Markets on edge before key US healthcare vote

Axe on corporate tax looming

LONDON: World markets wobbled in unsteady trading as investors looked to a key vote on US healthcare reform whose passage is seen as crucial to the future of Donald Trump's growth agenda. The four-month rally in global stocks came to a juddering halt this week as the new president struggled to garner enough support from his own Republican party for a bill repealing ObamaCare.

There are fears the bill's failure would throw a spanner in the works for his other big-ticket pledges on infrastructure spending, tax cuts and deregulation-key drivers of the markets' surge. A vote on the reforms pencilled in for Thursday was put back a day, with the White House saying it would definitely pass. Nevertheless Trump turned up the pressure on lawmakers yesterday.

"After seven horrible years of ObamaCare (skyrocketing premiums & deductibles, bad healthcare), this is finally your chance for a great plan!," Trump tweeted. Wall Steet equities opened to the upside, while London and Frankfurt treading water in afternoon trading.

"The threat of a rejection in Congress for Trump's Obamacare replacement has brought about significant doubts over his ability to pass his corporate tax cut this week," noted IG analyst Joshua Mahony.

NEW YORK: Traders work on the Mizuho Americas trading floor in New York. Stocks opened higher on Wall Street yesterday led by gains in technology companies and banks. —AP

Move on to tax

"However, Trump has indicated that should the healthcare reforms not pass, he would simply move on to his other plans, such as cutting corporate taxes." The administration gave lawmakers an ultimatum Thursday, warning that if the bill failed then Obamacare-which Republicans have vilified since its inception seven years ago-would stay in place and Trump would move on to the rest of his agenda.

Greg McKenna, chief market strategist at CFD and FX provider AxiTrader, added that the bill's success would be a major positive for Trump, who is struggling with a fractious Republican party, controversy over alleged links to Russia and record low popularity ratings. And Toshihiko Matsuno, head of investment information at SMBC Friend Securities, told AFP: "Even though the vote was delayed, the fact that it will take place Friday probably means the Republican plan will pass."

However, McKenna added: "If it fails then the whole house of cards that's been built up since the election can come crashing down as traders and investors wonder what the heck will happen to tax and infrastructure plans." Tokyo ended 0.9 percent higher, with exporters lifted by a weaker yen against the dollar, having advanced on the US unit all week. Hong Kong added 0.1 percent, Sydney was up 0.8 percent and Shanghai closed 0.6 percent higher. — AP

ABK announces final winner of its 'Update Your Civil ID' campaign

KUWAIT: Al-Ahli Bank of Kuwait (ABK) successfully concluded its 'Update your Civil ID' February promotion, as it held its fourth and last draw earlier this month at the Bank's Head Office in the presence of a representative from the Ministry of Commerce.

The lucky customer for the fourth 'Update Your Civil ID' draw was Meshal Abdullateef, from Jahra 2 Branch, winning an Apple iPhone7. ABK rolled out this campaign to encourage its customers to make the necessary updates to their Civil ID details, while rewarding them for doing so. It also aimed to raise awareness of the different services that can be completed through ABK's ATM machines, which include withdrawing and depositing money, requesting account balances and mini-statements, changing a PIN number and transferring funds to other ABK accounts.

The Bank's activities and initiatives ultimately stem from its 'Simpler Banking' strategy, which aims to offer customers a simpler banking model while ensuring speed, security and convenience. ABK will continue to capitalize on this strategy and ensure that customers are receiving superior services that cater to their different needs.

Shell sells Gabon onshore energy assets

LONDON: Royal Dutch Shell has sold its onshore oil and gas interests in the central African nation of Gabon for $587 million to private equity firm Carlyle Group, it said yesterday.

The Anglo-Dutch energy giant announced in a statement that it has sold the assets to Carlyle for the equivalent of 544 million euros in a deal expected to complete in mid-2017. Carlyle will also take on debt of $285 million as part of the deal. It will make extra payments up to a maximum of $150 million depending on production performance and commodity prices.

Shell will however retain exploration licenses for two offshore blocks west of Gabon, a company spokesman added. "Shell is very proud of the strong legacy we have built in Gabon over the past 55 years," said Upstream Director Andy Brown in the statement. "The decision to divest was not taken lightly, but it is consistent with Shell's strategy to concentrate our upstream footprint where we can be most competitive. Shell will continue to pursue opportunities in Sub Saharan Africa. "Together with recent divestments in the UK, Gulf of Mexico and Canada, this transaction shows the clear momentum behind Shell's $30-billion divestment program, and it helps us to high-grade and simplify our upstream portfolio following the acquisition of BG."

The downstream business includes refining, marketing and distribution, while upstream comprises exploration and production. Yesterday's sale is part of a huge $30-billion divestment plan as Shell streamlines its portfolio and cuts debt following the vast takeover of rival BG Group last year.

"I think it illustrates management's ongoing success of pivoting the company toward a more sustainable future, and their commitment to normalizing debt levels," Cantor analyst David Donnelly told AFP. "It's notable that the disposals tend to be focused on mature, oil based assets, thereby boosting the prominence of natural gas within Shell's portfolio, particularly following the BG deal." —AFP

Tunisia pushing 'economic emergency' bill to spur growth

TUNIS: Tunisia is drafting an "economic emergency" bill that will allow the government to bypass bureaucratic hurdles and speed up large-scale projects as it seeks to boost growth and create jobs, a senior official said.

Administrative delays and bureaucracy are one of the biggest obstacles for local and foreign investors in Tunisia, which has struggled economically since its 2011 uprising.

The move comes amid increasing pressure from international lenders to reform the state sector and cut a bloated public sector wage bill. "In two or three weeks the parliament will start debates on a new 'economic emergency' bill aimed at reducing the obstacles on major projects," Ridha Saidi, an economic advisor to Prime Minister Youssef Chahed, told Reuters.

The bill will allow the government to take rapid decisions and short-circuit some bureaucratic procedures on big infrastructure projects and other new investment.

"The new law will give a strong message for all investors that Tunisia is committed to providing a better investment climate," Saidi said. Opposition parties have raised concerns that by reducing bureaucratic checks, the proposed bill could increase corruption, already a major problem in Tunisia's economy. Saidi said anti-corruption controls would not be weakened.

Chahed's government has been pushing a raft of reforms aimed at ending years of stagnation and high unemployment. It expects the economy to grow between 2.5 percent and 3 percent this year.

Previous attempts at reform have been frustrated by political infighting and resistance from powerful trade unions and other interest groups. — Reuters