

Business

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BRUSSELS: European Commissioner for Trade Cecilia Malmstrom (center) speaks with US trade representative Robert Lighthizer (left) as they arrive with Japan's Economy Minister Hiroshige Seko for a meeting for talks after US President imposes tariffs of 25 percent on steel and 10 percent on aluminum, yesterday. — AFP

EU, Japan seek clarity on US tariffs

Crunch talks in Brussels may address China's over-supply of steel

BRUSSELS: The EU and Japan held crunch talks with their US counterparts in Brussels yesterday, hoping to get "clarity" on President Donald Trump's controversial new steel and aluminum tariffs.

Trump's announcement of duties of 25 percent on imported steel and 10 percent on aluminum has stung the European Union, along with other major partners and triggered warnings of an all-out international trade war. The real estate tycoon also faced a backlash at home with his top economic advisor Gary Cohn stepping down in opposition and senior Republican allies venting shock and dismay. Brussels has gone the furthest in fighting back, loudly announcing a list of US products to hit with countermeasures, if its exports are affected by the tariffs, but says it hopes to join Canada and Mexico in being exempted.

Japan has decried the "grave impact" the Trump measures could have on the world economy. The EU's top trade official Cecilia Malmstrom and Japanese Economy Minister Hiroshige Seko met for preliminary talks in Brussels, before being joined by US Trade Representative Robert Lighthizer, a loyalist to Trump's "America First" mantra. The talks, initially set to address China's over-supply of steel, have long been in the diary, but after Trump's dramatic announcement, they

are now a de facto crisis meeting.

With tensions at a peak, officials kept a tight lid on the content of the meeting and sought to keep low expectations for any breakthrough.

"We are looking for a bit more clarity on the process of what happens next from the US," an EU official said on condition of anonymity. "There are low expectations for any solution today, but maybe we can get an idea of how we can get to one," the source added.

Malmstrom told reporters on Friday that Brussels was "counting on being excluded" from the new duties. She predicted a "long day" of talks yesterday, while European Commission Vice President Jyrki Katainen sought to play down the gathering, saying it was "a meeting, not THE meeting".

Katainen said Brussels wanted "clarity" on how the

tariffs will be implemented and was ready to enforce retaliatory measures to protect European interests if needed.

"We are prepared and will be prepared if need be to use rebalancing measures," Katainen said.

US 'affront'

Along with a huge range of steel products, the EU's hit list of flagship American products lined up for counter measures includes peanut butter, bourbon whiskey and denim jeans. Germany singled out for particular criticism by Trump-accused Washington of protectionism, calling the tariffs an "affront to close partners".

German Chancellor Angela Merkel urged dialogue and warned that "no one can win in such a race to the bottom".

French President Emmanuel Macron on Friday warned Trump against forging ahead with the planned

tariffs, saying they risked provoking a mutually destructive "trade war".

Trump said the tariffs, which will come into effect after 15 days, will not initially apply to Canada and Mexico. He also added Australia to the list of likely carve-outs. Complicating matters, Trump indicated that Australia's carve-out was linked to an unspecified "security agreement" outside of trade policy. This shed some light on the tycoon's specific barbs against Germany—the biggest economy in the European Union—that have finger-pointed Berlin for contributing much less than the US towards the funding of NATO.

The EU exports around five billion euros' (\$4 billion) worth of steel and a billion euros' worth of aluminum to the US each year, and the European Commission, the bloc's executive arm, estimates Trump's tariffs could cost some 2.8 billion euros.

Brussels is also looking at "safeguard" measures to protect its industry—restricting the bloc's imports of steel and aluminum to stop foreign supplies flooding the European market, which is allowed under World Trade Organization rules. The EU and Japan last year formally agreed the broad outlines of a landmark trade deal that was announced as a direct challenge to the protectionism championed by Trump. — AFP



Officials tightlipped on agenda

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Turkish Airlines to buy 50 Airbus and Boeing jets

ISTANBUL: Turkish Airlines has confirmed plans to buy at least 50 wide-body aircraft from Airbus and Boeing as the flag carrier ramps up its ambitions ahead of a move to a new Istanbul airport.

The company said in a statement late Friday that it had agreed to buy 25 Boeing B787-9 aircraft, known as the Dreamliner, and 25 Airbus A350-900 aircraft. In addition, it has the option to buy five more of each aircraft from both suppliers, meaning the eventual purchase could total 60 planes.

It said six would be delivered in 2019, 14 in 2020, 10 in 2021, 12 in 2022, 11 in 2023 and 7 in the year 2024. A statement by Airbus indicated that the catalogue price of the 25 A350s alone would amount to \$9.5 billion. Turkish Airlines chief executive Ilker Ayçi said that the announcement came after agreements signed during recent visits to France and the United States—the homes of Airbus and Boeing—by President Recep Tayyip Erdogan. He hailed the deals as a "very important initiative to meet the need for wide-body aircraft at the new airport" and strengthen the fleet ahead of the 100th anniversary of the founding of modern Turkey in 2023. "We believe this will not just accelerate the steady rise of Turkish Airlines, but also contribute to Turkish civil aviation as a whole," Ayçi said, quoted by the Anadolu news agency. — AFP

Iran, Serbia resume direct flights after 27-year gap

BELGRADE: After a gap of 27 years, direct flights between Iran and Serbia resumed yesterday, when an IranAir jet touched down at Belgrade's Nikola Tesla airport, Serbian media reported. IranAir is offering a direct service between Tehran and Belgrade twice weekly, with all flights fully booked until the end of the summer, the reports said. But the service, which was launched following a visa liberalization agreement between the two countries, has raised fears it could open up a new migrant route for those seeking to stay in the EU illegally, a Serbian charity has warned.

A second Iranian carrier, Qeshm Air, is also planning to launch a service between the two capitals starting from March 19. In August 2017, Iran and Serbia agreed to liberalize visas for travel between the two countries, sparking a surge in interest on the part of Iranians.



According to the Serbian non-governmental refugee support project Info Park, some Iranians are using the visa liberalization agreement to come to Europe and stay there illegally as migrants. Last month, Info Park said a number of Iranians had arrived in Belgrade legally as tourists but had not returned home, proceeding instead to EU countries, notably France and Germany.

"Although they entered Serbia as tourists, interviews have revealed that many Iranians use their stay in Belgrade to establish connections with smugglers, who will transfer them to their desired destination, across the borders of Croatia, Bosnia and Herzegovina, Hungary or

Romania," Info Park said at the time. It said those interviewed said they were leaving for a variety of reasons including fears for their rights and freedoms, particularly linked to their political, religious or sexual orientation.

New migrant route?

Info Park said an estimated 600 Iranians could arrive in Belgrade in a single week, based on the current transport capacity. "Seeing as most of these new-arrivals do not intend to return, the migration systems in Europe must recalibrate for this new route and demographic among the migrant populaces," the NGO said. — AFP