

# SAUDI TO HOST 'TOP CEO CONFERENCE AND AWARDS'

## EVENT TO GATHER CEOs, CMOS, PRESIDENTS AND VPS FROM ACROSS REGION AND BEYOND

**RIYADH:** For the first time, Saudi Arabia will host the 'Top CEO Conference and Awards' - an event which will see CEOs, CMOs, Presidents and VPs from across the Arabian Gulf region and beyond gather together on 10th and 11th April 2017 at Bay La Sun Hotel & Marina, King Abdullah Economic City. The annual event, now in its third edition, serves to address the burning issues facing the corporate world today while also recognizing the very best in GCC business leadership. It is organised by TRENDS magazine and INSEAD - the leading international business school - and will take place under the theme 'Adapting to Disruption: New Roles, New Realities', to reflect the transformation in the way C-level executives and businesses prepare to make agile strides toward a sustainable future.

Julien Hawari, Co-Chief Executive Officer of Mediaquest, commented: "The Top CEO Conference has carved a niche for itself not only as a pioneering regional business conference and awards ceremony, but also as an essential leadership event. Our well-thought-of conferences will bring global issues to light in a regional context. Businesses in the GCC and the Middle East are at a turning point, with the era of abundance coming to an end, old business models changing and slow growth haunting the region. New technologies are being ushered in and the region is fast embracing the concept of a new reality. So, we are trying to put these perennial issues at centre-stage, initiate a dialogue and draft a roadmap for a smooth transition."



**Global issues**  
The Top CEO Conference is an open discussion between thought leaders, executives and officials. Its purpose is to frame global issues - specifically disruptive leadership, innovative corporate strategies and changing dynamics of the business ecosystem - in a regional context, and help executives and leaders to navigate challenges, embrace a new reality, and take their organizations forward in the right direction. Plenary and breakout sessions are a key highlight, delving into the present and future of business in the

region, and exploring how business models in the GCC countries are reshaping themselves in this ever-changing world.

The event will feature both on-record and off-record sessions, covering topics including New Technologies, Challenges of Slow Growth, The Broken Job Machine, Public-Private Partnerships, Leadership 2.0, Big Data & Artificial Intelligence, Vision 2030, Arab Image in the West, Women & Leadership, other sessions will explore investing in Saudi Arabia, the image wars and anti-trust laws... full agenda on [www.topceo.me](http://www.topceo.me)



For the first time the Society of Family Offices, the Singapore based association of family offices will hold its private meeting in Saudi during the Top CEO conference.

The awards will also be presented on 11th April 2017 and honour the region's 100 best-performing CEOs based on an evaluation of their companies performance, growth, profitability, corporate governance, & transparency. The Top CEO Awards works with corporate governance institute Hawkamah to ensure that elements of good governance remain an integral part of the overall ranking system,

and with one of big four auditors, to ensure same level of rigor and transparency. This event is held under the sponsorship of Amex as the Strategic sponsor, King Abdullah Economic City as the Strategic partner, Maserati as the Official car sponsor, Panerai as the Timekeeper sponsor, DHL as the silver sponsor, Capital Club and Deloitte as Bronze sponsors and Arab News as the Official English media partner.

This year, the Top CEO Conference & Awards will be held at Bay La Sun Hotel & Marina, King Abdullah Economic City, Saudi Arabia.



## MERAS CONSULTING DELEGATES VISIT TAG-ORG HQ IN JORDAN

**KUWAIT:** A company delegation from Meras Consulting - Kuwait, which included Kawthar Abu Ghazaleh, Lama Jamalaldin and Ali Tabaja, visited the main headquarters of Talal Abu-Ghazaleh Org. in Jordan. Stemming from the pioneering developmental role of TAG-Org in the Arab world in the field of education, quality assurance, and training, and in-order to activate this role with closer cooperation and joint action between Meras Consulting- Kuwait, a series of meetings were held to discuss themes and mechanisms aimed at developing joint actions, especially in Quality assurance, education, and training. Moreover, the meeting aimed to take advantage of the expertise and the comprehensive services of TAG-Org and its vast network and partnerships both academically and professionally, to spread the principles of qualitative work in enhancing the

quality of educational services in accordance with internationally adopted criteria and indicators.

These meetings culminated in a consensus on strategic cooperation and joint action through the signing of three Memorandums of Understanding under the patronage and presence of Dr Talal Abu-Ghazaleh founder and Chairman of the Board of Trustees. These MOUs included cooperation in educational quality and accreditation through joint action with the Arabic Organization for Quality Assurance in Education AROQA represented by Dr Salim AlAqtash, cooperation in education and training with the Talal Abu-Ghazaleh University e-learning TAGI-UNI represented by Salah Abu Osbah, and a training cooperation agreement with Talal Abu-Ghazaleh Professional Training TAGI-Train represented by Yousef Al-Rawas.

# BREXIT SHAKES EUROPE WHILE FED REMAINS OPTIMISTIC

## NBK MONEY MARKETS REPORT

**N**ow that the UK has handed the official divorce papers to the European Union, markets are likely to change their complacency over the UK current and future economic affairs. Indeed, economic data in the first quarter of 2017 continued to ignore the "Brexit" vote effects with unemployment and jobless claims continued to fall more than expected and UK real estate prices remain supported for now.

Now that the article 50 has been officially triggered, the "Brexit" effects are likely to start to show in the second quarter of the year. Leading economic responded rapidly showing signs of exhaustion with average weekly earnings falling for the first time in more than two years. In its attempt to calm markets, the Bank of England acknowledged the potential risk from higher inflation during the latest MPC meeting, however maintained the monetary policy in a status quo.

The currency was however the first to lead the way with pressure on the Pound increasing this week. Indeed, with the UK standing alone and with the beginning of long and tedious negotiations, markets are likely to ask for a higher risk premium over investing in the UK.

On the global side, the US dollar regained back some ground this week rebounding from a four month low after Trump's Health Care bill failure late last week. Indeed, last week's debacle raised questions over the ability of the new administration to push through the campaign promised tax cuts and the increase fiscal spending plans. The US dollar reversed course despite those worries on solid figures and optimistic comments from Fed officials.

Fed Vice President Stanley Fischer mentioned that two more increases to US overnight interest rates this year seemed "about right." Chicago Fed President Evans added that inflation looks "well on its way" to reaching the Fed's mandated target supporting further rate hikes this year. Dallas President Kaplan also added that he will likely support more interest rate increases as long as the economy continues to see job market gains and a continued move back toward a 2% inflation rise. Finally, New York Fed Dudley said that the fiscal stimulus outlook would shift US growth and inflation risks to the upside. After acknowledging the considerable uncertainty about the timing of fiscal policy and its potential contribution to economic activity, he said it was likely to shift over time to a more stimulative setting.

On the currencies front, the dollar was on track to register its strongest performance in seven weeks with almost 1 percent rise, benefiting from a weaker Euro and solid US economic data combined with hawkish comments contrasted with the cooling eurozone inflation. The US dollar index opened the week at 99.47 and closed at 100.58.

The British Pound started the week off on a strong note after better than expected inflation figures released last week. With all the negative press associated with the "Brexit" article 50 trigger, the currency quickly reversed its gains as markets dumped the currency after Wednesday. The GBP opened the

week at 1.2483 hit a low of 1.2375, and closed at 1.2558.

The euro joined the Sterling Pound as the weakest link for the week, losing about 2 percent of its value. The selloff was initially triggered by reports saying markets had over-interpreted the hawkish ECB's March message and then was weighed down even further after weak inflation data. Markets had assumed the ECB was moving closer to stimulus exit, however, newspapers quoted unnamed source saying that policy makers merely wanted to communicate reduced risks. After opening the week near the high of 1.0796, the currency dropped by the end of the week to close at 1.0655.

In commodities, oil prices were mixed this week on the back of potential production reductions. As OPEC output is likely to fall for a third straight month in March, supply disruptions in Libya and Nigeria also helped maintain prices higher. Brent Crude and West Texas Intermediate were last 52.18 and 50.59 respectively.

### Strong US data

Consumer confidence Index increased again in March. The index now stands at 125.6, up from 116.1 in February. According to the report,

government spending that were partly offset by negative contributions from exports and federal government spending.

### Europe and UK

Although the Eurozone economy is gathering strength, the ECB is not yet convinced that the recent acceleration of inflation will be durable, the ECB's chief economist Peter Praet said on Thursday. "The firming of the recovery has not yet translated into a durable strengthening of inflation dynamics. Headline inflation has increased, but for the most part this reflects rising energy and food price inflation," Praet said. "Underlying inflation pressures continue to remain subdued. We are not yet sufficiently confident that inflation will converge to levels consistent with our aim in a durable manner."

### German Ifo

The German Ifo said its business climate index rose to 112.3 from an upwardly revised reading of 111.1 in February. The rise in the headline figure was driven by improved sentiment in manufacturing, construction and retailing as well as a renewed upturn in demand.

German business strength

the top two global financial centers. As May promised to seek the greatest possible access to European markets by establishing the UK's own free trade deals with countries beyond Europe, she vowed to impose limits on immigration from the continent. European leaders responded that the point of the negotiations was not to punish the UK, even though they could not afford to give Britain generous terms that might encourage other member states to follow its example and break away.

The terms of Britain's exit will have to be agreed by 27 national parliaments with the first batch of negotiations estimated to start between May and June. The time-frame allowed in Article 50 is two years and can only be extended by unanimous agreement from all EU countries. If no agreement is reached in two years, and no extension is agreed, the UK automatically leaves the EU and all existing agreements including access to the single market. For now, EU law still stands in the UK until it ceases being a member. The UK will continue to abide by EU treaties and laws but will not take part in any future decision-making.

### Asia

Japan headline inflation rose up 0.3 percent on a yearly basis in February after +0.4 percent in January, while excluding food increased 0.2 percent, in line with estimates and up from 0.1 percent previously. Excluding food and energy, inflation was up 0.1 percent, down from 0.2 percent previously and in line with estimates. Other data were also upbeat with jobless rate falling to 2.8 percent in February from 3.0 percent in January. The consensus estimate was for no change. Also, overall household spending rose by 2.5 percent monthly against +0.4 percent consensus and declined by 3.8 percent yearly versus -1.7 percent consensus. Last but not least, industrial production rose 2.0 percent monthly in February against expectations of only 1.2 percent the fastest pace of growth in eight months.

The latest Japanese economic data continue to show an expansion in the first quarter of 2017, mainly led by solid exports and firmer capital expenditure. Even, the latest Japanese trade data showed a surplus rebounding in February as Japanese exports rose for the third straight month, by 11.3 percent.

On the monetary side, the latest Bank of Japan meeting in March resulted in a status quo keeping short term interest rate at minus 0.1 percent and vowed to continue buying Japanese government bonds at an annual pace of around 80 trillion Yen. As global inflation continued to edge higher in the beginning of 2017, speculation that the BOJ might hike its target level for the 10 year Japan government bond yield surfaced rapidly. Governor Kuroda attempted to dismiss these speculations after the BoJ meeting stating that the committee would not raise their yield target just because a central bank of another country has raised rates.

### Kuwait

Kuwaiti dinar at 0.30500  
The USDKWD opened at 0.30500 yesterday (Sunday) morning.

## ETHICAL INVESTMENT TIDE LIFTS 'GREENWASH' CONCERNS

**SYDNEY:** Investors are ploughing ever more into ethical funds to back their views on issues such as global warming and gender equality, but such investments can be confusingly similar to standard funds, except for higher fees and 'green halo' marketing.

The \$23 trillion 'sustainable, responsible and impact' (SRI) investment sector has received a rush of money since the Paris climate agreement and, more recently, in protest against US President Donald Trump's plans to slash environmental regulations. Europe is the dominant region for such investments, with \$12.04 trillion, followed by the United States, with \$8.72 trillion, while Asia lags some way behind.

US investors have poured \$1.8 billion into actively managed US equity funds in the socially responsible category from November to January, according to Lipper data, while other funds saw a net outflow of \$133 billion. Even in fossil-fuel-rich Australia and New Zealand, SRI investment rose from \$148 billion to \$516 billion between 2014 and 2016, and from \$729 billion to \$1.09 trillion in oil-rich Canada, according to the Global Sustainable Investment Review released on Monday.

Gavin Goodhand, a portfolio manager at Sydney-based Altius Asset Management, said the company's sustainable bond fund tripled shortly after the 2015 climate accord, where nearly 200 countries signed up to measures designed to curb greenhouse gas emissions. "The Paris conference was the line in the sand for many of our retail customers, particularly the millennial generation, who want to do the right thing for the environment," said Goodhand.

### GREENWASH MARKETING

Governments are also tapping the trend, selling green bonds to fund projects such as wind farms or low-carbon transport, with Poland, France and Nigeria making their debut this year. Some managers, however, are skeptical. "While environmental, social and governance factors should always factor into investment decisions, this is largely a

marketing exercise," said Steve Goldman, a global portfolio manager at Sydney-based Kapstream Capital, which has \$10 billion (\$7.6 billion) of fixed-income assets. Goldman said Kapstream did not have a responsible investment fund because its clients had not asked for it.

The bond market does not have commonly agreed standards or criteria for what constitutes a green bond, and there is no guarantee the proceeds actually go to the low-carbon project as claimed.

There are similar concerns over equity products. Stuart Palmer, head of ethics research at Australian Ethical Investment, said there was a danger that some marketing departments would "greenwash" their products to lure investors into funds that were little different to standard products. "The concern is, do they represent real change, or are they a marketing exercise?" said Palmer.

### FEE PREMIUM

There are no agreed definitions on what is considered ethical, sustainable and socially responsible, but ethical investors are typically expected to cough up higher fees. For example, retail investors pay more than a third higher fees for the sustainability and ethical funds at Sydney-based BT Investment Management (BTIM) than for its standard share fund equivalent.

The three funds hold six or seven of their top-weighted stocks in common, including major banks Australia and New Zealand Banking Group, Westpac Banking Corp, National Australia Bank and miner BHP Billiton, according to December filings. A BT spokeswoman did not return requests for comment. For investors, it can be a minefield. "I find it difficult as a consumer to do the due diligence I would like to do because even the ethical funds are not always totally transparent about what they define as ethical," said retail investor Meraiah Foley, a Sydney academic. "One of the ethical funds I have invests very heavily in retail banks in Australia, and those banks themselves may be underwriting projects that the fund itself would not invest in." —Reuters

