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DOHA: A general view of the Qatari Hamad port in the capital. — AFP

QATAR CRISIS 'BLESSING IN DISGUISE' FOR SEAPORT

DIPLOMATIC ISSUES MAY CREATE NEW TRANSPORT DEALS

HAMAD PORT, Qatar: Qatar's main seaport shows all the signs of having weathered the storm. Workers in hard hats monitor as giant yellow cranes lift hundreds of containers off cargo ships onto lorries waiting ashore. Saudi Arabia, the United Arab Emirates (UAE) and Bahrain severed diplomatic, trade and transport ties with import-dependent Qatar 10 days ago, accusing it of supporting Iran and funding Islamist groups, charges Doha denies.

The spat initially halted much traffic to its Hamad Port and raised fears of food and other shortages. But after launching new direct shipping routes to cope with the crisis, port officials say the worst is over and the episode may even help gas-rich Qatar seal new transport deals that do not rely on Gulf neighbors. "It's a blessing in disguise," a port official said as cargo was unloaded on Wednesday. "We're looking at signing agreements with shipping companies that can improve direct services instead of having to come through Jebel Ali" in Dubai.

The first ship on a new direct weekly service from India's Mundra Port was expected to arrive on Friday. Another

route to India's Nhava Sheva Port was announced late on Wednesday, after two new services opened this week from Oman, which has remained neutral during the crisis. Earlier this week the world's biggest container line, Maersk of Denmark, said it would accept new bookings for container shipments to Qatar from Oman. Several Maersk containers could be seen parked among rows of shipments at Hamad Port. Operations manager Omar El-Khayat said another deal with Maersk was being discussed.

Some services hit

Mediation efforts to end the crisis have intensified, including by the United States, which has strong military ties with Qatar, host of the largest U.S. air base in the Middle East. Two US Navy ships went through Hamad Port on Wednesday for a joint exercise with Qatar. Port officials said the cutting of transport links by Saudi Arabia, the UAE and Bahrain with Qatar continues to affect some services.

Ships from China's Shanghai, which normally go through Jebel Ali, have to be re-routed via Iraq, adding

seven days to a normally 20-day voyage, one official said. Not all lines have resumed shipping services. China's COSCO Shipping Lines Co Ltd, Taiwan's Evergreen and Hong Kong Kong's OOCL suspended container services to and from Qatar.

The closure of land borders is also likely to put pressure on Qatar to ensure continuity of supplies. Trade sources say sugar imports remain frozen given the country's main suppliers are Saudi Arabia and the UAE. Hamad Port's general cargo terminal can handle 1.7 million tons of goods per year, according to Qatar's transport ministry, but it is not a bulk cargo port. Officials would not say at what capacity Hamad Port was operating compared to before the crisis, or whether it could handle increased demand. The Qatar Ports Management Company, Mwani, gave no import figures for June. But it hoped new services would help make up the shortfall.

Livestock and Gabbro rock

Mwani's Hamad Al-Ansar said ties with Turkey and

Iran, which have flown goods into Doha since the boycott, might expand, with Turkish vessels already on their way. "We'll open a relationship with anyone who can bring cargo." For now, port employees have their work cut out. As one large ship took back empty containers later in the day, a second one arrived bringing livestock from Australia.

"The first five days of the crisis there were fewer shipments. Now it's back to normal. I've seen the schedule and it looks packed," said a Kenyan supervisor. Hamad Port's imports include large quantities of food and building materials for construction projects including stadiums for the 2022 soccer World Cup, and a metro line running alongside highways that stretch out of Doha.

The boycott raised concerns that projects could be delayed if building material including from the Far East and South Asia is choked. But at the nearby Mesaeid stockyard, vast dunes of gabbro rock, around 10 million tons' worth according to officials, lay stockpiled for construction. "It's business as usual," the port official said. — Reuters

KANSAS, WHERE TRUMP'S FAVORED TAX DOCTRINE HAS ALREADY FAILED

WASHINGTON: Cut taxes to boost growth: Long before Donald Trump became president, Kansas conducted a real-world experiment with this formula in the hopes of reviving its economy. But today the Midwestern state is beating a hasty retreat after the demonstrable failure of the ideas that have been embraced by the White House. In 2012, staunchly conservative Governor Sam Brownback rolled out what he promised would be "a shot of adrenaline into the heart of the Kansas economy," which depends heavily on agriculture and aerospace.

Similar in many ways to the Trump administration's fiscal plans, the shock therapy cut local income taxes for the very wealthy and eliminated certain taxes on small business revenue, particularly for the self-employed. Brownback promised the strategy would create thousands of jobs, encourage Americans to move to the state and help make it "the best place in America to start and grow a small business."

Five years later, the party is over. Growth has plummeted to below one percent, from three percent in 2012, falling well below the national average, according to the St. Louis Federal Reserve Bank. As a result, tax revenues dried up, blowing a \$900-million hole in the state's budget in two years, creating a crisis in which the government is struggling to provide basic services.

"The revenue loss was much larger than anticipated because people took advantage of the cuts by turning themselves into small businesses or independents to avoid paying any taxes," said Alan Cole of the Tax Foundation in

Washington. In March, the state Supreme Court ruled the education system in Kansas failed to meet minimum standards guaranteed under the state constitution.

Rejecting the governor

"This plan was an absolute disaster. It caused economic destruction," said Jim Ward, leader of the opposition Democrats in the Kansas House of Representatives. "There was just nowhere you could point to where it was successful in terms of providing core services." But even Republicans now repudiate the Brownback tax plan.

After losing 12 seats in the 2016 elections, the large Republican majority has approved a \$1.2 billion tax hike over two years—overriding a veto this week to do so, in a show of determined opposition to the governor. Brownback deplored the vote, saying "it's wrong for the long-term view of the state of Kansas, it's wrong for growth." But even supporters of low taxes are finding it hard to defend him.

"It was a good idea that was poorly implemented," said Dave Trabert of the Kansas Policy Institute, a think tank that promotes free market economics and "personal freedom for all Kansans." "There was success but the governor made the classic mistake of over-promising and displayed political exuberance," he added. Such warnings could reverberate well beyond the state's borders, all the way to Washington, where Trump has vowed to double economic growth to three percent while slashing corporate taxes by 20 percentage points, and providing tax breaks for the wealthiest Americans. — AFP

DUTCH FIRM AIMS TO DELIVER FIRST FLYING CAR NEXT YEAR

RAAMSDONKSVEER: From "The Jetsons" to "Chitty Chitty Bang Bang", flying cars have long captured the imagination. While several futuristic projects are under way in different countries, a Dutch design may be the first one sold and soaring into the skies. After years of testing, the PAL-V company aims to pip its competitors to the post. It is poised to start production on what they bill as a world first: a three-wheeled gyrocopter-type vehicle which can carry two people and will be certified for use on the roads and in the skies.

"This kind of dream has been around for 100 years now. When the first airplane was invented people already thought 'How can I make that driveable on the road?'" chief marketing officer Markus Hess told AFP. The PAL-V (Personal Air and Land Vehicle) firm, based in Raamsdonksveer in the Netherlands, is aiming to deliver its first flying car to its first customer by the end of 2018.

The lucky owner will need both a driving licence and a pilot's licence. But with the keys in hand, the owner will be able to drive to an airfield for the short take-off, and after landing elsewhere drive to the destination in a "door-to-door" experience. Different versions of a flying car are being developed in the Czech Republic, Slovakia, Japan, China and the United States. But final assembly on the PAL-V will start in October, with the company seeking to be the first to go into commercial production.

'No falling from sky'

The PAL-V uses normal unleaded petrol for its two 100-horsepower engines, and can fly 400 to 500 kilometers (248 to 310 miles) at an altitude of up to 3,500 meters (11,500 feet). On the road it has a top speed of around 170 kilometers an hour. In 2019, the company expects to produce

between 50 and 100 vehicles, before ramping up to "quite a few hundred" in 2020.

It won't be cheap. The first edition, the PAL-V Liberty, costs 499,000 euros (\$599,000), while the slightly cheaper PAL-V Liberty Sport, to be made next, has a price tag of 299,000 euros. PAL-V was founded in 2007 by Robert Dingemans and pilot John Bakker. "In the beginning it was, let's make a gyrocopter drivable," said Hess. But the company, which has some 40 to 50 employees, realised the weight and length of a gyrocopter's blades gave the vehicle a high centre of gravity when driving, especially taking corners.

They have designed the car so at the flick of a button the blades fold down and gather like a bat's wings on the top. And they have incorporated into the car a 2005 breakthrough when the Dutch company Carver invented a tilting system for three-wheelers to counter the high centre of gravity and make it roadworthy.

The company insists the PAL-V is not a helicopter, in which the blades are powered by an engine. It is a gyroplane, in which the blades rotate thanks to airflow. Even if both engines cut out, the blades will still turn, so "even if you go at zero speed it still keeps rotating and you are not going to drop out of the sky," said Hess. — AFP



Concept art for the PAL-V