-Palestinian activist". With this, the die was cast. Other major newspapers and media outlets followed suit framing the entire discussion of the platform and my appointment around Israel/Palestine - culminating in a call I received yesterday, right after lunch, from a journalist who asked if he was right in assuming that Bernie had appointed me as his hatchet man on this Israel.

I am, of course, a strong supporter of Palestinian rights, so is Bernie Sanders, and so, according to a recent Gallup poll, are a majority of Democrats. But the crude effort to reduce Sanders' entire campaign and my entire life's work to an effort to "get Israel" betrays an unsettling anti-Arab bias and a bizarre obsession to which I must respond. It does damage to Sanders, to me, and to our nation's ability to have an honest conversation about a critical issue of importance.

By focusing exclusively on Israel and ignoring all of the other concerns that Sanders has brought to this year's presidential campaign, the press does a grave disservice to his efforts to elevate the issues of universal health care, free college tuition, raising the minimum wage, investing in clean energy, rebuilding our crumbling infrastructure, and making Wall Street pay its fair share in taxes. This is a not so subtle attempt to demean the man and dismiss his candidacy as marginal.

The same is true for me. In response to the question from the editorial writer as to why Bernie may have appointed me, I recited a bit of my resume. To be sure, I am the proud founder of a number Arab American organizations, but I have also served on the DNC for 23 years. I have been on the DNC Executive Committee for the past 15 years; co-Chaired the DNC Resolutions Committee for the past 10; and have chaired the party's Ethnic Council since 2009. I served as Ethnic Outreach Advisor to both the Gore 2000 and the Obama 2008 Campaigns. And President Obama has twice appointed me to two-year terms on the US Commission on International Religious Freedom.

One-Dimensional

When the mainstream media and the far-right groups converge in turning my entire life's work into a one-dimensional caricature - "pro-Palestinian activist" - they are not complimenting me. They are setting me up. Make no mistake, I am proud of my advocacy for Palestinian rights, but given the political climate in which we live, such crude reductionism lays the predicate for political exclusion, violence, and threats of violence. Over the years, Arab Americans have suffered from all of these challenges to our rights. I know. I've been there.

When I spoke in favor of a two-state solution in 1988, before this position became fashionable, I was told by Democratic Party leaders "you'll never have a place in

this party again". Following that year's convention, Michael Dukakis rejected the endorsement of our Arab American Democratic Federation saying "it was too controversial". When, in 1990, Ron Brown, then Chair of the DNC, came to speak at an Arab American event I was hosting (becoming the first party chair to attend an Arab American event), he told me that he was threatened with a loss of financial support "if you even go into the room with those people".

Violence

And then there is the violence. The first time I received a death threat was 1970. My office was firebombed in 1980 and after 9/11 three men went to jail for threatening my life and the lives of my children. In every instance, the perpetrators claimed to be striking out for reasons to do with my ethnicity and/or Israel. Now, in the wake of the announcement of my platform committee assignment, the hate mail (but, thank God, no threats) has started up again.

Even beyond this danger, by silencing my community and marginalizing us because we might dare to advocate for Palestinians, there is the damage that this hysteria does to our national discourse. For example, I have been denounced for criticizing Israeli Prime Minister Benjamin Netanyahu, but my writings on this subject are not unlike those written by Israelis and some in the American Jewish community. At issue, it appears, is not what we are saying, but that we are the ones saying it. We are accused of "singling Israel out", while in reality it is our critics who are singling out this issue as the only one we cannot discuss.

In addition to all of the other critical issues Bernie Sanders has raised, he has done our nation and the cause of peace a service by bringing the matter of Israel/Palestine into the national debate. It belongs there and deserves to be discussed on its merits, without rancor and without fear. I am proud that Sanders has demonstrated the courage to do this and I am confident that if we work together on the platform committee with openness and mutual respect we can forge a new consensus that reflects the will of the majority of Democrats on all of the critical issues facing our country - including the way forward to articulating the principles that would help us achieve a just and lasting solution to Israeli-Palestinian conflict.

NOTE: Dr James J Zogby is the President of the Arab American Institute

IN TRUMP TAKEDOWN, CLINTON FINDS MESSAGE

By Julie Pace

Hillary Clinton may have found her message. Wrapped in the guise of a foreign policy speech, Clinton delivered a political thrashing of Donald Trump on Thursday that was unquestionably a standout moment for a candidate who has often struggled to focus her White House campaign. Clinton's sharply targeted remarks served notice on the presumptive Republican nominee that she's prepared for a bruising general election fight, one that's centered squarely on his competency to serve as commander in chief.

"He is not just unprepared - he is temperamentally unfit to hold an office that requires knowledge, stability and immense responsibility," Clinton said. She cast Trump as dangerously thin-skinned, someone who might plunge the nation into war over a perceived slight. She repeatedly referred to her White House rival by his first name only - a knowing dig at a billionaire businessman whose closest advisers reverentially call him "Mr Trump".

For Clinton, who has acknowledged her weakness as a campaigner, it was a confident and well-timed performance. Though she has struggled for months to shake Democratic primary rival Bernie Sanders, Clinton is poised to clinch the nomination in the coming days and secure her place in history as the first woman ever put forward by a major US political party.

Cost

But the long primary season has come at a cost. Sanders has been unrelenting in his criticism of Clinton's judgment and transparency, evaporating much of the

goodwill she accrued with Americans during the four years she spent outside the political arena as secretary of state. Some of Clinton's own supporters also worry that she's failed to articulate a clear rationale for her own candidacy and will struggle to counteract Trump's ability to command the spotlight.

Clinton's takedown of Trump on Thursday should quiet those critics, at least for now. Gone was the wonky, meandering policy speech Clinton has delivered to lukewarm reviews in primary campaign appearances. Instead, she was focused and direct, lacing her remarks on the Islamic State group and Iranian nuclear accord with bumper sticker-worthy slogans about Trump. "This isn't reality television. This is actual reality," Clinton said as she chided the real estate mogul and political novice for his lack of experience on the world stage.

And in a line likely to be repeated by Clinton and Democrats between now and November, she warned that electing Trump would be a "historic mistake" for the nation. To be sure, Clinton will face tough questions in the months ahead about her own foreign policy record. She was a leading proponent of US military engagement in Libya, which succeeded in ousting a brutal dictator but left the country vulnerable to extremist groups. And she'll continue to have to answer for her vote in support of the Iraq war, which Sanders has repeatedly held up as a sign of poor judgment. He did so again on Thursday.

But the speech suggested Clinton will be far more at ease responding to a Republican challenger than she has been at confronting Sanders in the Democratic primary, where she's had to avoid turning off his young, liberal supporters. On Thursday, she made no attempt to appeal to

Trump's backers or even show the slightest sign of respect for the Republican nominee.

Attention

The result? Clinton succeeded in generating the same kind of attention Trump receives for his frequent rallies and news conferences: Her remarks were widely carried on the television news networks. Despite Clinton's standing as the Democratic frontrunner, that is a basic benchmark she has struggled to reach. Trump has no such problem. Trump himself appeared to be watching Clinton, too. He took to Twitter midway through the speech to remark that his likely Democratic opponent "doesn't even look presidential".

There was notable silence from many other Republicans, some of whom made similar arguments about Trump's temperament and inexperience during the GOP primary. A handful of Republicans even praised the likely Democratic nominee. "I have to say, Hillary is giving a hell of a good speech on national security - taking down the Donald while making a convincing case," Eliot Cohen, a foreign policy official for Presidents George H W Bush and George W Bush, wrote on Twitter.

For Clinton's strong showing to have lasting impact, it will need to be more than just a one-off moment. Some of Trump's primary rivals had fleeting success in rattling the supremely confident businessman and in raising issues that appeared to give voters momentary pause. But those arguments were rarely made in a sustained fashion and in some cases came too late to change the trajectory of the Republican race. If Clinton plans to avoid those same mistakes, she now has the message she needs in hand. —AP

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