

DUBAI'S IMG PLANS ANOTHER RECORD INDOOR THEME PARK

DUBAI: Dubai's IMG Worlds plans to build the world's largest indoor theme park, based on children's TV and gaming characters, only months after another of its new resorts claimed the record for size. Located in Dubai, IMG Worlds of Legends will feature eight property partnerships with global names such as Nickelodeon, Mattel and Pokemon, making the multi-billion dollar project one of the biggest global licensing deals of its kind.

After years of few entertainment options in the Gulf, the vacuum is being filled as IMG Worlds and other theme parks and attractions pop up in Dubai and Abu Dhabi. Even Saudi Arabia, the region's most conservative country, is set for three new parks. Sources told Reuters that Dubai-based parent company Ilyas & Mustafa Galadari Group (IMG) was working with JP Morgan Chase & Co, EFG Hermes and Goldman Sachs on a possible initial public offering (IPO) for 2017 as the park operator expands.

One of the sources said the plans could involve selling around 30 percent of the company and that it was exploring whether to list on the Dubai Financial Market or London. Lennard Otto, chief executive of IMG Worlds, would not be drawn on any possible IPO, saying it was "merely a rumour." "Are we open to a lot of different financing options? Yes, we are and we have kept a lot of channels open and once there is something concrete we will go out and announce that," he said.

Spread across more than 2 million square feet and featuring a retractable roof, IMG Worlds of Legends will be adjacent to IMG's Worlds of Adventure, which opened in August and stretches over some 1.5 million square feet. The new park was likely to attract around 4 million visitors annually, roughly the same number as the existing park expects to draw. Around half of those visitors would be residents of the United Arab Emirates, with the others expected to be tourists, including those from Gulf states, the Indian subcontinent, China, Britain and Germany, Otto said. There was no confirmed timetable for the building of the park.

Part of the funding for its building would come from profits from IMG Worlds of Adventure, with the remainder funded from a syndicated loan, Otto said.

Abu Dhabi Islamic Bank in 2014 arranged a 1.2 billion dirham (\$327 million) syndicated Islamic loan for the building of that other park, which also included participation from UAE's Al Hilal Bank, Commercial Bank International, Noor Bank and Sharjah Islamic Bank. Some of those banks were likely to participate in the financing for the new park, he said. — Reuters

US TRADE DEFICIT WIDENS FROM 3-YEAR LOW PRODUCTIVITY UP 3.1% IN THIRD QUARTER

WASHINGTON: The US trade deficit climbed in October from its lowest monthly level in nearly three years. Imports of consumer goods such as medicine, cell phones and clothing increased, while exports of soybeans, gold and artwork tumbled which fueled the monthly widening of the trade gap.

The Commerce Department said yesterday that the deficit rose to \$42.6 billion in October, up 17.8 percent from September. The \$36.2 billion trade deficit in September was the lowest since December 2013.

Reducing the trade deficit has become a primary focus of President-elect Donald Trump. Trump cites the trade imbalance as evidence that the United States has to signed misguided trade agreements that have hurt US economic growth and cost jobs. In the wake of an agreement last week to keep 800 jobs at the Carrier furnace factory in Indianapolis from going to Mexico, Trump has promised to lower corporate tax rates to preserve factory jobs inside the United States, while threatening harsh penalties for companies that produce goods overseas to save on labor costs. On Twitter, Trump warned that he will impose a 35 percent tariff on the goods imported by companies that outsource production.

So far this year, the trade deficit is running 2.1 percent below its 2015 levels. The United States has been exporting more food but fewer industrial supplies, oilfield equipment, autos and consumer goods. But the country has also cut back on imports of steel, oil, aircraft, computer accessories and televisions, among other goods, leading to a narrowing of the overall trade deficit.

A larger trade deficit acts as a drag on growth because it means America is buying more from foreign countries than it is selling. But the pace of exports picked up during the July-September quarter, contributing a solid 1.2 percentage points to annualized growth of 3.2 percent during the quarter. The goods trade deficit with China contracted to \$31.1 billion in October and is running 6.2 percent below last year's level, although it remains the leading contributor to America's trade gap. The deficit with the European Union rose 29.2 percent to \$13.1 billion. The imbalance with Mexico climbed 18.1 percent to \$6.2 billion.

Productivity

The productivity of American workers rose in the July-September quarter at the fastest pace in two years while labor costs slowed after a big jump in the spring. Productivity increased in the third quarter at a 3.1 percent rate, the Labor Department reported yesterday. That fol-



OAKLAND: A sailboat makes its way past the container ship MSC Ivana as she is unloaded at the Port of Oakland in Oakland, California. The Commerce Department reported on the US trade gap for October yesterday. — AP

lowed three quarterly declines and was the best showing since a 4.2 percent increase in the third quarter of 2014. Labor costs edged up at a 0.7 percent rate in the third quarter following a much faster 6.2 percent jump in the second quarter. The productivity figure was unchanged from an initial estimate a month ago while the 0.7 percent rise in unit labor costs was slightly higher than an initial estimate of a 0.3 percent gain.

The rebound in productivity was expected to be temporary. Economists believe the jump in productivity in the summer will be short-lived. They are forecasting that productivity will return to the anemic gains seen over the past nine years. Since 2007, annual productivity increases have averaged just 1.3 percent. That is just have the 2.6 percent average gains turned in from 2000 through 2007 when the country was benefiting from the increased efficiency from greater integration of computers and the internet into the workplace. Productivity, the amount of output per hour of work, is the key factor that supports rising living standards. Rising productivity means

increased output which allows employers to boost wages without triggering higher inflation. The revised estimates for productivity and output follow the government's revisions to the gross domestic product, the economy's total output of goods and services, last week. The revision boosted GDP growth in the third quarter to 3.2 percent, up from an initial estimate of 2.9 percent.

Productivity growth has been weak since the Great Recession. The 1.3 percent average gain from 2007 through 2015 compares to 2.6 percent from 2000 to 2007 and a 2.2 percent average from 1947 through 2015. Federal Reserve Chair Janet Yellen has pointed to the slowdown in productivity growth as a key challenge facing the country.

Economists believe that businesses need to start focusing more on raising the efficiency of their existing workforce rather than just hiring more workers to meet demand. Analysts expect companies to put more emphasis on increasing productivity as the labor market hits full employment and the pool of available qualified workers diminishes. — AP

QATAR TO SPEND \$13BN ON 'MEGA PROJECTS' IN 2017

DOHA: Qatar will invest up to \$13 billion in major infrastructure projects next year despite a slump in revenues resulting from low energy prices, the Gulf state's finance minister said yesterday.

Ali Shareef Al-Emadi predicted growth of 3.4 percent in 2017, in line with an International Monetary Fund estimate and up from a projected 3.2 percent this year. "Increasing the investment in mega projects reiterates the country's commitment to achieving its goals," Emadi told delegates at a Euromoney conference in Doha.

"It is expected that on new projects in 2017, spending will be up to 46 billion

Qatari riyals (\$13 billion, 12 billion euros)," The minister added that the 2022 World Cup host had already spent almost 375 billion riyals (\$98 billion dollars, 95.6 billion euros) on large-scale projects.

Most of the investment in the next few years will be in construction and transport as the country gears up to host football's showpiece tournament.

Speaking at the same conference, Qatar National Bank's chief executive officer, Ali Ahmed Al-Kuwari, said construction would account for 45 percent of investment between 2015 and 2018, and transport almost 30 percent. — AFP

OPEC, NON-OPEC COUNTRIES TO DISCUSS OIL CUTS: RUSSIA

MOSCOW: Russia yesterday said it will take part in a meeting of OPEC and non-OPEC members as oil prices wobbled on doubts over the impact of an output cut deal. Energy Minister Alexander Novak will attend the meeting in Vienna on Saturday expected to nail down details on implementing the agreement reached last week.

After months of disagreement, OPEC members on November 30 hammered out a deal to cut oil output for the first time in eight years. Moscow-which is not a member of the oil cartel-has said it is ready to reduce crude output by 300,000 barrels a day in the first half of 2017.

The OPEC agreement ended weeks of uncertainty and volatility on crude markets as the key players bickered over who would shoulder the biggest burden of the cuts. Oil prices shot up on the announcement, which was more ambitious than many analysts had expected.

Prices reached a 16-month high late Monday on the back of an announcement by OPEC of the meeting with non-members but that quickly dipped overnight as the lustre of OPEC's decision to cut production faded. Yesterday at 1345 GMT, US benchmark West Texas Intermediate was down \$1.06 on the day at \$50.73, while Brent North Sea crude had dropped 93 cents to \$54.01.

'Reality bites'

With crude prices above \$50 dollars, US shale oil producers are dusting off dormant oil rigs as they gear up to raise production which could lessen the impact of any OPEC cuts. "The price action speaks to me of a market that lacks conviction and momen-

tum," said OANDA senior market analyst Jeffrey Halley. "As reality bites in a world awash with oil, producing countries will have to show some meaningful backbone on compliance, for probably the first time ever, to achieve the meaningful rally in oil prices that they so desire." Some analysts say that last week's deal will likely be finalised at Saturday's meeting but doubts over its implementation remain.

"Reports that the group once again increased output in November will raise fresh skepticism," analysts from Accendo Markets said. Commerzbank analyst Carsten Fritsch said that with Saudi Arabia trying to defend its market share, "it is hard to imagine how OPEC will convince non-OPEC producers to cut production".

Novak has called on Russia's oil companies to slash output to comply with the decision. Deputy Energy Minister Kirill Molodtsov told Russian news agencies that the country's oil companies would convene Wednesday for a meeting. By cutting 300,000 barrels a day, Russia will produce some 10.9 million barrels a day—a figure higher than when Russia had attempted to agree on a production freeze with OPEC members in the spring.

Emily Stromquist of Eurasia Group said Russia's commitment to slashing its production "should be viewed with skepticism." After the first quarter of 2017, "Russia is likely to assume a flexible interpretation of its engagement and deliver only a portion of this 300,000 bpd cut in the best case scenario," Stromquist said. The slide in oil prices and Western sanctions over Moscow's role in the Ukraine crisis have pummeled the Russian economy. — AFP

PATRIOTIC TURKS OFFERING FREE FISH, TOMBSTONES AND HAIRCUTS TO PROP UP LIRA

ISTANBUL: Free haircuts, scientific funding, fish and tombstones are among the incentives being offered to Turks who answer President Tayyip Erdogan's call to convert their dollars to lira.

Casting recent weakness in the Turkish currency as a plot by outside powers to destroy the economy, Erdogan has urged Turks to convert any dollars "under their pillows" into lira, and called on businesses to do more transactions in local currency. "Since the crisis operation is being carried out through foreign currency, we must use our own currency wherever we can," Erdogan said in a speech on Saturday,

when he was opening a shopping centre in Istanbul. "It is now time to take hold of our economy, just as we took hold of our freedom on July 15," he said, referring to a coup attempt that failed. More than 240 people were killed.

Some shopkeepers and traders have responded by offering free goods and services to anyone with proof they sold dollars. Sabahattin Bas, chairman of Borsa Gold, a jeweller and gold seller in Istanbul's historic Grand Bazaar, said he was only accepting liras, to fight what he called a renewed attack on Turkey by Western powers who had backed the failed coup. — Reuters

Al-Tijari Received the 2016 GCC-CSR Award for Private Sector Corporation

For the past five years "Hawwen Alaihom" campaign continued to truly translate Commercial Bank of Kuwait's innovative humanitarian and philanthropic activities for lending support and help to road cleaners and construction workers at their work locations. Since its launch, Al-Tijari has not only distributed gifts and necessary requirements to this segment - that should gain all respect and appreciation - but also shared them the joy of happy occasions. Today, "Hawwen Alaihom" campaign contributed in naming Commercial Bank of Kuwait as the best performing corporate social responsibility (CSR) entity in the Gulf region by the GCC Council of Ministers of Labor & Social Affairs.

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