

Local

Boursa Kuwait achieves historic milestone with MSCI upgrade

By Nawara Fattahova

KUWAIT: Boursa Kuwait achieved another historic landmark yesterday when MSCI announced it will be upgrading the exchange to emerging market status as part of its May 2020 Semi-Annual Index Review in one step, as the Kuwaiti equity market now meets all the necessary requirements.

MSCI Inc is one of the world's largest index providers, and its plan to upgrade follows upgrades of Boursa Kuwait by FTSE in two phases in 2017 and S&P Dow Jones in 2018. The reclassification is expected to generate billions of dollars in inflows to the market, primarily from large institutional investors following the index.

Kuwait's bourse will be included in the MSCI Emerging Markets Index with an estimated weight of 0.69 percent, according to Sebastien Lieblich, Global Head of Index Solutions and Chairman of the MSCI equity index committee. Inclusion may also generate up to \$7 billion in interest from ac-

tive investors, according to the Kuwait and Middle East Financial Investment Company (KMEFIC), an asset management firm.

Minister of Commerce and Industry Khaled Al-Roudhan praised the great efforts of all those who made this reclassification possible. "This reclassifying will bring over KD 1 billion to the Kuwaiti market. Although the Capital Markets Authority is very young - it's the youngest in the region - yet they succeeded in upgrading the market to the top three indexes. In 2017, we started with the FTSE index, followed by S&P Dow Jones Indices last year, and today, after just one year, we upgraded to MSCI. This was a great challenge but the CMA achieved it," added Roudhan.

Ahmad Al-Melhem, CMA Chairman and Managing Director, said this is the third upgrade for Kuwait and is the most important, as MSCI is the world's top equity index provider. "The value of the capital that will enter the stock exchange is huge compared to the previous upgrades. The passive investment of MSCI is \$1.8 trillion, and for

emerging markets it's \$500 billion according to Kuwait's weight of 0.69 percent. In May 2020, the Kuwaiti market will receive as one tranche a capital of \$3.5 billion, and the market is ready for this money flow," he explained.

"This upgrade is not an upgrade of the Kuwaiti stock exchange, but it is an upgrade for Kuwait in general. This means if another stock exchange is established in the future, it will be classified as an emerging and not a frontier market. It's important that this upgrade was due to regulations prepared by CMA along with its strategic partners. Also, stricter rules were applied in Kuwait compared to neighboring countries by setting two unexpected conditions - this made Kuwait closer to an evolving emerging market according to the FTSE index. This is the next step that CMA is working on with its partners," Melhem added.

"I would like to mention another important achievement of CMA this year, which is first total and complete privatization of a public institution (Boursa Kuwait). The shares were transferred to



KUWAIT: Minister of Commerce and Industry Khaled Al-Roudhan speaks during a press conference at the Capital Markets Authority yesterday. — Photo by Yasser Al-Zayyat

the underwriters, who received the surplus funds as well. This was an unprecedented event in Kuwait's history," he added.

Fire drills held to boost readiness

By Hanan Al-Saadoun

KUWAIT: The firefighting sector carried out several exercises yesterday according to plans to enhance firemen's efficiency. The first exercise was carried by Doha, Sulaibkhat and Mubarak Al-Kabeer hazardous materials center at East Doha station. The exercise was about implementing strategies of fighting fire and evacuation with the speed required.

Meanwhile, Fahaheel center carried out a practical exercise in cooperation with Al-Kout Mall in its cinema hall. Finally, Sulaibkhat and Ardiya centers carried out an exercise at the physiotherapy hospital in Andalus. The hospital was evacuated, while the firefighting and rescue operations were successful.

Fake goods seized

Acting on a tipoff, customs detectives and Shuaiba port inspectors foiled an attempt to smuggle in nearly 40,000 counterfeit products into the country. The confiscated items will be destroyed. The source of the products is an Asian country and includes watches, bags, phones, clothes, women's accessories and other items.

'Upskirter' arrested

Police arrested an Egyptian at a supermarket for videoing a girl up her skirt, reported Al-Rai. The suspect said he is psychologically ill and satisfies his lust with the photos he takes. A police source said the suspect was arrested after a girl told the supermarket manager that a person was upskirting her sister. The suspect said he targets girls wearing short skirts and acts as if he wants to get something from the bottom shelf, then starts videoing. He was sent to concerned authorities.

Policeman beaten

A traffic officer responded to calls about a reckless driver in a Farwaniya governorate area. When the officer arrived at the scene, the suspect came out of the vehicle, beat the officer and escaped, but he left his wallet behind. Charges of beating and insulting a police officer on duty were filed against the suspect as orders for his arrest were issued.



The seized counterfeit items are displayed.



A man is "rescued" during a fire drill.

500 stores closed in Jleeb crackdown

By A Saleh

KUWAIT: Municipality Director General Ahmad Al-Manfouhi said it is too early to speak about reclaiming Jleeb Al-Shuyoukh, adding that the municipality has closed more than 500 violating stores in the area, adding that there are 1,000 more stores with stickers sealing them as a prelude to permanent closure.

Manfouhi, during a field tour held by the government team commissioned to resolve the Jleeb problem in the presence of State Minister for Municipality Affairs Waleed Al-Jassim, said the difference is clear after only one month since the launch of the campaign. He said the municipality is now looking at alternatives to submit to the Council of Ministers. He said three areas will be handed to the manpower authority temporarily until bachelor cities are built.

Insurance offices closed

The commerce and industry ministry closed two insurance offices in co-ops for operating without a license. The commercial supervision department said the two agencies were closed administratively based on article 26 of the insurance organization law 125/2019.

Small blaze in kids' club

The social affairs ministry said a blaze at a children's club in Shamiya was limited and did not result in any injuries. Ministry Undersecretary Abdelaziz Shuaib said faulty wiring in decorative lights caused the fire, which was put out by a voluntary team member participating in a celebration. Fire operations were called and the wires were removed.