

## Technology

## Banks don't want to be weakest link in blockchain revolution

## Blockchain could reduce costs, foster more competition

**LONDON:** Blockchain, the cutting-edge technology behind virtual currencies like bitcoin, has the potential to play a disruptive role in the global finance sector, experts say, as banking behemoths seek to connect with its opportunities. While banks could reduce their costs, the gains could eventually shift to consumers who could benefit from quicker and cheaper services.

"Any disruptive shock-be it technology, economic or political-tends to result in winners and losers, and blockchain is no different," Colin Ellis, managing director for credit strategy at Moody's, said. "It could reduce costs for banks but at the same time could foster more competition that would put downward pressure on fees." A shared, encrypted "ledger" that cannot be manipulated, blockchains offer the promise of secure transactions that allow anyone to get an accurate accounting of money, property or other assets.

Much like it underpins trading in bitcoin and other cryptocurrencies, blockchain or so-called distributed ledger technology could also support trading of other assets, thus posing a risk to banks who earn hefty fees helping their clients trade currencies and other assets. Key

areas of financial services where blockchain could have an impact are the settlement and clearing of transactions. But a recent report by Moody's found that while blockchain technology could slash cross-border transaction costs for financial institutions, it would likely ramp up competition among banks.

## Cheaper and quicker

Two months ago, Dutch bank ING and its Swiss peer Credit Suisse successfully traded securities through a blockchain-style network. The pair transmitted 25 million euros of bonds almost instantaneously. The deal would normally have taken one day or more. Ellis believes that international transactions are an area where banks could cut their costs by using blockchain technology. Currently international bank transfers often take several days as several banks are often needed to act as intermediaries.

But a blockchain could eliminate the need for those intermediaries, thus speeding service and reducing costs. Santander last month began using a blockchain to allow its retail customers in Spain, Britain, Brazil and Poland to complete international transfers the same or following day. "One Pay FX uses blockchain-based technology to provide a fast, simple and secure way to transfer money internationally-offering value, transparency, and the trust and service customers expect from a bank like Santander," the bank's chief executive Ana Botin said at the launch of the service. One Pay FX uses a blockchain service for banks developed by Ripple, a start up firm with offers a cryptocurrency with the same name.

Around \$2.1 billion will be invested via blockchain globally in 2018, according to US-based consultancy IDC. One third of



PARIS: A Bitcoin is seen in an illustration picture taken at La Maison du Bitcoin in Paris, France.—Reuters

that will represent the financial services industry, IDC said. Other notable sectors using blockchain include distribution and services, retail and professional services, and manufacturing and resources. "The

technology is still at a relatively early stage" so "it is too soon to know what the final impact will be," said Ellis. "But it could ultimately make banking cheaper and quicker for consumers," he concluded.—AFP

“ There will be winners and losers ”

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Anish Mohammed, a cryptography expert and academic at Berlin University, said that the losers would be those who failed to adapt to the latest technological trend. "There will be winners and losers, the losers will be those who do not make any changes." The world's biggest financial institutions are already experimenting with blockchain, although recent data indicates that they risk lagging behind other sectors in its use.

## Ooredoo Kuwait concludes its first successful meeting in Silicon Valley

**SAN FRANCISCO:** Representatives and leaders from Ooredoo Kuwait have landed a few days ago in the land of the miniaturized electronics industry "Silicon Valley" in California USA. This visit comes as part of the company's commitment to continue leveraging on its digital approach towards serving its customers in a superior manner. The visit will include various meetings at some distinguished technology companies and organizations.

This special visit to Silicon Valley commenced with a meeting held at CISCO, a worldwide leader in IT and networking; whereby Ooredoo Telecom management met a number of executives there. Ooredoo Kuwait delegation is headed by CEO



Mohammed bin Abdullah Al Thani



Sh. Mohammed bin Abdullah Al Thani who stated the importance of this visit and said in an official statement: "The main objective behind our visit to CISCO comes in line with Ooredoo strategy "Digitize to Differentiate", whereby we focus on digital as a key pillar to transform our customers' experience and enriching our breadth of offerings while adopting a mobile-first mindset".

Al Thani referred to a recent collaboration between

Ooredoo Kuwait and CISCO back in March this year and said "With the support of CISCO, we will be able to deliver the best in class services to our customers, and move forward with our network modernization plans to bring the best cutting-edge technology services to the Kuwaiti Market". Ooredoo Kuwait delegation will be visiting a number of renowned tech companies while in Silicon Valley and the visit will continue for a week.

## Twitter urges all users to change passwords after glitch

**WASHINGTON:** Twitter Inc urged its more than 330 million users to change their passwords after a glitch caused some to be stored in readable text on its internal computer system rather than disguised by a process known as "hashing". The social network disclosed the issue in a blog post and series of Tweets on Thursday afternoon, saying it had resolved the problem and an internal investigation had found no indication passwords were stolen or misused by insiders. Still, it urged all users to consider changing their passwords.

"We fixed the bug and have no indication of a breach or misuse by anyone," Chief Executive Jack Dorsey said in a Tweet. "As a precaution, consider changing your password on all services where you've used this password." The blog did not say how many passwords were affected. A person familiar with the company's response said the number was "substantial" and that they were exposed for "several months."

The disclosure comes as lawmakers and regulators around the world scrutinize the way that companies store and secure consumer data, after a string of security incidents at Equifax Inc, Facebook Inc and Uber Technologies Inc. The European Union is due later this month to start enforcing a strict new privacy law, the General Data Protection Regulation that includes steep fees for violators.

Twitter discovered the bug a few weeks ago and has reported it to some regulators, said the person, who was not authorized to discuss the matter publicly. The US Federal Trade Commission, which investigates companies accused of deceptive practices related to data security, declined comment on the password glitch. The agency settled with Twitter in 2010 over accusations the site had "serious lapses" in data security that let hackers access private user data on two occasions.

The settlement called for audits of Twitter's data security program every other year for 10 years. The glitch was related to Twitter's use of "hashing" and caused passwords to be written on an internal computer log before the scrambling process was completed, the blog said. "We are very sorry this happened," the Twitter blog said. Twitter's share price was down 1 percent in extended trade at \$30.35, after gaining 0.4 percent during the session.—Reuters

## One scientist's 30-year quest to get under Mars' skin

**PARIS:** Philippe Lognonne has waited three decades to hear the heartbeat of Mars. With a little luck and some help from NASA, the instrument he designed to take the Red Planet's pulse will land before the year's end and press a high-tech ear to its dusty surface. As principal investigator for the Seismic Experiment for Interior Structure (SEIS), a multi-sensor seismometer, Lognonne will have a front-row seat for the scheduled launch on Saturday from Vandenberg Air Force Base in central California of NASA's InSight mission.

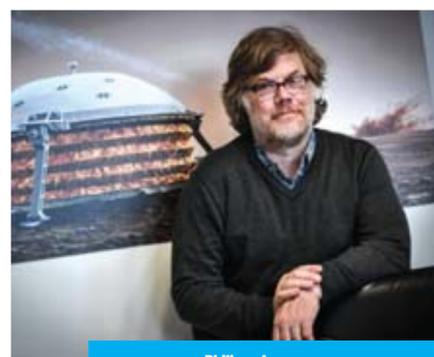
But he's keeping the champagne corked: three times in the past, Mars space missions featuring his ultra-sensitive seismometers have faltered, failed or been scrapped. Lognonne's cherubic features are framed by a mop of shoulder-length auburn hair, a grizzled beard and white sideburns. He has just turned 55, and has a weakness for Hawaiian shirts. A researcher at the Institute of Earth Physics in Paris, Lognonne has explored the dynamics of tsunamis and deciphered data from 1970s Apollo missions.

But from the start, his true passion and unwavering mission was to build the tools that could detect what's going on under Mars' red surface. "This planet was habitable four billion years ago, and I want to understand why, bit by bit, it stopped being so," Lognonne said in an interview at the Paris university where he teaches. Soon after completing his PhD in 1989, the young scientist focused on designing a suite of seismometers-used on Earth to detect and measure earthquakes-that could probe deep beneath the Martian surface in search of answers.

## 'Don't give up'

His first crack at securing passage to Mars for his instruments came in 1996, when France's National Centre for Space Studies joined a Russian mission that included an orbiter and two landers. But two small seismometers on board never made it past Earth's atmosphere-the launch failed, and the mission was aborted. Lognonne got another shot at his goal seven years later. Working with US engineer Bruce Banerdt-who 15 years later would become the scientific director for InSight-he helped prepare instruments for the European ExoMars mission, which sought to set up a network of four small stations on the surface of Mars, including a seismometer. A launch date was set for 2005.

But the mission got mired in red ink and was axed in 2003. "That was a bit of let-down," Lognonne said flatly. What kept him going? Why didn't he give up at that



Philippe Lognonne

point? "I've always told my students, if you really believe that a project is scientifically important, the only reason to not carry on is if someone else is already doing it," he said. Banerdt and Lognonne went their separate ways but stayed in touch, linked in part by the dream of putting a seismometer on Mars. "We knew that the scientific consensus was that it must be done," Lognonne said.

## A small leak

In 2012, NASA invited bids under its Discovery program for relatively low-budget space exploration projects, and the duo decided to try once again. They were up against 26 other projects in their category. In August of that year, they got the call from NASA saying they had been selected for a 2016 Mars launch. "Four years is very short!" Lognonne recalls thinking, as they threw themselves into the task.

The SEIS seismometer that will-with any luck at all-leave Earth on Saturday measures ground motions in a wide range of frequencies, using an array of six sensors. It will detect and record "marsquakes" and other sources of ground motion, such as meteorite impacts and the faint gravitational effects of Phobos, a Martian moon. The sensors are in a temperature-controlled and vacuum-sealed box housed within a domed, three-legged pod that resembles an autonomous vacuum cleaner.

The ensemble-protected by a wind and thermal shield-is to be placed on Martian soil by a robot arm, and is connected to the lander by a flexible tether with power and data lines. But three months before the scheduled launch in early 2016, the French team detected a tiny leak in the tether. NASA canned the launch. "That was a shock," said Lognonne. But this time the cancellation was not final. The mission was rescheduled for May to June 2018, the next window of opportunity for a Mars launch. The champagne is on ice.—AFP

## Three-quarters Facebook users as active or more since privacy scandal

**SAN FRANCISCO:** Most of Facebook's US users have remained loyal to the social network despite revelations that a political consultancy collected information about millions of accounts without owners' permission, a Reuters/Ipsos poll released today showed. Facebook has faced pressure from regulators, privacy advocates and shareholders since it said in March that political consultant Cambridge Analytica wrongly obtained personal data through a quiz app connected to Facebook. US lawmakers grilled Facebook Chief Executive Mark Zuckerberg for two days on the matter.

The poll adds to other indications that Facebook has so far suffered no ill effects from the episode, other than a public relations headache. The national online poll, conducted April 26-30, found that about half of Facebook's American users said they had not recently changed the amount that they used the site, and another quarter said they were using it more. The remaining quarter said that they were using it less recently, had stopped using it or deleted their account.

That means that the people using Facebook less were roughly balanced by those using it more, with no clear net loss or gain in use. Among all adults, 64 percent said they use Facebook at least once a day, down slightly from 68 percent who said so in a similar poll in late March, shortly after news organizations reported Cambridge Analytica's activity. Analyst Michael Pachter of Wedbush Securities said Facebook is lucky the data apparently has been used only for political ads and not more nefarious purposes.

"I have yet to read an article that says a single person has been harmed by the breach," he said. "Nobody's outraged on a visceral level." Facebook declined to comment. Its executives have apologized for the data-harvesting, pledged to investigate others who collected Facebook user data and reduced the amount of data available to similar app developers now. The Cambridge Analytica scandal broke on March 16, sparking interest online in the hashtag #deletefacebook.

In its first quarter results, however, Facebook said the number of monthly users in the United States and Canada rose to 241 million on March 31 from 239 million on Dec. 31, growth that was roughly in line with recent years. According to the poll, more Facebook users said they knew how to guard their personal information on the site than users of other social media platforms such as Snapchat, Instagram, Pinterest and Tumblr.

It found that 74 percent of Facebook users said they were aware of their current privacy settings, and 78 percent said they knew how to change them. In comparison, 60 percent of Instagram users said they knew their current privacy settings and 65 percent said they knew how to change them. And 55 percent of Twitter users knew their privacy settings, and 58 percent knew how to use them.

Despite their understanding of Facebook's privacy settings, only 23 percent of its users said they have "total control" over the information they store on the platform. Another 49 percent said they have "some control," and 20 percent said they had "no control." The remaining 9 percent said they do not know how much control they have.

The poll was conducted online in English throughout the United States. It gathered responses from 2,194 adults, including 1,938 Facebook users, 1,167 Twitter users and 1,237 Instagram users. It has a credibility interval of 3 percentage points, meaning that the results could vary in either direction by that amount.—Reuters