

Business

# Japan reappoints Kuroda as BOJ chief for another term

## Reflationist academic Wakatabe appointed as deputy

**TOKYO:** Japan reappointed central bank chief Haruhiko Kuroda for another term on Friday, and chose an advocate of bolder monetary easing as one of his deputies in a strong signal to investors that policymakers are in no rush to turn off a sweeping stimulus program.

The selection of the new BOJ leadership comes amid heightened anxiety in Japanese and global financial markets, fueled partly by speculation over how quickly major central banks will wind down their crisis-era policies.

In a widely expected move, the government nominated Kuroda, a 73-year-old former finance ministry bureaucrat, to serve another five-year term when the current one ends in April.

That would make him the longest serving BOJ head in half a century, a sign of premier Shinzo Abe's confidence in the governor's ability to pull Japan's economy out of stagnation.

Tokyo stocks rose on relief the BOJ will maintain its huge stimulus - a cornerstone of the premier's "Abenomics" reflationist policies - even as other major central banks head towards the exit.

"In the short term, the BOJ gave the stock market relief by not derailing Kuroda's monetary policy. It sent a message to the market that the main part of Abenomics will not change," said Norihiro Fujito, senior investment strategist at Mitsubishi UFJ Morgan Stanley Securities.

However, many market watchers fear the BOJ's massive money printing project, which is about to enter its fifth year, is increasingly untenable, distorting financial markets and hurting the country's banks.

While growth in the world's third-largest economy has improved thanks largely to stronger global demand, inflation remains far short of the BOJ's 2 percent target.

### Tipping the balance?

The government also nominated Masazumi Wakatabe, a 52-year-old Waseda University academic and an advocate of aggressive easing, for BOJ deputy governor.

The choice of Wakatabe could complicate Kuroda's task of engineering a slow but steady exit from the BOJ's stimulus.

All the same, it could also help the BOJ dispel market speculation it may dial back stimulus earlier than expected, and allow it to shift gear back toward more easing if continued gains in the yen threaten Japan's economic recovery, some analysts say.

"The BOJ is in no position to tighten policy anytime soon given rises in the yen. Contrary to market expectations, the next step could be ease further if yen rises persist," said Yasunari Ueno, chief market economist at Mizuho Securities. "Wakatabe will tip the board's balance towards more easing."

The other deputy governor post went to BOJ Executive Director Masayoshi Amamiya, a veteran central banker known for masterminding various monetary policy steps.

The nominations need approval by both houses of parliament, which is a near certainty as Abe's ruling coalition has a comfortable majority.

### Yen complicates exit

As a former top Japanese currency diplomat, Kuroda had criticized the BOJ for not doing enough to ease the pain a strong yen was inflicting

## Choice of Wakatabe could complicate Kuroda's task



**TOKYO:** Bank of Japan governor Haruhiko Kuroda (R) answers a question beside Japan's Finance Minister Taro Aso (behind L) while attending a financial committee meeting of the lower house of the parliament in Tokyo on Friday. Japan's government nominated Haruhiko Kuroda for a second term as central bank governor. —AFP

lawmakers' questions.

"He's very lively and energetic," said one of the people. "He seems ready to stay on."

Kuroda will face challenges different from five years ago in his second term. The yen's ascent to 15-month highs has drawn verbal intervention from the finance minister, a sign Abe's government may pile pressure on the BOJ to ramp up stimulus if yen rises persist.

And yet, the BOJ has little ammunition left. With the cost of prolonged easing rising, Kuroda's biggest task would be to engineer a smooth exit from his radical stimulus program, analysts say. While Amamiya is unlikely to rock the boat, Wakatabe may resist any

attempts to signal a future withdrawal of stimulus.

In an interview with the Nikkei last November, Wakatabe said the BOJ needs stronger measures to beat deflation and should accelerate its asset purchases.

That would require reversing a decision made in 2016 to abandon a target for asset purchases and contradict the mainstream approach of BOJ officials, who believe the bank's next move should be a withdrawal of stimulus, not an expansion. "There are two hurdles Kuroda must overcome before seeking an exit. One is a strong yen and another is Abe's pressure on the BOJ to continue easy money policy," said Ueno of Mizuho. —Reuters

## Fitch raises Greece's debt rating, citing stability, growth

**WASHINGTON:** The Fitch ratings agency on Friday upgraded Greece's sovereign debt grade, citing budget surpluses, greater political stability and the growing economy. The agency raised the debt rating one notch to 'B' from 'B-', leaving the country in the "highly speculative" category but with a positive outlook. The decision followed a similar move last month by S&P Global Ratings, which said the long-suffering economy's improving fiscal situation was coinciding with growing employment.

Long the "sick man of Europe," Greece is expected to face smoother sailing, with Eurozone finance ministers expected to sign off on the review of its performance under as its financial aid program, which runs through August 2018. The eurozone also is expected to provide "substantial debt relief" this year, Fitch said. "The concessional nature of Greece's public debt implies that debt servicing costs are low despite the high stock of public debt," Fitch said in announcing its decision. The agency noted that Greece saw three straight quarters of GDP growth for the first time in 11 years, causing per capita incomes to rise as well, while political risks have receded. Between 2015 and 2017, the government of Prime Minister Alexis Tsipras adopted painful measures under the bailout program and "we think it would be politically difficult for the same government to backtrack" once the program ends, Fitch said. Greece has also recorded rising budget surpluses and while the banking sector remains weak, banks have committed to plans to reduce their non-performing exposures by the end of next year, Fitch said. —AFP

## Portugal probes Altice-Media Capital takeover

**LISBON:** Portugal's competition authority said Friday it would launch an "in-depth" investigation into the planned takeover by French media and telecoms firm Altice of Media Capital, the owner of the country's most watched television channel.

Netherlands-based Altice, which owns Portugal's largest telecom operator, agreed in

July to buy Media Capital—the owner of the TV1 channel along with the popular IOL internet portal and several radio stations — from Spain's Prisa in a 440 million euro (\$550 million) deal. But the competition regulator AdC said it had decided to "proceed to an in-depth investigation" of the deal because "there are strong indications that... it may give rise to significant impediments to effective competition in several markets".

"The merger is also likely to have a significantly negative impact in the development of new TV contents and business models regarding the online broadcast and access to audiovisual contents," the regulator added in a statement

## Ryanair cabin crew in Portugal threaten strike

**LISBON:** A union representing Ryanair cabin crew in Portugal threatened Friday to go on strike in March and April if talks over pay and work conditions with the Ireland-based budget airline fail to make progress.

The company's roughly 400 cabin crew in Portugal will walk off the job for up to three days during the last two weeks of March, and another three days during the first two weeks

of April, if Ryanair does not drop its "posture of bullying", the head of cabin crew union SNPAC, Fernando Gandra, told AFP.

The "vast majority" of cabin crew contracts do not stipulate a basic salary and staff are threatened with sanctions by the company if they do not meet ambitious daily targets for in-flight sales of food, duty free items and other goods or if they take sick leave, he added. "The main job of cabin crew is to guarantee the safety of passengers and in-flight sales are an extra that should never be a reason to threaten employees with disciplinary proceedings," said Gandra.

"This is creating a terrifying atmosphere. People are afraid to get sick, they are afraid of

everything, and it makes it impossible to be productive in a company like this." Ryanair suffered a turbulent end to 2017, forced to cancel 20,000 flights through to March 2018, mainly because of botched holiday scheduling for pilots. The fiasco triggered pilots' demands for better working conditions and representation, with some departing for other carriers.

The discontent also saw Ryanair hit by the first-ever strike action by pilots in its 32-year history, with German staff staging a short stoppage ahead of Christmas resulting in delays but no cancellations. In December, Ryanair made moves to formally recognize unions. —AFP

## EXCHANGE RATES

Al-Muzaini Exchange Co.	
<b>ASIAN COUNTRIES</b>	
Japanese Yen	2.752
Indian Rupees	4.695
Pakistani Rupees	2.720
Sri Lankan Rupees	1.946
Nepali Rupees	2.957
Singapore Dollar	228.630
Hongkong Dollar	38.448
Bangladesh Taka	3.604
Philippine Peso	5.842
Thai Baht	9.524
<b>GCC COUNTRIES</b>	
Saudi Riyal	80.227
Qatari Riyal	82.630
Omani Riyal	781.315
Bahraini Dinar	798.860
UAE Dirham	81.932
<b>ARAB COUNTRIES</b>	
Egyptian Pound - Cash	19.700
Egyptian Pound - Transfer	16.985
Yemen Riyal/for 1000	1.207
Tunisian Dinar	126.860
Jordanian Dinar	424.050
Lebanese Lira/for 1000	2.004
Syrian Lira	0.000
Morocco Dirham	33.406
<b>EUROPEAN &amp; AMERICAN COUNTRIES</b>	
US Dollar Transfer	300.650

Euro	374.910
Sterling Pound	421.960
Canadian dollar	241.290
Turkish lira	80.500
Swiss Franc	324.500
Australian Dollar	239.620
US Dollar Buying	299.450
<b>GOLD</b>	
20 Gram	260.52
10 Gram	133.18
5 Gram	67.43
<b>Dollarco Exchange Co. Ltd</b>	
<b>Rate for Transfer</b>	
US Dollar	299.800
Canadian Dollar	240.760
Sterling Pound	421.450
Euro	374.990
Swiss Frank	279.880
Bahraini Dinar	797.280
UAE Dirhams	82.025
Qatari Riyals	83.255
Saudi Riyals	80.840
Jordanian Dinar	424.120
Egyptian Pound	17.046
Sri Lankan Rupees	1.929
Indian Rupees	4.693
Pakistani Rupees	2.712
Bangladesh Taka	3.636
Philippines Peso	5.771
Cyprus pound	17.850
<b>Selling Rate</b>	
US Dollar	299.800
Canadian Dollar	240.760
Sterling Pound	421.450
Euro	374.990
Swiss Frank	279.880
Bahraini Dinar	797.280
UAE Dirhams	82.025
Qatari Riyals	83.255
Saudi Riyals	80.840
Jordanian Dinar	424.120
Egyptian Pound	17.046
Sri Lankan Rupees	1.929
Indian Rupees	4.693
Pakistani Rupees	2.712
Bangladesh Taka	3.636
Philippines Peso	5.771
Cyprus pound	17.850

BAHRAIN EXCHANGE COMPANY WLL		
CURRENCY	BUY	SELL
<b>Europe</b>		
British Pound	0.416027	0.423527
Czech Korune	0.006847	0.016147
Danish Krone	0.046477	0.051477
Euro	0.367366	0.374866
Georgian Lari	0.133683	0.133683
Hungarian 0.00130	0.001320	
Norwegian Krone	0.034815	0.040015
Romanian Leu	0.064082	0.080932
Russian ruble	0.005328	0.005328
Slovakia	0.008902	0.018902
Swedish Krona	0.033926	0.038926
Swiss Franc	0.317555	0.328555
<b>Australasia</b>		
Australian Dollar	0.229614	0.241614
New Zealand Dollar	0.215892	0.225392
<b>America</b>		
Canadian Dollar	0.234177	0.243177
US Dollars	0.296050	0.300470
US Dollars Mint	0.296550	0.300470

<b>Asia</b>		
Bangladesh Taka	0.003221	0.003805
Chinese Yuan	0.046032	0.049532
Hong Kong Dollar	0.036490	0.039240
Indian Rupee	0.004225	0.004866
Indonesian Rupiah	0.000018	0.000024
Japanese Yen	0.002758	0.002938
Korean Won	0.000272	0.000287
Malaysian Ringgit	0.073578	0.079578
Nepalese Rupee	0.002994	0.003164
Pakistan Rupee	0.002517	0.002807
Philippine Peso	0.005752	0.006052
Singapore Dollar	0.224428	0.234428
Sri Lankan Rupee	0.001639	0.002229
Taiwan	0.010298	0.010478
Thai Baht	0.009250	0.009800
<b>Arab</b>		
Bahraini Dinar	0.789586	0.798086
Egyptian Pound	0.014048	0.019766
Iranian Riyal	0.000083	0.000084
Iraqi Dinar	0.000202	0.000262
Jordanian Dinar	0.418722	0.427722
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000154	0.000254
Moroccan Dirhams	0.022619	0.046619
Omani Riyal	0.773292	0.778972
Qatar Riyal	0.078154	0.083094
Saudi Riyal	0.078953	0.080253
Syrian Pound	0.001271	0.001491
Tunisian Dinar	0.122426	0.130426
Turkish Lira	0.074806	0.085106
UAE Dirhams	0.080294	0.081994
Yemeni Riyal	0.000975	0.001055