# Egypt real estate developers suspends Saudi govt project

**CAIRO:** Three Egyptian real estate executives said yesterday that their companies have suspended housing deals with the Saudi Arabian government amid political tensions between the two countries. Four Egyptian real estate companies had signed memorandums of understanding with the Saudi Housing Ministry during King Salman's April visit to Cairo last year. Since then, political differences have emerged as the two Arab powers have diverged on the conflict in Syria, and an Egyptian court blocked the transfer of two Red Sea islands to Saudi Arabia which Cairo had agreed during Salman's visit.

Al Ahly for Real Estate Development, Talaat Mostafa Group, Misr Italia, and Orbit Group were to build housing units in Saudi Arabia. Details of the deals were not clear, but local media had said each firm would build between 10,000 to 15,000 units. "We suspended the agreement with the Saudi Housing Ministry despite all project studies being concluded because of worries over tensions between Egypt and Saudi Arabia," Al Ahly for Real Estate Development Chairman Hussein Sabour told Reuters.

Misr Italia Deputy Chairman Mohamed Al-Assal said his company was no longer in contact with Saudi Arabia over the deal. "The agreement was cancelled due to a lack of cooperation from the Saudi side and a breakdown in communications between both sides since last June," he told Reuters. Orbit Group also told Reuters its agreement with Saudi Arabia was suspended but declined to provide details. Talaat Mostafa Group has not said that it has suspended work, and did not respond to requests for comment. Officials from the Saudi foreign and housing ministries did not immediately respond to requests for comment.

Signs of political disagreements between Egypt and Saudi Arabia became apparent months after the two countries signed various agreements worth $22.6 billion during Salman's visit in April. Saudi Arabia's state oil firm Aramco halted shipments of oil products to Egypt in October without providing reasons. Egypt voted in favor of a Russian-backed UN resolution on Syria in October that excluded calls to stop bombing Aleppo, which Saudi Arabia strongly opposed.

An Egyptian court rejected last month a government plan to transfer two uninhabited Red Sea islands to Saudi Arabia, a final ruling that deepened tensions between the Arab World's most populous state and its richest. Officials from both countries deny the existence of tensions or disagreements. —Reuters

# Airtel to buy Telenor's India arm for Jio fight

**MUMBAI:** Indian telecom giant Bharti Airtel will buy the local operations of Norway's Telenor, it said yesterday, as the ultra-competitive mobile market is shaken up by the country's richest man. Tycoon Mukesh Ambani launched Reliance Jio's 4G network in September with an audacious free service for the rest of 2016, followed by vastly cheaper data plans and free voice calls for life.

The move forced rivals to slash their tariffs and scramble to match the deep pockets of Jio, which is backed by Ambani's vast energy-to-chemicals conglomerate Reliance Industries and picked up 100 million subscribers in its first six months. Bharti's acquisition is the latest movement towards consolidation in India's telecoms sector as major players try to position themselves to best face the tough new environment.

The move, which still needs to be approved by regulators, will enhance its coverage, the company said in a statement to the Bombay Stock Exchange (BSE), and see Telenor exit India. "The proposed acquisition will include transfer of all of Telenor India's assets and customers, further augmenting Airtel's overall base and network," the Indian firm said in the statement.

Last month British mobile phone behemoth Vodafone announced that it was in talks to merge its Indian unit with Mumbai-based Idea Cellular in its own move to counter Jio's rise. That deal would create India's largest telecoms company. Global brokerage firm CLSA estimated that the pair would command a combined 43 percent share of market revenue, ahead of Airtel, which is currently the market leader, on 33 percent.

Reliance Communications-owned by Ambani's brother Anil Ambani-and Tata Teleservices, part of the sprawling salt-to-steel Tata conglomerate, are also reportedly in talks to join forces. Reliance merged with telecom operator Aircel in September last year. Bharti Airtel's shares surged more than five percent in Mumbai morning trade following the Telenor deal announcement.

"The decision to exit India has not been taken lightly," Sigve Brekke, Telenor Group CEO, said in the statement. "After thorough consideration, it is our view that the significant investments needed to secure Telenor India's future business on a standalone basis will not give an acceptable level of return," he added. Telecoms analyst Baburajan Kizhakedath said Telenor was quitting India because the intense competition meant there was no scope for growth. "The Airtel-Telenor deal is probably the best exit route for Telenor," he said. — AFP


**LONDON: This is a Tuesday, March 1, 2016 file photo of the sign on a branch of Barclays Bank. — AP**

# Barclays returns to profit

## Core businesses are performing well

**LONDON:** British bank Barclays returned to profit in 2016 after slashing provisions set aside for legal and compensation costs linked to foreign exchange and insurance scandals, it said yesterday. Chief executive Jes Staley saluted the performance of core operations in the UK and abroad and said the bank would complete a restructuring program faster than expected.

Barclays said it plans to shut down its non-core division six months earlier than planned, on June 30. Amid talk of banks switching operations out of the UK owing to Brexit, Staley told reporters on a call that London was set to remain Europe's financial centre. Barclays reported annual net profit of £1.62 billion ($2.0 billion, 1.92 billion euros) compared with a loss after tax of £394 million in 2015, it said in an earnings statement.

The bank set aside no amount at all in 2016 for "ongoing investigations and litigation including foreign exchange", whereas it had taken a hit of more than £1.0 billion relating to the matters in 2015. Barclays did provide £1.0 billion last year to compensate customers who were mis-sold a UK insurance product, although this was substantially lower compared with 2015. Regarding day-to-day operations, Staley said that the bank's core businesses were performing well, with pre-tax profits up four percent to £6.4 billion.

**'Restructuring'**

US national Staley joined the bank in December 2015, and was tasked with restoring Barclays' battered reputation following a series of high-profile scandals, including the rigging of foreign exchange and Libor interest rate markets. "A year ago we laid out our intention to accelerate the restructuring of Barclays and refocus our business as a transatlantic, consumer, corporate and investment bank, anchored in London and New York," Staley said in yesterday's statement.

"We are now just months away from completing the restructuring of Barclays, and I am more optimistic than ever for our prospects in 2017, and beyond," he added. Later speaking to reporters, Staley pointed to the UK's solid economic performance ahead of Brexit, while insisting that "London will continue to be the financial centre for Europe". He added: "Obviously banks need to think about contingency during this period of uncertainty... We are looking at contingencies."

Investors welcomed Barclays' updates, sending its share price rising 3.1 percent to 242.50 pence in morning deals on London's FTSE 100 index, which dipped overall. "Barclays is in better shape than it was, and the accelerated timetable for the run-down of its non-core assets will be received positively by the market," said Laith Khalaf, senior analyst at stockbroker Hargreaves Lansdown. — AFP