

Performance by Italian musicians launches Summer Cultural Festival



India's 'Iron Lady' ends hunger strike to enter politics



Pogba completes world record return to Man United



Doping war as US swimmer beats tainted Russian to gold



## GOVT MULLS COMPENSATING CITIZENS AFTER PETROL HIKE

CABINET STICKS TO DECISION, BUT VOWS NO 'HARM' TO KUWAITIS



Min 32°  
Max 48°  
High Tide 04:18 & 16:40  
Low Tide 10:50 & 22:43



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### BUDGET DEFICIT AFTER 16 YEARS OF SURPLUSES

KUWAIT: Lower oil prices have pushed Kuwait into a rare budget deficit, ending 16 straight years of surpluses for the state, the finance minister said. The OPEC member recorded a budget shortfall of KD 4.6 billion (\$15.3 billion) in the fiscal year which ended on March 31, Anas Al-Saleh said in a statement carried by the KUNA news agency late Monday. It was the first shortfall since the fiscal year to March 1999.

Revenues dropped by 45 percent to \$45.2 billion while spending was cut by 14.8 percent to \$60.5 billion, the minister said. Oil income was \$40.1 billion, a slump of 46.3 percent from the previous year, he said. Oil accounted for 89 percent of total revenues, down from 95 percent in previous years.

Saleh told parliament last month that Kuwait plans to tap international debt markets through bond issues to finance the deficit. He said the state would borrow up to \$10 billion in US-denominated bonds from international markets, in both conventional and (Islamic) sukuk issuance. The ministry will borrow another \$6.6 billion in both conventional and Islamic instruments from the domestic market, Saleh said.

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KUWAIT: HH the Prime Minister Sheikh Jaber Al-Mubarak Al-Sabah (left) and National Assembly Speaker Marzouq Al-Ghanem are seen during a meeting yesterday. — Photo by Yasser Al-Zayyat

By B Izzak

KUWAIT: The government yesterday agreed to consider demands by MPs to compensate Kuwaiti citizens after a hike in petrol prices due to take effect next month. This came during a meeting attended by HH the Prime Minister Sheikh Jaber Al-Mubarak Al-Sabah, four ministers and about 17 MPs to discuss ways to compensate citizens for the petrol hike. National Assembly Speaker Marzouq Al-Ghanem said the meeting was positive and MPs insisted that the best solution to the problem is for the government to implement the study of the Assembly's financial and economic affairs committee, which calls for compensating citizens financially for the hike.

Ghanem said that the Assembly is insisting to implement the financial committee's study, which agrees to liberalize petrol prices but compensating citizens. He said the government and the Assembly agree on the main goals of the price hike but differ on the mechanisms, adding that the Assembly is prepared to face the economic situation but not at the cost of citizens. The speaker said that no time limit was given for the government to respond to the Assembly's proposals, but added that the Assembly will study the matter in the next term starting early October.

State Minister for Cabinet Affairs Sheikh Mohammad Al-Abdullah Al-Sabah said the government team explained to MPs the reasons for the decision and the expected results, but insisted it will not allow any harm on citizens.

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RIO DE JANEIRO: Independent Olympian, Kuwait's Abdulaziz Alshatti, competes against Hungary's Andras Redli during their men's individual epee qualifying bout as part of the fencing event of the Rio 2016 Olympic Games yesterday at the Carioca Arena 3. — AFP

### FLAMBOYANT KUWAITI FENCER KNOCKED OUT IN EARLY LOSS

RIO DE JANEIRO: Kuwait's Abdulaziz Alshatti, the lone independent fencer in the Rio Olympics, was knocked out yesterday after an early loss. Kuwait's Olympic Committee was suspended by the IOC in 2015 for "undue government interference". Because of that the ban, Alshatti's only chance to earn a trip to Rio was a last-chance Asian qualifying event in April

in which only the winner advanced. Alshatti took first in a stunning result.

But he couldn't match that performance in Brazil. Alshatti had the backing of a small crowd that appeared to sympathize with his plight. But Hungary's Andras Redli survived a furious late rally from the hard-charging and flamboyant Kuwaiti, winning 14-13 in epee. — AP

## KUWAIT, FRANCE SEAL CHOPPER SALE

30 MILITARY HELICOPTERS TO BE SUPPLIED IN €1BN DEAL

### News

in brief

#### Leak but no fire at Ahmadi oilfield

KUWAIT: Kuwait Oil Company yesterday reported an oil leak during drilling at its Ahmadi oilfield, but a spokesman said there was no fire. Spokesman Emad Sultan said specialized teams were dealing with the spill. "There was no fire as a result of the leak and we are still trying to bring it (the leak) under control," Sultan said. Kuwait is a major member of the Organization of Petroleum Exporting Countries (OPEC), pumping around 3 million barrels per day. Kuwait Oil Company said the leak at Ahmadi oilfield had no impact on output. The company said the spill struck at its BWD-133 drilling rig.

#### US approves \$1.15bn military sales to Saudis

WASHINGTON: The US State Department has approved the potential sale of more than 130 Abrams battle tanks, 20 armored recovery vehicles and other equipment, worth about \$1.15 billion, to Saudi Arabia, the Pentagon said yesterday. The US Defense Security Cooperation Agency, which oversees foreign arms sales, said that General Dynamics will be the principal contractor for the sale, adding it would contribute to US national security by improving the security of a regional partner. "This sale will increase the Royal Saudi Land Force's (RSLF) interoperability with US forces and conveys US commitment to Saudi Arabia's security and armed forces modernization," the agency said.

PARIS: France will supply 30 military helicopters to Kuwait in a deal worth over one billion euros (\$1.1 billion) that French Defence Minister Jean-Yves Le Drian signed yesterday. The agreement to buy the versatile Airbus Caracal helicopters is part of a €2.5 billion package of deals that the two countries agreed in Oct 2015. France has given Kuwait military support since the 1990 invasion of the country by Saddam Hussein's Iraqi forces. The two countries are also fighting together in the international coalition against the Islamic State jihadist group.

"With this deal, Kuwait further strength-

ens the strategic partnership which has bound together our two countries for several decades, while we are currently engaged side-by-side in the fight against Daesh in Iraq and Syria," Le Drian said in a statement, using the Arabic term for Islamic State. Kuwait's army will use 24 of the helicopters mainly for search and rescue missions and for transport purposes, but they are also fitted with machine guns allowing them to offer ground troops cover from the air. The Kuwait National Guard will operate the remaining six helicopters. Airbus confirmed the order in a statement. — Agencies



KUWAIT: Kuwait's Deputy Prime Minister and Defense Minister Sheikh Khaled Al-Jarrah Al-Sabah shakes hands with French Defense Minister Jean-Yves Le Drian after signing an agreement for France to supply 30 military helicopters to Kuwait in a deal worth over one billion euros. — AFP



ST PETERSBURG, Russia: Russian President Vladimir Putin (right) and Turkish President Recep Tayyip Erdogan shake hands at a news conference after their talks at the Konstantin palace yesterday. — AP

## PUTIN, ERDOGAN PLEDGE RESET AFTER RIFT

SAINT PETERSBURG: Russian President Vladimir Putin and Turkish counterpart Recep Tayyip Erdogan yesterday promised to reinvigorate ties after their first meeting since Ankara shot down a Russian warplane last November. Erdogan's visit to Putin's hometown of Saint Petersburg is also his first foreign trip since the failed coup against him last month that sparked a purge of opponents and cast a shadow over Turkey's relations with the West.

"We lived through a very complicated moment in the relations between our states and we very much want, and I feel our Turkish friends want, to overcome the difficulties," Putin told journalists at a joint press conference after the encounter. The Kremlin leader insisted it would take "painstaking work" and "some time" to return to previous trade levels as Russia looks to roll back a series of economic sanctions against Ankara, but both sides said they wanted to restart major energy projects hit by the crisis.

Erdogan said that he hoped Russian-Turkish relations would become "more robust" and stressed how important it was that Putin offered his support after the coup. "We will bring our relations back to the old level and even beyond, both sides are determined and have the necessary will," he said. The shooting down of a Russian fighter jet by a Turkish F-16 over the Syrian border last fall saw a furious Putin slap economic sanctions on Turkey and launch a blistering war of words with Erdogan that seemed to irrevocably damage burgeoning ties.

But in a shock reversal late June, Putin accepted a letter expressing regret over the incident from Erdogan as an apology and quickly rolled back a ban on the sale of package holidays to Turkey and signaled Moscow would end measures against Turkish food imports and construction firms. Now in the wake of the failed July 15 coup attempt, there are fears in Western capitals that NATO-member Turkey

could draw even closer to Moscow - with Erdogan bluntly making it clear he feels let down by the United States and the European Union. Putin was one of the first foreign leaders to phone Erdogan offering support after the coup attempt and shares none of the scruples of EU leaders about the ensuing crackdown.

Relations between Turkey and Russia - two powers vying for influence in the strategic Black Sea region and Middle East - have historically not been straightforward. Yet before the plane downing crisis, Moscow and Ankara managed to prevent disputes on Syria and Ukraine harming strategic cooperation on issues like the TurkStream gas pipeline to Europe and a Russian-built nuclear power station in Turkey. Those projects were all put on ice with trade between the two countries falling 43 percent in January-May this year to \$6.1 billion and Turkey's tourism industry seeing visitor numbers from Russia fall by 93 percent.

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