

Kuwait Times BUSINESS

SUNDAY, JUNE 5, 2016

Wal-Mart's CEO urges employees to re-imagine company's future

Page 22

Venezuela's bare fridges a sign of failing economy

Page 23



Toyota's latest Prius wins many new admirers

Page 25

NY FED REJECTED CYBER-HEIST TRANSFERS, THEN MOVED \$81M

Page 23



ALBERTA: A view of Syncrude's mine site north of Fort McMurray, Alberta on June 3, 2016. Production at the plant continues after being briefly suspended during last month's raging forest fires threatened to burn through to the plant. —AFP

ROYAL WARRANTS THE JACKPOT FOR BRITISH BUSINESSES

OFFICIAL SUPPLIER TO ROYAL FAMILY IS MARK OF QUALITY

LONDON: From a butcher in northern Scotland to a tailor in central London, becoming an official supplier to Britain's royal family is a mark of quality as well as a commercial jackpot, particularly for exports. The seal opens doors, according to Robert McFarlane, sales director of Donald Russell, the butcher near Aberdeen whose meats have graced Queen Elizabeth II's table for 30 years.

"It's an endorsement of our business," he said. Gaining the right to display a royal coat of arms from the queen, her husband Prince Philip or heir to the throne Prince Charles on a product or premises is not easy. The business must have supplied them with goods or services on a regular basis for five years. It must symbolize British excellence, be seen as responsible, particularly from an environmental perspective, and should also treat its staff well.

The "by appointment to Her Majesty the Queen" seal of approval-or to "HRH The Duke of Edinburgh" or "HRH The Prince of Wales" in the cases of Philip and Charles-can also be withdrawn at any time. "It's a gift from them to you, not a guarantee, so there is always a nervousness that it's going to be OK," McFarlane told AFP.

Mark of Britishness

The anxiety pays off, however, both in Britain-where the monarch remains popular and respected in the year of her 90th birthday-and abroad in markets like Asia. "It's a huge honor to have a royal warrant," said Edward Bodenham of perfumers Floris, established in 1730 in the central London district of St James's.

Floris has a presence in 26 countries,

notably Japan, where shoppers are particularly keen on products associated with the royal family, said exports director Sylvie Imbert. "It's a guarantee of quality and also proof that the products are English," Imbert added. Only around 800 companies have the right to use royal coats of arms on their products and business cards.

These include Fulton, the queen's favourite umbrella maker, leather goods maker Ettinger and tailor Henry Poole. "We are one of the last bastions of pure bespoke," said Anthony Rowland, sales manager of Henry Poole, referring to the practice of measuring men for suits tailored to fit their body shapes perfectly. The tradition of royal warrants dates back to the Middle Ages but gained particular significance during the 19th-century reign of queen Victoria, the current queen's great-great grandmother.

"The number of royal warrants increased dramatically under queen Victoria, encouraged by her husband, prince Albert, who recognised the importance of royal endorsement to help to promote trade," said Russell Tanguay of the Royal Warrant Holders' Association. Venerable department store Fortnum and Mason-a must-visit for the tea and biscuit-loving London tourist-is among those to make the most of their royal connections in recent years.

The shop on Piccadilly has offered a string of different tea blends for royal weddings, birthdays and jubilees over the years. However, it keeps a dignified silence when it comes to the recipes for the queen's favorite treats. One thing we do know, though, is that Prince Philip has a guilty pleasure ginger cream chocolates. — AFP



LONDON: This file photo taken on January 6, 2014 shows a jacket by Saville Row tailor Henry Poole and Co. — AFP

GULF INVESTORS HOLD BACK FROM UK PROPERTY ON BREXIT FEARS

DUBAI/LONDON: Gulf Arab investors, some of the biggest buyers of British real estate, are holding back from new deals because they fear a property price slump if Britain leaves the European Union, according to legal and investment sources. Sovereign and private investors from Qatar, Saudi Arabia, Kuwait and the United Arab Emirates have been prolific buyers of British assets in the past decade, snapping up billions of dollars worth of property, mostly in London.

"Sovereign wealth funds are concerned that Brexit is taking its toll on the property market in London," said a London-based lawyer who works with some of the largest Gulf funds. He declined to be named, citing the confidential nature of his work. "The situation will further deteriorate if there's a Brexit vote."

The value of residential property in up market areas popular among Gulf investors - including Chelsea, South Kensington and Knightsbridge - fell between 3.5 and 7.5 percent on the year in May, according to estate agent Knight Frank. Gulf family businesses and private investors are heavily involved in London real estate. Investors from the UAE accounted for more than 20 percent of buy-to-let property sales in the UK in 2015, said Amit Seth, the Middle East and North Africa head of international residential developments at London-focused real estate agency Chestertons.

"At the moment it seems clear people are little bit more skeptical on making an investment today because of Brexit," said Seth, who is based in Dubai, referring to private Gulf investors in residential real estate. He said investors were still researching opportunities and discussing them with his company, but not finalizing deals. While the precise impact on Gulf investments is unclear, overall flows of foreign capital into commercial real estate in Britain stopped in the first three months of 2016, Bank of England Governor Mark Carney said in April. Business investment in the country also fell in early 2016, statistics showed this week.

London landmarks

Gulf investors also have broader worries about their investments in other sectors and how a possible Brexit in a June 23 EU referendum could affect the British economy, the sources said. A YouGov poll for the Times newspaper showed an even split between "Remain" and "Leave" voters on Wednesday.

There is no suggestion long-term investors from the Gulf will exit assets en

masse if Britain votes out, but many are worried about the impact on portfolios and wider economic effects, a senior Gulf government official said.

"Of course we are worried about what will come next if the British decide to leave the EU," the official said. "We think that there will be a negative impact on our investments in the UK because the selling (prices) will go down and the banks in England will face some difficulties."

Asked to comment on Gulf investor concerns, Tobias Ellwood, a British Foreign Office minister, said the EU referendum was a significant event that had been discussed as part of regular bi-lateral engagements covering a wide variety of areas. "But (it) has not been raised in any form in relation to impact on investment opportunities, which go from strength to strength," he told Reuters in Qatar's capital Doha on May 21. Sheikh Hamad Bin Jassim Bin Jaber Al-Thani, a former Qatari prime minister and investment chief who oversaw much of the Gulf state's UK acquisitions, has spoken out against a "leave" vote. "In the Middle East we all want to see a strong Europe, and believe that economic integration is key to making it stronger. In fact, we believe the UK should not only be part of the EU but should lead it," he told Reuters, describing the City of London as the "financial capital of the world."

Qatar is one of the most high-profile investors in London, owning landmarks such as the Shard skyscraper, Harrods

department store and Olympic Village, as well as luxury hotels. It also leads a consortium that bought the owner of the Canary Wharf financial district last year. While the Qatar Investment Authority (QIA) wealth fund has been diversifying its portfolio away from Europe towards more investments in the United States and Asia in the last couple of years, it is still heavily invested in Britain and holds stakes in Barclays, Royal Dutch Shell and Sainsbury's.

If Britain votes to leave "then you are going to see a big hit to investments," said a senior Qatari banker who does business with sovereign and private investors. He said investors were still working on deals without finalizing them until the picture becomes clear. "They are watching to see what happens, but people are continuing to work on new things as they take months to get done."

Canary wharf

The QIA has \$256 billion of assets under management globally, according to the Sovereign Wealth Fund Institute (SWFI). It has at least \$7 billion directly invested in equities traded on the London Stock Exchange, in which it also holds a 10.3 percent stake, according to Thomson Reuters data. Sheikh Hamad said in April that Qatar's total investments in Britain were around 30 billion pounds (\$44 billion), according to comments in a Financial Times interview. — Reuters



LONDON: UK Independence Party (UKIP) party leader Nigel Farage poses as he arrives to speak in central London on June 3, 2016. UKIP leader Nigel Farage said he would head a flotilla up the Thames to campaign for Brexit after an audience put David Cameron on the spot in the referendum campaign's first television event. —AFP