

Business

US economist Thaler wins Nobel for 'making economics more human'

'A pioneer on integrating economics and psychology'

STOCKHOLM: US economist Richard Thaler won the Nobel Economics prize yesterday for showing that economic and financial decision-makers are not always rational, but mostly deeply human. Bridging the gap between economics and psychology, Thaler's research focuses on behavioral economics which explores the impact of psychological and social factors on decisions by individuals or groups in the economy and financial markets. "He's made economics more human," the Nobel jury said, calling Thaler "a pioneer" on integrating economics and psychology.

Thaler is well-known for co-founding the "nudge" theory, which demonstrates how people can be persuaded to make decisions that leave them healthier and happier. "By exploring the consequences of limited rationality, social preferences, and lack of self-control, he has shown how these human traits systematically affect individual decisions as well as market outcomes," the jury's statement said.



Research focuses on behavioral economics

'Nudge unit'

Thaler is a professor at the University of Chicago—a school popular with the Nobel economics committee. Of 79 laureates so far, more than a third have been affiliated with the university's school of economics. One of the founders of behavioral finance, which studies how cognitive limitations influence financial markets, Thaler developed a model for explaining how people tend to focus on the narrow impact rather than the overall effect of each decision they make, which is called limited rationality.

This includes the study of how people's loathing of losses can explain why they value the same things more when they own them as opposed to when they don't, which is called the endowment effect.

Thaler illustrated that New Year's resolutions can be hard to keep as short-term temptations disrupt people's plans to save for their old age or rainy days. "In his applied work, Thaler demonstrated how nudging—a term he coined may help people exercise better self-control

In 'The Big Short' with Gosling

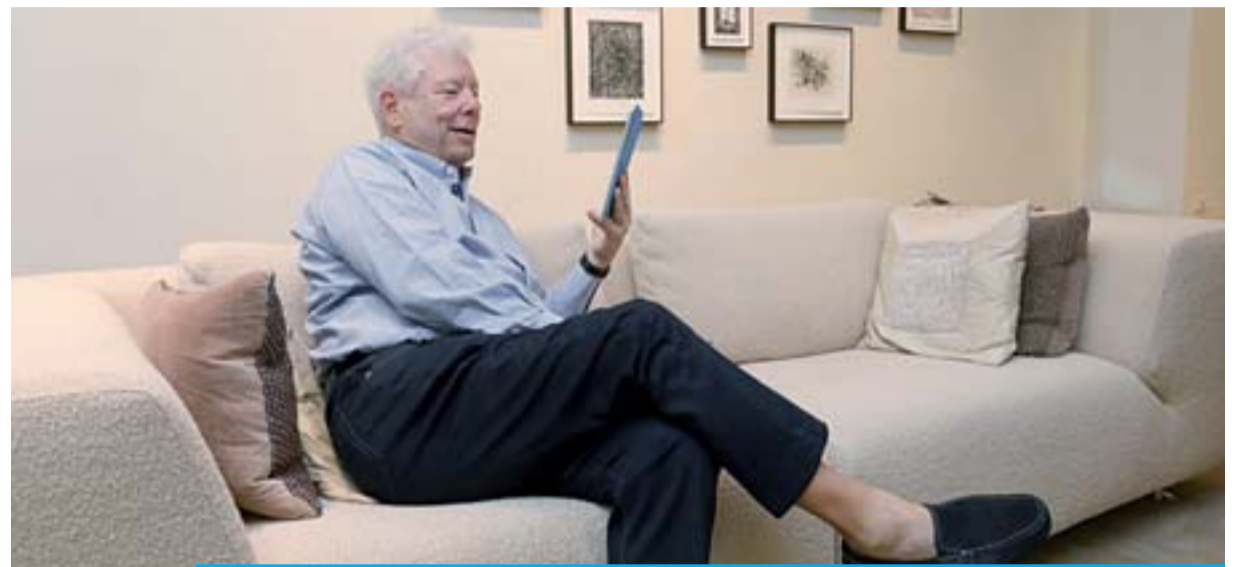
"His empirical findings and theoretical insights have been instrumental in creating the new and rapidly expanding field of behavioral economics, which has had a profound impact on many areas of economic research and policy." He has advised several governments, including in Denmark and France, and former British prime minister David Cameron set up a team in 2010 nicknamed the "nudge unit" to reshape a swathe of policies to gently prod Britons to make the right decisions to make them healthier and happier.

His work even earned him a glamorous foray into the movie business when he made a cameo appearance, alongside Christian Bale, Steve Carell and Ryan Gosling,

in the 2015 movie "The Big Short" about the credit and housing bubble collapse that led to the 2008 global financial crisis.

Thaler told the Nobel committee by teleconference he was "pleased" by the award. "I no longer will have to call my colleague Eugene Fama 'Professor Fama' on the golf course," he joked, referring to his University of Chicago colleague who won the prize in 2013.

"I think the most important recognition is that economic agents are human, and economic models have to incorporate that," he said. The 72-year-old takes home the nine million kronor (944,000 euros, \$1.1 million) prize sum, which he jokingly said he would "try to spend as rationally as possible".



CHICAGO: This photo courtesy of Anne Ryan/University of Chicago Richard Thaler gets ready for an interview with University of Chicago videographer Derek Henkle after winning the Nobel Prize yesterday at his home in Chicago, Illinois. —AFP

when saving for a pension, as well in other contexts," the Nobel jury said.

Thaler and his US counterpart Cass Sunstein turned "nudge" into a political buzzword with their 2008 book of the same name. In a 2008 column, the duo mentioned that an economist's idea to etch a black house fly onto Amsterdam Airport Schiphol's urinals caused spillage to decline by 80 percent. "It turns out that, if you give men a target, they can't help but aim at it," Thaler and Sunstein wrote in the US-based magazine New Republic.

'The dictator game'

Influential in theoretical and experimental research on fairness, Thaler showed "how consumers' fairness concerns may stop firms from raising prices in periods of high demand, but not in times of rising costs", the Nobel economics committee said in a statement.

Thaler and his colleagues created a tool called "the dictator game" that was used in several studies to measure attitudes to fairness among people from around the world. Designed to assess how individuals respond to situations where self-interest and equality clash, the experiment gives one of the participants, known as "the dictator", money while the "receiver" is given nothing.

The economics prize is unique among the Nobel awards in that it was created by the Swedish central bank in 1968 — the others were all set up through the 1895 will of Swedish inventor and philanthropist Alfred Nobel. It wraps up the 2017 season which saw no woman take a prize in any of the categories.

The laureates will receive their prizes at ceremonies in Stockholm and Oslo on December 10, the anniversary of the death of Alfred Nobel. —AFP

'Capital of poverty': A record number of Londoners are poor

LONDON: More than one in four Londoners, many of them in work, live in poverty due to stagnant wages and rapidly rising rents, according to a report released yesterday. In the British capital, 2.3 million people live in poverty with a record 1.3 million of them in jobs, according to London's Poverty Profile, which uses official data to measure poverty. The report said a single adult in poverty earns less than 144 pounds (\$189) a week after taxes and housing costs are deducted, and the average family of four has less than 347 pounds to spend on all other costs of living.

"Despite its glaring prosperity and privilege, London remains the capital of English poverty, due mainly to the high rents paid by the half of all households who rent their homes," said Adam Tinson from New Policy Institute, a British research organization that produced the report. London housing costs are among the highest in the world, with average rents now more than 1,800 pounds (\$2,400) a month, according to property lender Landbay.

While families who rent from private landlords have long endured high costs, families living in social housing — built by government or charities to protect the poorest — are now seeing the fastest rent increases, Tinson said in a statement. Rents for local government housing have increased by around 30 percent in the last five years, even faster than private rents, which have risen a fifth, the report found. The proportion of Londoners living in poverty — defined as earning less than 60 percent of the median income — has fallen to 27 percent from 29 percent over the last six years. —Reuters



(3rd left): Major General Khaled Saied, Governor of Sharqia with Ali Marafi, ABK - Egypt Chairman (2nd left) and Khaled El Salawy, ABK - Egypt CEO (3rd right) and senior ABK management during a group photo session.



Ali Marafi, Chairman of ABK Egypt and Major General Khaled Saied, Governor of Sharqia, during the ribbon-cutting ceremony

Al-Ahli Bank of Kuwait, Egypt inaugurates its new branch in Zagazig

KUWAIT: Al-Ahli Bank of Kuwait - Egypt (ABK-Egypt) celebrated the inauguration of its latest branch in Zagazig, Sharqia which officially opened on October 3.

The ribbon-cutting ceremony held to celebrate the

occasion was attended by the Governor of Sharqia - Major General Khaled Saied, ABK (Egypt) Chairman - Ali Marafi, CEO & Managing Director (Egypt) - Khaled El Salawy, representatives from ABK - Egypt Senior Management and clients.

In his welcoming remarks, Ali Marafi stated, "ABK is strengthening its presence in the Egyptian market following an ambitious plan that allows the Bank to attract and serve a wider range of clientele. In the upcoming period, we aim at enhancing our competitive position through premium banking solutions and superior service levels.

"ABK will continue to grow, ensuring utmost convenience and proximity of our services to clients wherever they are, as part of our efforts to support

the Egyptian economy in general and the banking sector in particular."

According to Khaled El Salawy, "ABK has recorded an outstanding performance over the course of 2017, which comes in full accordance with our long-term strategy of endorsing our brand in Egypt, as well as enriching our products and services range and upgrading the skills of our people. We have launched a number of new products and services to cater to our clients' needs in response to the recent economic developments."

The new location in Zagazig will offer state of the art services to large corporates as well as SME's, in addition to innovative retail banking services for individuals.

EXCHANGE RATES

Al-Muzaini Exchange Co.

ASIAN COUNTRIES	
Japanese Yen	2.692
Indian Rupees	4.635
Pakistani Rupees	2.872
Sri Lankan Rupees	1.974
Nepali Rupees	2.907
Singapore Dollar	223.030
Hongkong Dollar	38.842
Bangladesh Taka	3.702
Philippine Peso	5.910
Thai Baht	9.088

GCC COUNTRIES	
Saudi Riyal	80.881
Qatari Riyal	83.304
Omani Riyal	787.682
Bahraini Dinar	805.370
UAE Dirham	82.577

ARAB COUNTRIES	
Egyptian Pound - Cash	19.850
Egyptian Pound - Transfer	17.136
Yemen Riyal/for 1000	1.217
Tunisian Dinar	124.730
Jordanian Dinar	427.810
Lebanese Lira/for 1000	2.021
Syrian Lira	0.000
Morocco Dirham	32.487

EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	303.100

Euro	357.050
Sterling Pound	398.880
Canadian dollar	242.770
Turkish lira	82.590
Swiss Franc	311.510
Australian Dollar	237.020
US Dollar Buying	301.900

GOLD	
20 Gram	249.070
10 Gram	127.450
5 Gram	64.570

Dollarco Exchange Co. Ltd

Rate for Transfer	Selling Rate
US Dollar	302.500
Canadian Dollar	242.905
Sterling Pound	405.935
Euro	357.720
Swiss Frank	295.145
Bahrain Dinar	802.860
UAE Dirhams	82.750
Qatari Riyals	83.575
Saudi Riyals	81.525
Jordanian Dinar	427.940
Egyptian Pound	17.180
Sri Lankan Rupees	1.976
Indian Rupees	4.635
Pakistani Rupees	2.871
Bangladesh Taka	3.716
Philippines Peso	5.929
Cyprus pound	17.998

Japanese Yen	3.680
Syrian Pound	1.590
Nepalese Rupees	2.906
Malaysian Ringgit	72.420
Chinese Yuan Renminbi	46.000
Thai Bhat	10.050
Turkish Lira	85.125

BAHRAIN EXCHANGE COMPANY WLL

CURRENCY	BUY	SELL
Europe		
British Pound	0.390280	0.400280
Czech Korune	0.005707	0.017707
Danish Krone	0.043670	0.048670
Euro	0.349897	0.358897
Georgian Lari	0.121886	0.121886
Norwegian Krone	0.033835	0.039035
Romanian Leu	0.077531	0.077531
Russian ruble	0.005197	0.005197
Slovakia	0.009039	0.019039
Swedish Krona	0.033244	0.038244
Swiss Franc	0.303171	0.314171
Australasia		
Australian Dollar	0.226904	0.238904
New Zealand Dollar	0.208008	0.217508
America		
Canadian Dollar	0.236235	0.245235
US Dollars	0.299000	0.303420
US Dollars Mint	0.299500	0.303420

Asia		
Bangladesh Taka	0.003250	0.003834
Chinese Yuan	0.044180	0.047680
Hong Kong Dollar	0.036745	0.039495
Indian Rupee	0.004204	0.004892
Indonesian Rupiah	0.000018	0.000024
Japanese Yen	0.002606	0.002786
Korean Won	0.000254	0.000269
Malaysian Ringgit	0.068000	0.074000
Nepalese Rupee	0.003024	0.003194
Pakistani Rupee	0.002749	0.003039
Philippine Peso	0.005840	0.006140
Singapore Dollar	0.216677	0.226677
Sri Lankan Rupee	0.001607	0.002187
Taiwan	0.009851	0.010031
Thai Baht	0.008725	0.009275
Arab		
Bahraini Dinar	0.796878	0.805378
Egyptian Pound	0.014228	0.020136
Iranian Riyal	0.000084	0.000085
Iraqi Dinar	0.000195	0.000255
Jordanian Dinar	0.422896	0.431896
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000151	0.000251
Moroccan Dirhams	0.021231	0.045231
Omani Riyal	0.780853	0.786533
Qatar Riyal	0.078964	0.083904
Saudi Riyal	0.079740	0.081040
Syrian Pound	0.001285	0.001505
Tunisian Dinar	0.118808	0.126808
Turkish Lira	0.077049	0.087349
UAE Dirhams	0.081098	0.082798
Yemeni Riyal	0.000985	0.001065