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Costa Coffee, Alghanim Industries expand Middle East partnership

Alghanim Industries will open Costa Coffee branches in Saudi Arabia, Oman and Qatar

LONDON: Costa Coffee, the UK-based coffee shop company with nearly 4,000 locations in more than 32 global markets, and Alghanim Industries, one of the largest privately-owned companies in the Gulf region, has yesterday announced an expansion of their successful partnership. Moving forward, Alghanim Industries will have development rights to Costa Coffee not just in Kuwait but also in Saudi Arabia, Oman, and Qatar, making Alghanim the largest franchisee by territory.

The Costa Coffee-Alghanim partnership has flourished since its 2013 formation, growing to more than 75 stores today. 35 of these shops opened in less than a year, including in top-tier locations such as Al-Hamra Tower and Kuwait International Airport.

The growth is driven by the companies' shared commitments to delivering outstanding handcrafted coffee, credible healthy menu choices and exceptional customer service. Costa Coffee and Alghanim Industries have revamped the Kuwait menu to reflect local tastes and preferences, including local specialties, such as the sweet and rich Spanish Latte, in addition to the cardamom-infused Turkish latte, a Middle-Eastern twist on a classic drink.

Together both companies have recently introduced a number of sustainability initiatives, switching from plastic to paper straws and offering discounts to those customers who bring a reusable cup into store. In addition, they established a barista training center, arranged pastry collaborations with celebrity chefs, upgraded store design and interiors, and opened a concept store at Al-Hamra Tower, where customers can enjoy specialty coffees and an expanded food offer. Put together, these forward-looking strategies will power Costa-Alghanim's expansion efforts in Saudi Arabia, Oman, and Qatar.

"Three traits are critical to success in the food and beverage sector," said Kutayba Y Alghanim, Executive Chairman, Alghanim Industries. "You must have a patient, long-term outlook, you must act decisively when opportunity arises, and above all, you must put the customer at the heart of your business. We share these values with Costa Coffee, a world-class brand, which will grow even stronger following its acquisition by Coca-Cola. These shared values are the foundation of our work together, and the reason we look forward to an enduring, prosperous partnership."

"Coffee is a Middle Eastern creation. As far as histo-



Kutayba Y Alghanim (left), Dominic Paul (center) and Omar K Alghanim

rians can tell, drinking coffee traces back to the 15th century in our region," said Omar K Alghanim, Group CEO, Alghanim Industries. "It comes as no surprise that most people in this region have a deep appreciation for good coffee. And that's why we're thrilled to grow with Costa Coffee, and to build on our success in Kuwait. We're ready to hit the ground running in Saudi Arabia, Oman, and Qatar, bringing world-class hand crafted coffee

to some of the most sophisticated consumers in the world."

"Today marks another exciting new chapter for Costa Coffee in the Middle East", said Dominic Paul, CEO of Costa Coffee. "Our vision is to inspire the world to love great coffee and in Alghanim Industries we have an innovative and exciting partner who will help us unlock the next phase of growth in the Middle East, bringing

further investment and job creation across a number of countries where demand for Costa Coffee is growing."

Alongside Costa Coffee, Alghanim Industries has forged successful partnerships with American quick-service restaurant brands Wendy's (2015) and Slim Chickens (2017). Alghanim Industries expects to open its first store outside Kuwait in Saudi Arabia by the fourth quarter of 2019.

EU trade deal means early Christmas for Vietnamese card exporter

HUNG YEN, Vietnam: With the signing of the EU-Vietnam free trade agreement yesterday, Christmas has come early for holiday card-maker Dang Trong Trung who says business could double with duty-free access to European markets.

The long-awaited deal inked in Hanoi on Sunday will eventually slash duties on 99 percent of Europe's imports from Vietnam once the agreement is ratified. That's likely to mean big business for Trung's Anh Duc packaging company in Hung Yen province near Hanoi. His firm makes greeting cards, gift tags and paper and plastic bags, with \$2 million in goods-about 60 percent of all their exports-destined for European markets.

"I hope in the next few years that export quantity and value will double," Trung told AFP at his warehouse where a fresh batch of German Christmas cards featuring reindeer and snow-frosted pine trees were being printed. Vietnam's biggest exports today are textiles, shoes, and electronics such as smartphones and computer parts.

But with duties on almost all goods to Europe set to be slashed several years after the agreement comes into force, industries like Trung's could secure a bigger share of exports.

The company has already started using more environmentally-friendly materials, knowing that plastics are becoming less desirable among European consumers. And they hope access to

high-quality raw materials from Europe will also improve now that tariffs have been slashed. But the deal could also usher in greater competition from European card makers who may choose to transplant their business to Vietnam, a cheap-labor hub with a reputation for highly-skilled workers. "When the (deal) comes into effect, there will be competition but we don't worry much because we have 15 years of export experience," said company director Vu Dinh Duc.

Vietnam's booming economy has largely been propelled by free trade, with the majority of exports going to Europe, China and the US. But observers say a long-simmering trade row between the United States and China has sharp-

ened Hanoi's desire to tie up a trade deal with Europe.

Though Vietnam has seen some short-term wins from the trade spat as companies shift business from China in order to dodge tariffs, analysts say no one wins if China and the US experience slowing growth-leaving their consumers with less money to buy Made-in-Vietnam goods.

Some workers at Anh Duc paper factory are hoping the EU free trade deal could help to soften that potential blow. "We hope to have more clients and more contracts from Europe so we can have more income," printer Ha Anh Binh said. "Our lives will improve". — AFP



HUNG YEN: A worker makes Christmas cards in a factory in Hung Yen. The European Union and Vietnam yesterday signed a long-awaited free trade deal that will slash duties on almost all goods as fears grow over mounting global protectionism. — AFP

China warns of long road ahead for deal with US

BEIJING/OSAKA: China and the United States will face a long road before they can reach a deal to end their bitter trade war, with more fights ahead likely, Chinese state media said after the two countries' presidents held ice-breaking talks in Japan. The world's two largest economies are in the midst of a bitter trade war, which has seen them level increasingly severe tariffs on each other's imports. In a sign of significant progress in relations on Saturday, Chinese President Xi Jinping and US President Donald Trump, on the sidelines of the G20 summit in Osaka, agreed to a ceasefire and a return to talks.

However, the official China Daily, an English-language daily often used by Beijing to put its message out to the rest of the world, warned while there was now a greater likelihood of reaching an agreement, there's no guarantee there would be one. "Even though Washington agreed to postpone levying additional tariffs on Chinese goods to make way for negotiations, and Trump even hinted at putting off decisions on Huawei until the end of negotiations, things are still very much up in the air," it said in an editorial late Saturday.

"Agreement on 90 percent of the issues has proved not to be enough, and

with the remaining 10 percent where their fundamental differences reside, it is not going to be easy to reach a 100-percent consensus, since at this point, they remain widely apart even on the conceptual level."

Trump also offered an olive branch to Xi on Huawei Technologies Co, the world's biggest telecom network equipment maker. The Trump administration has said the Chinese firm poses a national security risk given its close ties to China's government, and has lobbied US allies to keep Huawei out of next-generation 5G telecommunications infrastructure. The Chinese government's top diplomat, State Councillor Wang Yi, in a lengthy statement about G20 released by the Foreign Ministry following the delegation's return to Beijing, said the Xi-Trump meeting had sent a "positive signal" to the world.

Though problems between the two countries remain, China is confident as long as they both follow the consensus reached by their leaders they can resolve their problems on the basis of mutual respect, Wang said in the statement released late Saturday. Trump's comments on Huawei, made at a more than hour-long news conference in Osaka following his sit-down with Xi, generated only a cautious welcome from China. The word "Huawei" was not mentioned at all in the top diplomat's appraisal of G20. Wang Xiaolong, the Foreign Ministry's special envoy of G20 affairs and head of the ministry's Department of International Economic Affairs, said if the United States does what it says on Huawei then China would of course welcome it.—Reuters