

Business

Dubai Airshow: Jet industry's grand masters fight to a draw

Demise of A380 forces Emirates to embrace smaller jets

DUBAI: After insisting for 15 years that the superjumbo is the future, Emirates airline has been forced by the demise of the A380 to embrace smaller wide-body jets, resulting in a flurry of manoeuvres between planemakers at this week's Dubai Airshow. The 555-seat A380 is near the end of production, setting off a series of interlocking deals as top buyer Emirates reviews its fleet against the backdrop of fragmenting travel demand. Delays in the 406-seat Boeing 777X also weighed in the shake-up.

"We have to face the reality of the cancellation of the (A380) program and the effect it has on our network, which is why we conducted a root and branch (review)," Emirates President Tim Clark told reporters at the airshow. The double-decker A380 superjumbo and the big twin-engine Boeing 777, plus mid-sized 787s and A350s, were all spread out in front of VIP chalets - the queens, bishops and knights in a game of industry chess being played out across the globe.

Big jets tend to be profitable especially when full. Periodically, the industry designs smaller planes that match both the range and efficiency of larger ones, allowing smaller pieces on the industry chess board to topple larger ones. While reducing its remaining orders for A380s, Emirates placed an expanded order at the show for 50 Airbus A350s but shelved earlier plans to order the 330-seat A330neo, an upgrade of an earlier model.

It substituted part of an order for delayed 777X jets for 30 Boeing 787-9 Dreamliners - 10 fewer than originally planned in a tentative 2017 order - as part of a \$25 billion order shake-up. For passengers, the roughly 300-seat, lightweight mid-sized jets offer more choice and frequencies. Many airlines say they can fly almost as profitably as the larger models but with less risk to the bottom line. The downside? Planes fill more quickly and passengers can flee to other carriers. Airport congestion is also a concern.

Emirates insists the superhub model it pioneered - which takes advantage of Dubai's location to capture global traffic using large aircraft - remains intact despite

the new twist. But the smaller planes allow some of its rivals to fly profitably with fewer commercial risks and this week's deals imply Emirates no longer feels immune from such pressure. "Given the changed environment, Emirates has been forced to adapt the tactics of some of the carriers they have been competing with," said analyst Richard Aboulafia of Teal Group.

Stalemate

The shift sparked frantic talks by planemakers to ensure their models were included in the new mix of Emirates' mid-sized jets. Each suffered losses but the result was broadly a stalemate, analysts said. Airbus suffered a setback with the loss of the A330neo at Emirates and may have to cut output, they said. But it ensured its own A350 picked up the slack and won a ticket to any future contests to replace A380s still in service.

Boeing cemented a key win for the 787 after two years of uncertainty over the earlier provisional deal. But recent 777X delays opened the door to Emirates readjusting the blend in favour of the Airbus A350, at the expense of the 787. Emirates' decision to expand its A350 order coincided with cancellations for the same jet at Abu Dhabi's struggling Etihad, prompting speculation of a politically balanced adjustment. Airline officials strongly denied any link and Clark said planners had identified more room for future growth in revenues with the A350 than the A330neo, which would nonetheless remain "in the mix" for the future alongside more 777X purchases. Analysts said the net result of reducing A380 and 777X orders and switching to smaller models was about 18,000 fewer seats on order than previously planned before the show, which some analysts described as a response to overcapacity. "Manufacturers have sold too many airplanes," Adam Pilarski, senior vice-president at consultancy AVITAS, said.

While the spotlight fell on the Emirates wide-body order rejig, the Dubai show highlighted Boeing's efforts to shore up confidence in its grounded 737 MAX with fresh



DUBAI: Photo shows a view of a Russian Helicopters VRT 500 twin coaxial rotor light helicopter on display during the 2019 Dubai Airshow. — AFP

sales and changes sweeping the narrow-body markets. Beefed-up single-aisle jets increasingly cover distances reserved for wide-bodies. Sharjah's Air Arabia ordered 120 Airbus including 20 of the long-range 200-240-seat A321XLR. Sources say it may leapfrog northern Africa to

fly non-stop as far as Casablanca, a mission currently served from neighboring Dubai by an Emirates A380. "The single aisles are the pawns of the industry but very effective ones," Rob Morris, head consultant at UK-based Ascend by Cirium, said. — Reuters

Nigeria economy grew in Q3 after oil output rises

ABUJA: Nigeria's economic growth rose to an annual rate of 2.28% in the three months to the end of September after the production of its main export commodity, crude oil, rose to a more than three year high, the statistics office said on Friday. The economy, Africa's largest, expanded by 0.17% in the previous quarter and 0.47% in the same period a year earlier. The country has struggled to shake off the effects of a 2016 recession that ended the following year.

Growth rates in Nigeria have been bouncing back this year, though from a low base, after the oil sector, which accounts for around two-thirds of government revenue and 90% of foreign exchange, shrugged off its negative performance in the first quarter. Crude production in the third quarter stood at 2.04 million barrels per day, its highest since the first quarter of 2016, the statistics office said. Friday's data release comes ahead of the central bank's announcement of its main interest rate on Tuesday and days after the statistics office said annual inflation was at a 17-month high in October.

Nigeria recorded the highest quarterly growth in September since the last quarter of 2018 as the oil sector rose 6.49%. The non-oil sector rose 1.85% during the period. Razia Khan, chief economist for Africa and the Middle East at Standard Chartered, welcomed the oil sector performance but added that it raises concerns that Nigeria could come under more pressure to adhere to its OPEC quota. The non-oil sector is showing signs of recovery but is inadequate for Nigeria's potential, Khan said.

"Given the hoped-for faster passage of the 2020 budget, and efforts to boost private sector credit, we expect more of a recovery to emerge all-round in 2020," Khan said. The central bank has been trying to boost growth by forcing commercial banks to lend to stimulate the economy but it has also kept benchmark interest rates high and liquidity tight in a bid to support the currency and wade off inflation. The central bank has forecast growth of 3% for 2019 while the IMF expects the year to finish off at 2.3%. — AFP

Pakistan central bank keeps rates on hold as inflation steadies

KARACHI: Pakistan's central bank kept its main interest rate at 13.25% on Friday, having recently stopped hiking rates as data on the economy has begun to show that inflation is steadying. The bank said it expected inflation to ease in the second half of the fiscal year to the end of next June and remain broadly unchanged in fiscal 2020 at 11% to 12%.

Furthermore, the current account balance, the broadest measure of the country's trade with the rest of the world, turned to a surplus in October for the first time in four years, the bank said, meaning external pressure on Pakistan's finances is receding. "The market sentiment has begun to gradually improve on the back of sustained improvements in the current account and continued fiscal

prudence," the statement said. "In the first four months of the current fiscal year, the current account deficit contracted by 73.5% to US\$ 1.5 billion," it added.

It said the government's primary balance - the balance of revenue versus spending excluding debt-servicing costs - is likely to enter a surplus in the first quarter of next fiscal year for the first time in almost four years. "This, together with the end of deficit monetization has qualitatively improved the inflation outlook." The bank last lifted rates in July, when it hiked by 100 basis points. It was the ninth increase since the start of 2018 as the country faced rising inflation, a big current account deficit and downward pressure on its rupee currency.

The International Monetary Fund is currently reviewing Pakistan's progress on reforms agreed as part of a bailout package in July. Under the terms of the \$6 billion bailout, the government has put in place tough measures to meet a fiscal deficit target set by the IMF. The rupee has appreciated 5.6% since hitting a low in June, and inflation stood at 11% year-on-year and 1.8% month-on-month in October. The bank said it expected inflationary pressures to ease in the second half of this fiscal year. — Reuters

NBK announces winners of Al Jawhara Weekly Draws

KUWAIT: The National Bank of Kuwait continues to reward its customers with Al Jawhara Account through weekly, monthly and quarterly draws. The bank recently announced the winners of the weekly draw for the month of November, naming, Hussam Ahmad Asad, Khaton Ali Husain and Nanda Gopal Kuttiyappan as the winners of the KD 5,000 prize each.

Automatically entering customers into the draws, Al Jawhara Account gives customers a chance to win KD 5,000 weekly, KD 125,000 monthly and a KD 250,000 grand prize quarterly for every KD 50 deposited into their account. If no withdrawal or transfers occur on the account during the required period, customers will receive an additional chance to enter the draw for every KD 50 held in the account, doubling their chance to win.

Since 2012, the National Bank of Kuwait has rewarded loyal customers with a total worth of prizes up to KD 2,200,000 in the weekly, monthly, and quarterly Al Jawhara draws. All the draws are conducted in the presence of a representative from the Ministry of Commerce & Industry and the name of all the winners are announced. Customers can open an Al Jawhara Account by simply visiting any NBK Branch. Also, NBK Customers can conveniently open an Al Jawhara Account through the NBK Online Banking and NBK Mobile Banking. For more information about Al Jawhara Account, please visit: nbk.com.

Albwardy to buy Meikles Hotel

HARARE: Dubai-based Albwardy Investments said yesterday it would buy Zimbabwe's Meikles Hotel for \$20 million and would upgrade what is one of the southern African nation's most well-known establishments. The current owner, Meikles Limited, has over the past few years struggled with low occupancy levels and has lacked foreign exchange to refurbish the property in Harare.

Albwardy said the investment had been approved by Zimbabwe's stock exchange and competition commission, while the shareholders would vote on the transaction next month. — Reuters



KARACHI: Workers prepare to pack whole squids for export at a fish factory at a fishery port in Karachi. — AFP

EXCHANGE RATES

AL-MUZAINI EXCHANGE CO.

EUROPEAN & AMERICAN COUNTRIES

US Dollar Transfer	304.300
Euro	339.140
Sterling Pound	394.980
Canadian dollar	230.790
Turkish lira	54.340
Swiss Franc	309.560
US Dollar Buying	296.850

ASIAN COUNTRIES

Japanese Yen	2.801
Indian Rupees	4.240
Pakistani Rupees	1.967
Sri Lankan Rupees	1.687
Nepali Rupees	2.646
Singapore Dollar	225.070
Hongkong Dollar	38.896
Bangladesh Taka	3.541
Philippine Peso	5.995
Thai Baht	10.095
Malaysian ringgit	77.826

GCC COUNTRIES

Saudi Riyal	81.201
Qatari Riyal	83.633
Omani Riyal	790.903
Bahraini Dinar	808.560
UAE Dirham	82.904

ARAB COUNTRIES

Egyptian Pound - Cash	21.400
Egyptian Pound - Transfer	18.919

Yemen Riyal/for 1000

1.222

Tunisian Dinar

111.060

Jordanian Dinar

429.530

Lebanese Lira/for 1000

0.203

Syrian Lira

0.000

Morocco Dirham

32.167

DOLLARCO EXCHANGE CO. LTD

Rate for Transfr

Selling Rate

US Dollar	303.940
Canadian Dollar	230.850
Sterling Pound	395.190
Euro	338.175
Swiss Frank	303.510
Bahrain Dinar	808.290
UAE Dirhams	83.155
Qatari Riyals	84.390
Saudi Riyals	81.945
Jordanian Dinar	429.975
Egyptian Pound	18.873
Sri Lankan Rupees	1.695
Indian Rupees	4.230
Pakistani Rupees	1.959
Bangladesh Taka	3.534
Philippines Pessio	5.898
Cyprus pound	18.085
Japanese Yen	3.795
Syrian Pound	1.590
Nepalese Rupees	2.648
Malaysian Ringgit	73.370
Chinese Yuan Renminbi	43.680
Thai Bhat	11.060

Turkish Lira

53.385

Singapore dollars

223.191

BAHRAIN EXCHANGE COMPANY WLL

CURRENCY

BUY

SELL

EUROPE		
British Pound	0.384081	0.397981
Czech Korune	0.005195	0.014495
Danish Krone	0.041041	0.046041
Euro	0.328478	0.342178
Georgian Lari	0.121440	0.121440
Hungarian	0.001147	0.001337
Norwegian Krone	0.029323	0.034523
Romanian Leu	0.065204	0.082054
Russian ruble	0.004796	0.004796
Slovakia	0.009095	0.019095
Swedish Krona	0.027671	0.032671
Swiss Franc	0.299126	0.310126
Australasia		
Australian Dollar	0.198600	0.210600
New Zealand Dollar	0.189367	0.198867
America		
Canadian Dollar	0.223614	0.232614
US Dollars	0.300200	0.305500
US Dollars Mint	0.300700	0.305500
Asia		
Bangladesh Taka	0.002998	0.003799

Chinese Yuan

0.041871

0.045371

Hong Kong Dollar

0.036923

0.039673

Indian Rupee

0.003628

0.004400

Indonesian Rupiah

0.000017

0.000023

Japanese Yen

0.002719

0.002899

Korean Won

0.000248

0.000263

Malaysian Ringgit

0.069245

0.075245

Nepalese Rupee

0.002624

0.002964

Pakistan Rupee

0.001294

0.002064

Philippine Peso

0.005918

0.006218

Singapore Dollar

0.218039

0.228039

Sri Lankan Rupee

0.001318

0.001898

Taiwan

0.010020

0.010200

Thai Baht

0.009733

0.010283

Vietnamese Dong

0.000013

0.000013

Arab

Bahraini Dinar

0.801015

0.809065

Egyptian Pound

0.018705

0.021446

Iranian Riyal

0.000084

0.000086

Iraqi Dinar

0.000211

0.000271

Jordanian Dinar

0.423210

0.432210

Kuwaiti Dinar

1.000000

1.000000

Lebanese Pound

0.000153

0.000253

Moroccan Dirhams

0.021180

0.045180

Omani Riyal

0.785262

0.793154

Qatar Riyal

0.082928

0.083762

Saudi Riyal

0.080060

0.081360

Syrian Pound

0.001290

0.001510

Tunisian Dinar

0.102564

0.110564

Turkish Lira

0.046545

0.056390

UAE Dirhams

0.082217

0.083043

Yemeni Riyal

0.000989

0.001069