

## ZAIN LAUNCHES HAJJ ROAMING PROMOTION FOR FREE

**KUWAIT:** Zain, the leading telecommunications company in Kuwait, announced the launch of its special promotion for customers traveling to the Kingdom of Saudi Arabia to perform Hajj. The new promotion enables postpaid smartphone users to enjoy their existing local Internet cap in the Kingdom without any additional charges.

Zain's latest promotion comes as

part of its keenness to keep customers connected to each other and to their loved ones during Hajj season and without any additional charges from their part. The offer allows postpaid smartphone customers to use their existing local Internet caps over Zain KSA's network with no additional charges.

Upon arrival to the Kingdom of Saudi Arabia, postpaid smartphone

customers can simply activate the promotion by sending DATA ON to 99990 to enjoy their local Internet caps. The limited time offer starts from 1 September 2016. Additionally, when customers exceed the limit of their Internet capacity, they can visit connect.kw.zain.com to get additional Internet caps at the same local rate.

Zain continuously offers services that are tailored to match its cus-

tomers' expectations and needs during their travels, and to keep them connected to their loved ones and businesses with more convenience and around the clock.

By launching this exciting offer, Zain continues to reinforce its leadership position and its pledge in offering the best services and offers to meet customers' professional and personal telecommunications needs.



## ASIAN INFRASTRUCTURE INVESTMENT BANK



**BEIJING:** Canadian Minister of Finance Bill Morneau adjusts a microphone as he sits with the President of the Asian Infrastructure Investment Bank Jin Liqun (right) during a news conference at the Asian Infrastructure Investment Bank in Beijing yesterday. —AP

## CANADA APPLIES TO JOIN CHINA-BACKED AIIB

**BEIJING:** Canada will apply to join the China-backed Asian Infrastructure Investment Bank (AIIB), the bank's president Jin Liqun said yesterday, making it the latest ally of the United States to join the new international development bank. The multilateral institution, seen as a rival to the Western-dominated World Bank and Asian Development Bank, was initially opposed by the United States but attracted many US allies including Britain, Germany, Australia and South Korea as founding members.

Japan and the United States are the most prominent nations not represented in the bank. The United States said in April it is not presently considering an investment in the AIIB.

"This is really for us, as a new government, the earliest possibility at which we could indicate our interest," Canadian finance minister Bill Morneau said in response to a question asking why

Canada was only applying to join the bank now. "We believe the bank is clearly showing that it's going to be a highly effective multilateral institution," he added.

Morneau is on a trip to China with Canadian Prime Minister Justin Trudeau seeking to deeper ties with the world's second-largest economy, a distinct change from his predecessor Stephen Harper who was more cautious in his approach to China.

"The Canadians' decision to join this bank will greatly strengthen the management of this institution," Jin told reporters. "We can see that the US's attitude towards AIIB is showing signs of changing, as it's encouraging the World Bank to cooperate more with the AIIB," Jin added.

Canada will submit its application to join the AIIB by the end of 2016, said David Lauzon, a Canadian finance ministry official said. —Reuters

## RUSSIAN OIL PRIVATIZATION SAGA POINTS TO LIMITS OF PUTIN'S AUTHORITY

**MOSCOW/UFA, Russia:** Russia's decision to postpone the privatization of a mid-sized oil company has sent a message to investors: for all his power, President Vladimir Putin has failed to stop political infighting getting in the way of business.

Foreigners have long been wary of buying assets in Russia because of concerns that the state has little respect for ownership rights, but the tussle between competing clans over control of Bashneft has been particularly fierce. Economy Minister Alexei Ulyukayev said the delay in the sale of the government's majority stake in the provincial oil firm, announced on Aug. 16, reflected market conditions and investor readiness for the deal.

But the battle over Bashneft is a reminder for foreign investors that winning one camp's backing is no guarantee of protection for an investment because interests and influence can shift rapidly in the Kremlin. "Foreign investors ... all understand what is happening, which is an internal battle they are not involved in," Chris Weaver, a senior partner at Macro-Advisory Ltd, a consultancy that advises investors on Russia, told Reuters.

On one side, sources close to the government and Bashneft say, is Igor Sechin, head of state oil firm Rosneft and a Putin lieutenant. Opposing him are economic liberals in the government who believe Bashneft should be in private hands.

Putin has avoided taking sides, the

sources said. "With Bashneft it's clear it's a political story," said one source close to talks on the company's privatization. "Bashneft is a good company, which is worth something, and which one of the Russian players would buy. But it's clear there is no political decision on who can buy it." Foreign investors are concerned the same fate might await other assets the Kremlin is planning to privatize, including a 25 percent stake in shipping firm Sovcomflot, which the government has said was worth 24 billion roubles (\$368 million).

### FAMILY FEUD

There is a sense of déjà vu in the Bashneft saga for long-term investors in Russia. Reflecting on how Bashneft has changed hands repeatedly in the last three decades, a source at a western bank said: "The only one way to sell Bashneft is to sell it to Russian oligarchs. Foreigners see lots of risks."

Named after the region of Bashkortostan where its oil is extracted and where it operates three oil refineries, Bashneft produces around 400,000 barrels of crude oil a day—about the same as Vietnam produces and about 4 percent of Russia's output. After the collapse of communist rule in 1991, Bashneft was in the hands of the Bashkortostan regional government based in the city of Ufa and there was little oversight from Moscow, leaving regional leader Murtaza Rakhimov to hold sway. —Reuters



**PARIS:** France's former Minister of the Economy Emmanuel Macron speaks as he hands over power to French Minister of Finance and also current Minister of Economy Michel Sapin in Paris yesterday following his resignation as economy minister. —AFP

## IPO CHINA MAY OPEN SHARE MARKETS TO SAUDI ARAMCO

### ARAMCO APPOINTS NEW VICE PRESIDENT

**KHOBAR:** China has shown interest in opening its stock markets to Saudi Aramco when the national oil giant conducts an initial public offer of its equity, the kingdom's energy minister Khalid Al-Falih said yesterday.

"For sure, all the stock markets in every country we visit, and every country whose officials visit us, are very keen and wish the most valuable and most important company in the world to be listed on their markets," Falih told the Saudi-owned Al-Arabiya television channel during a visit to China.

"It is normal that China discusses these options and for sure we will take it into consideration," he said, adding that no details had been discussed so far. Under sweeping economic reforms, the Saudi government plans to offer up to 5 percent of Saudi Aramco for sale, possibly raising tens of billions of dollars; Saudi officials

have estimated the company's total value at over \$2 trillion.

Officials have said Saudi Aramco might obtain multiple listings in Riyadh and other markets such as London and New York. The Saudi bourse alone might be too small to absorb such a giant offer.

Falih told Reuters last week that Riyadh hoped to conduct the IPO by early 2018 and that an international listing had not yet been decided. There are no plans for Aramco to take on a strategic partner, he said. Yesterday, he said the IPO was still being studied carefully. "All I can say is that it is under study and it will be the most successful and best listing in the world."

Meanwhile, Saudi Aramco has appointed a new vice president for its southern area operations replacing Zuhair Al-Hussain, who retired after working at the state oil

giant for more than three decades, industry sources said yesterday. Ghawar oilfield, the world's largest onshore oilfield is under the southern area's operations. The Arabian Sun, Aramco's weekly magazine reported on the retirement of Hussain, who joined Aramco as petroleum engineer in 1978 and has had many roles including vice president of drilling and workover.

The magazine did not say who will replace Hussain, but industry sources told Reuters that Khalid Al-Buraik, vice president of petroleum engineering and development will assume this role, replaced by Nasir Al-Naimi. Naimi's last post was vice president of corporate planning. That was taken over by Motassim Al-Maashouq. Saudi Aramco did not immediately respond to an e-mailed request for comment. —Reuters



**KARLSRUHE:** Boxes with commissions for a citizens' lawsuit against the free trade agreement CETA are transported to the Federal Constitutional Court via a human chain in Karlsruhe, Germany yesterday. More than 125,000 German citizens have joined the lawsuit. —AFP

## EUROZONE INFLATION STILL STUBBORNLY WEAK

**BRUSSELS:** Eurozone inflation and jobless data yesterday fell short of analyst forecasts as the economy bumps along amid speculation the European Central Bank will have to adopt more stimulus measures.

The official EU statistics agency Eurostat said eurozone consumer prices rose 0.2 percent in August, the same rate as in July. Eurozone unemployment meanwhile was unchanged at 10.1 percent in July.

Analysts surveyed by financial services company Factset had expected inflation at 0.3 percent and unemployment at 10.0 percent in the 19-nation eurozone. Inflation is a key indicator as it reflects underlying consumer demand in the economy and the figures have been well off the ECB's target of around 2.0 percent for several years.

The ECB, which has so far pumped up the economy with more than one trillion euros in

easy money, has promised to do whatever it takes to prevent deflation. Deflation—when prices fall outright—can be fatal as consumers put off purchases to wait for cheaper goods.

Doing so, however, undercuts demand and then investment, hitting employment and putting the economy into a dangerous downward cycle.

Analysts said the data will disappoint the ECB but they were divided on whether it will take additional action at its meeting next week or choose to wait and see. Stephen Brown at Capital Economics said flat inflation in August "highlights the fact that price pressures in the eurozone remain weak and boosts the case for more monetary easing from the ECB."

The jobless figures meanwhile show "there is still a large amount of spare capacity in the labour market," Brown said. Howard Archer at IHS Markit said the inflation report would be

"largely disappointing news for the ECB."

"Adding to ECB concerns, there are signs that the eurozone labour market is faltering in reaction to recent slower growth and uncertainties over the outlook being magnified by the UK's vote to leave the EU," Archer said. "It looks to be a very tight call as to whether or not the ECB acts on 8 September or decides to maintain a 'wait and see' stance," he added.

Recent economic data has been mixed, with Britain's shock June vote to quit the European Union hitting sentiment as feared but not to the disastrous extent some had warned of.

On Tuesday, the European Commission said its Economic Sentiment Indicator (ESI) for the eurozone dropped one full point to 103.5 in August. Last week, however, data monitoring company Markit said the economy continued to prove resilient, with companies still ready to invest in their business. —AFP

## UAE BANKRUPTCY LAW MAY BE FINALIZED BY END-2016

**ABU DHABI:** The United Arab Emirates may finalize a long-pending bankruptcy law by the end of this year, the economy minister said yesterday, a move that could help smaller companies in particular as the economy slows because of low oil prices. "The need for a bankruptcy law is there, as soon as possible," Sultan Saeed Al-Mansouri said

reporters. "It is in the process. It should be finalized by the end of the year, that is my estimate." The UAE does not have modern bankruptcy regulations, making it difficult for companies to restructure or wind themselves up. Under existing legislation, unpaid debt or the issue of a bounced cheque can lend businessmen in jail.

This has proved problematic for smaller companies in particular as some executives of troubled firms have fled the country, leaving behind bad debts. The UAE Banks Federation, an industry body, has been lobbying the government to expedite the new insolvency law, chairman Abdul Aziz Al-Ghurair said in March.

Mansouri also said the UAE's new investment law might be finalized by the end of 2016 as a draft would soon be presented to the cabinet. Among other reforms, the investment law is expected to allow majority foreign ownership of companies in some sectors where it is currently limited to 49 percent or less. —Reuters