

## MAY TAKES OVER AS PM, CAMERON LEAVES OFFICE

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He urged his successor, "a brilliant negotiator", to "try to be as close to the European Union as we can be, for the benefits of trade, of co-operation and of security".

May campaigned for the leadership as a safe pair of hands, who has spent six years as home secretary, one of the toughest jobs in British politics. The daughter of a Church of England pastor, she is cricket fan with a sober demeanor who lists her hobbies as cooking and walking. She has been MP for Maidenhead, the well-to-do commuter town west of London, since 1997 and was previously chairwoman of the Conservative party. May is something of an unknown quantity internationally, but European Council president Donald Tusk said he looked forward to a "fruitful working relationship" with her.

Her continental peers have said they expect her to move quickly to implement the referendum result.

Germany's Angela Merkel, France's Francois Hollande and Italy's Matteo Renzi announced yesterday that they will hold a summit in August on the matter. Women are expected to secure several top jobs in May's cabinet, including current energy minister Amber Rudd and international development minister Justine Greening.

Foreign Minister Philip Hammond and Brexit campaigner Chris Grayling, the leader of the House of Commons, are also tipped for senior positions - but George Osborne is expected to lose the finance portfolio. Friends of former London mayor Boris Johnson, who had been hotly tipped to succeed Cameron but declined to run at the last minute, said he was also hoping to play a "significant role". Investors will be watching May's first days in office closely. The Bank of England will announce Thursday whether it will cut interest rates for the first time in more than seven years to curb economic fallout from Brexit. — AFP

## KUWAIT TO SELL STAKES IN OIL UNITS

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say, "definitely we would not touch anything if it wasn't worthwhile".

Kuwait Petroleum International, which owns refineries in Asia and the Q8 chain of filling stations in Europe, is among the candidates for sale. Others are Kuwait Foreign Petroleum Exploration Co, Kuwait Oil Tanker Co and Petrochemical Industries Co, said Saleh.

Kufpec, as the foreign exploration unit is known, pumps oil and natural gas in 15 countries in Asia, Africa, Europe and North America, according to its website. The company aims to reach a daily output of 200,000 barrels of oil equivalent by 2020 and maintain that level of production until 2030, it said. Kuwait Oil Tanker's fleet includes 20 vessels for transporting crude and oil products, according to its website.

In addition to the KPC subsidiaries, Kuwait may consider selling shares in domestic power companies, the postal service, a phone company and local bus operators, Saleh said. He said in an interview in May that the country planned also to issue international bonds and has started borrowing locally to cover the budget shortfall caused by lower oil prices. Kuwait ranks along with the United Arab Emirates as the fourth-largest producer in the Organization of Petroleum Exporting Countries, data compiled by Bloomberg show.

Kuwait is also open to liaising with Saudi Arabia on its planned debt sale as the two nations prepare to test investor appetite for about \$20 billion of bonds. "If it's required and if our advisers think we should coordinate in terms of timing we would do that," Saleh said, referring to the country's plan to raise as much as \$9.9 billion in September. "We have very strong ties."

The plunge in crude is driving bond sales across the six-nation Gulf bloc as governments seek to plug budget deficits that the International Monetary Fund says could reach \$900 billion by 2021. After Qatar raised a record \$9 billion in May and Abu Dhabi \$5 billion in April, Saudi Arabia and Kuwait are the next to test investor appetite for Middle Eastern debt after the sum-

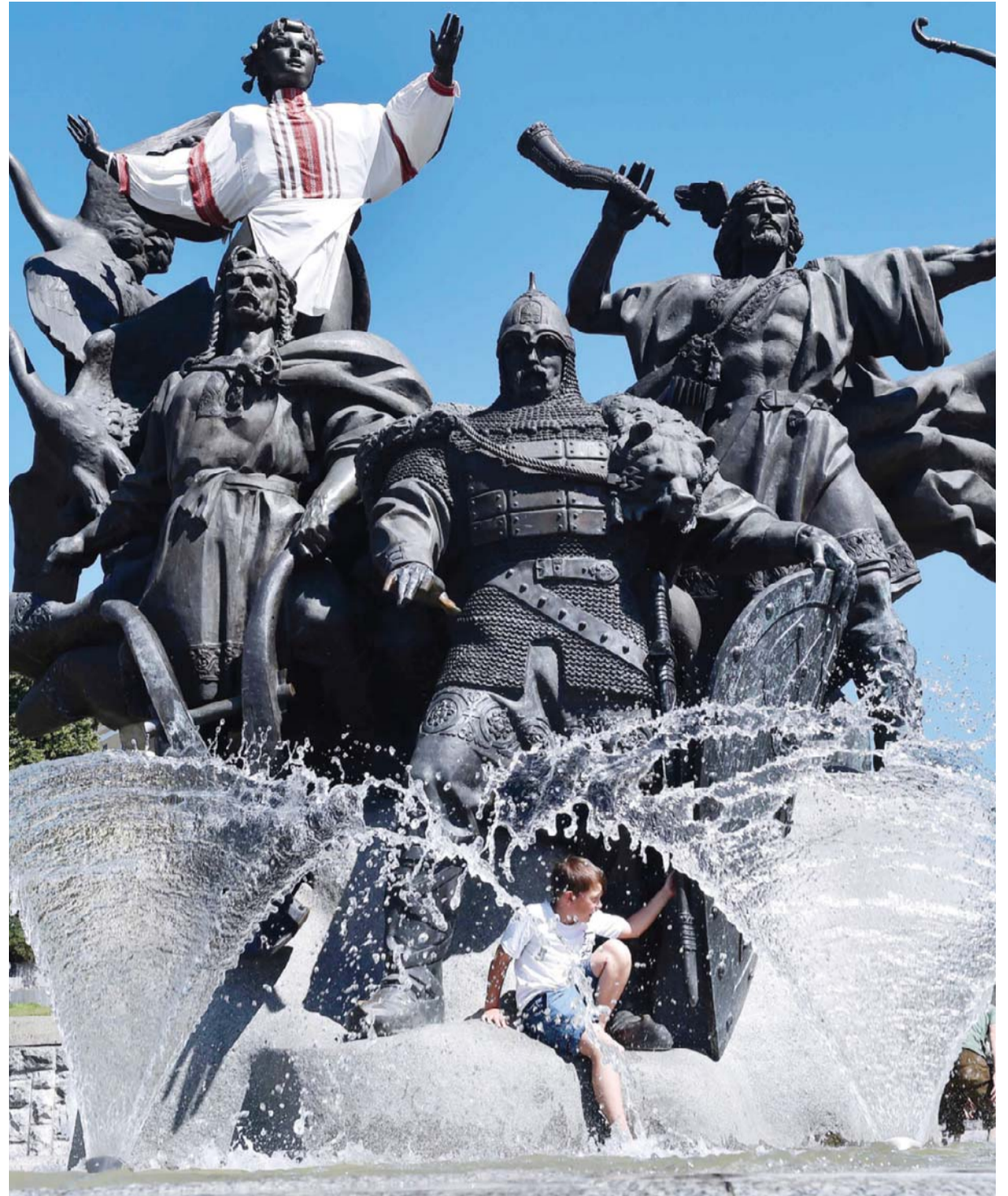
mer, with Saudi Arabia said to be also seeking at least \$10 billion.

"They are competing with each other and even if there is some coordination, at the end of the day each government is trying to raise as much money as possible while interest rates are low," said Talal Touqan, head of research at Abu Dhabi-based Al Ramz Capital LLC, a brokerage and investment bank. The surge in issuance comes as "the whole world is suffering from liquidity constraints."

Kuwait is aiming to start the international bond sales in September and has still to hire banks to manage the offering, Saleh said. Saudi Arabia has appointed JPMorgan Chase & Co, HSBC Holdings Plc and Citigroup Inc. to arrange its first international bond sale, people with knowledge of the matter said last month, with the timing of the sale likely after the summer, they said. Only half way into this year and Gulf issuers have already raised \$36.25 billion in conventional and Islamic bonds. That compares with about \$26 billion raised in all of 2015 and the \$33.5 billion sold in 2014, data compiled by Bloomberg shows.

The minister said in May that the country had hired consulting firm Oliver Wyman & Co to set up a debt management office. A special committee with officials from the finance ministry, sovereign wealth fund and central bank will decide on whether to offer Islamic or conventional debt and whether to sell the debt in tranches. Kuwait is also planning to sell as much as KD 2 billion (\$6.6 billion) domestically. "There is a huge appetite from investors" for regional debt, Saleh said. "We have good ratings, good reserves and good economic reform plans."

Low oil prices - which halved from around \$100 per barrel in 2014 - have pummeled the finances of oil-rich nations, prompting reform programs intended to save cash and restructure the economy. Saleh is seeking to cut wasteful spending, reducing utility subsidies, introducing corporate taxes and increasing fees, in common with a similar reform program in Saudi Arabia. — Bloomberg



A child refreshes himself in a fountain in Kiev during a heatwave yesterday. — AFP

## ARE EGYPT, SYRIA NEXT FOR TURKEY...

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Turkey last month agreed a normalization deal with Israel, following half a decade of downgraded ties due to the deadly storming of a Turkish aid ship bound for Gaza in May 2010. Ankara ended the crisis with Russia after Erdogan sent a letter to his Russian counterpart Vladimir Putin, expressing regret over the downing of one of Moscow's warplanes in November.

In its latest diplomatic overtures, Turkey has gone back to its previous "zero problems with neighbors" foreign policy that defined the early years of Erdogan's time as premier. The approach rapidly deteriorated into what critics derided as a policy of "multiple problems with everyone" as Turkey had its hopes dashed of finding friendly regimes in place after the so-called Arab Spring. "Our default approach is to maintain good relations with everyone unless conflict is inevitable," a Turkish official told AFP on condition of anonymity.

After the beginning of the Syrian uprising in 2011, Turkey opened dialogue with Damascus, but Erdogan later became a fierce opponent of Assad, a leader who he had once courted as a friend. In an headline-grabbing comment yesterday, Yildirim said: "We have normalized ties with Israel and Russia. But I am sure that we will return to normal with Syria too."

There was no indication that this signaled a change in policy on Assad, which would represent a complete U-turn of the Turkish policy throughout the civil war that has been to back rebels. Officials say there is a distinction between Syria as a country and Assad. But there have been sporadic reports in recent weeks of a possible softening in Ankara's position, although Turkey denied press speculation Algeria was mediating contact.

Aaron Stein, resident senior fellow at the Atlantic

Council's Rafik Hariri Center for the Middle East, said: "Turkey's softening on Assad" began last summer after Erdogan announced Assad could remain as president for up to six months while a political transition was finalized. "This policy... differed from Turkey's previous insistence that Assad leave at the beginning of the six-month timeframe," he said.

Previously, the Turkish government under Davutoglu had insisted that Assad's days were numbered. The main Istanbul-based Syrian opposition coalition says it has been assured by Ankara it still has Turkey's full support. "There is no change or shift in their policy towards the Syrian regime, their policy towards the Syrian people and revolution," Anas Al-Abdeh, head of the Istanbul-based opposition National Coalition, said Tuesday.

Observers say back-channel diplomacy, similar to that conducted with Israel, might be put into action to repair the rupture with Cairo, although Erdogan has so far ruled out reconciliation. Saudi Arabia - which is rapidly emerging as one of Turkey's closest allies after the accession of King Salman in January 2015 - is also keen to see closer ties between Cairo and Ankara. Saudi had strongly backed the ousting of Morsi, with its own ties with Ankara suffering as a result.

A senior ruling party official said this month that Ankara would soon dispatch a team to Egypt to help alleviate tensions. "God willing, a softening will take place with Egypt also," Saban Disli said. "Saudi Arabia has been pushing both Turkey and Egypt to repair relations since March 2015, the same month that Turkey and Saudi repaired their relationship," added Stein. "Turkey is certainly recalibrating its foreign policy, but repairing relations with Egypt will continue to be a heavy lift," he said. — AFP

## MOI SETS KD 60 AS MONTHLY MINIMUM WAGE..

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The Assembly had also passed another law stipulating to set up a shareholding company to recruit domestic helpers. At present, the company and offices will work side by side. Under the law, 60 percent of the proposed company's shares will be given to the union of cooperative societies and 10 percent each to four government agencies including Kuwait Investment Authority, Public Institution for Social Security, Public Authority for Minors Affairs and Kuwait Airways. According to the latest available figures, there are around 600,000 domestic helpers in Kuwait, the overwhelming majority of whom are Asian.

MP Ahmad Lari welcomed the interior ministry's decision to issue the bylaws, and described it as a civilized law. He added that the Assembly will introduce any necessary amendments to the law whenever the need exists.

MP Ahmad Ashour yesterday presented amendments to the social assistance law under which he proposed that monthly assistance be provided to needy married Kuwaiti women when they reach 40 years of age, down from the

current age of 55. He also proposed that Kuwaiti women married to foreigners or stateless people should be given social assistance, housing allowance, child allowance as well as social allowance like their male counterparts.

Meanwhile, the total numerical distribution of labor force in Kuwait hit 1.8 million, including 344,600 Kuwaitis and 1.5 million non-Kuwaitis, the Central Statistical Bureau announced yesterday. The bureau's annual report showed that male Kuwaiti employees make up 10.3 percent of the workforce, while female Kuwaiti employees make up a higher percentage with 54.8, according to statistics ending on Dec 2015.

Employees in the government sector amounted to 373,000 - Kuwaitis seizing the lion's share with 73.6 percent, while non-Kuwaitis make up 26.4 percent. In the private sector, 1.4 million employees were registered. The total numeric distribution for the non-Kuwaiti labor force recorded 89.7 percent for males and 45.2 percent for females. The top three nationalities in Kuwait's labor market are Indians at 25.8 percent, Egyptians at 23.3 percent and Kuwaitis at 18.6.

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