

Business

SUNDAY, FEBRUARY 17, 2019

12 Oil prices rebound in Jan; draft budget signals fiscal expansion**13** Global Finance awarded NBK 'Best Private Banking Services' in Kuwait**14** Ithmaar Holding reports net profit of \$10.06 million for 2018

US Trade Representative Robert Lighthizer (2nd L) speaks with Chinese President Xi Jinping next to US Treasury Secretary Steven Mnuchin (L) during a meeting at the Great Hall of the People in Beijing on February 15, 2019. — AFP

Warba Bank acquires AUB's share in KMEFIC

Deal signed in the presence of Shaheen Al-Ghanem and Tareq Muhmood

KUWAIT: Warba Bank signed a sale and purchase agreement with Ahli United Bank B.S.C and its subsidiary (Ahli United Bank K.S.C.P), to acquire their respective shareholding in Kuwait and Middle East Financial Investment Company (KMEFIC), representing 75.72 percent of the Company's outstanding shares, subject to securing all regulatory approvals. The deal was signed in the presence of Shaheen Hamad Al-Ghanem, Warba Bank's Chief Executive Officer and Tareq Muhmood, acting Chief Executive Officer of Ahli United Bank (Kuwait).

Commenting on the deal, Al-Ghanem said: "Praise be to Allah, the achievement of the Investment Banking Group at Warba Bank through the acquisition of Ahli United Bank Group's share in KMEFIC stems from our strategic growth initiative which calls for the establishment of an asset and wealth management platform that positions the bank to provide an integrated financial product offering to its retail and institutional customers, whilst concurrently accelerat-

ing our strategic objectives by acquiring a leading firm in the asset management and financial services field".

He elaborated: "This deal debuts our investment activities in 2019 following the capital increase last year, which resulted in strengthening the Bank's capital base reaching KD 285 million by the end of 2018. The share capital increase of 50 percent was fully covered by the Bank's shareholders oversubscribing to all shares offered for a total amount of KD 90 million".

Al-Ghanem explained that the capital increase establishes a solid base to grow the Bank's investments in the upcoming period in vital economic sectors, as well as for financing mega national and regional projects that will secure steady and lucrative returns for both shareholders and customers.

Al-Ghanem added: "the capital increase is also a key factor in strengthening the Bank's operations and expansion in the corporate sector, which would solidify its leading position in the banking industry; this

will be achieved by providing financing facilities for local companies and projects across economic sectors including: oil and gas, education, construction and contracting; as well as participating in syndicated financing deals with other banks. In the next two years, the Bank will also seek to achieve greater risk allocation balance and diversification between its real estate portfolio and other sectors.

Presenting AUB's view, Tareq Muhmood said: "The decision to sell AUB's share in Kuwait and Middle East Financial Investment Company (KMEFIC) came in line with AUB's strategic objectives with a view to ensure our focus on our core businesses. He has further commented that the positive impact of this transaction on AUB will serve the interests of both our shareholders and customers.

KMEFIC is a Kuwaiti public shareholding company listed on the Kuwait Stock Exchange since July 1997. It operates within the diversified financial sector with emphasis on asset management.



KUWAIT: Shaheen Hamad Al-Ghanem (left) and Tareq Muhmood during the signing of the agreement.

Trump: US could extend March 1 China deadline

WASHINGTON: President Donald Trump said Friday the trade negotiations with China were going "extremely well" and again offered the possibility of extending the March 1 deadline for a sharp rise in punitive tariffs.

Senior officials completed two days of high-stakes talks in Beijing on Friday as they try to avert the US threat to more than double tariffs on \$200 billion in Chinese goods, which would be an unwelcome shock to the world's second largest economy as it already has shown signs of slowing.

"It is going extremely well," Trump said of the talks. "The tariffs are hurting China very badly. They don't want them and frankly if we can make the deal it would be my honor to remove them," he told reporters

at the White House.

The president confirmed his comments earlier this week that he might be willing to hold off on increasing tariffs to 25 percent from the current 10 percent, if Washington and Beijing are close to finalizing an agreement to deal with US complaints about unfair trade and theft of American technology.

"There is a possibility that I will extend the date," he told reporters. "If I see we're close to a deal or the deal is going in the right direction, I would do that."

After progress in the talks in Beijing, a fourth round of negotiations is scheduled for next week in Washington. Trump said he likes tariffs that are bringing "many billions of dollars pouring into our Treasury," but continues to state that China is paying the duties, when in fact they are paid by US companies and ultimately by American consumers in the form of higher prices.

"The vibe is good"

Chinese President Xi Jinping hailed the "important step-by-step progress," and said he hoped the two delegations would continue to "work hard" for a "win-

win" agreement, according to China's state news agency Xinhua. Wall Street was cheered by the talks' optimistic tone, with the benchmark Dow Jones Industrial Average rising nearly 450 points or 1.7 percent, for its eighth consecutive week of gains.

American officials accuse Beijing of seeking global industrial predominance through an array of unfair trade practices, including the "theft" of American intellectual property and massive state intervention in commodities markets.

Since a December detente, China has resumed purchases of some US soybeans and dangled massive buying of American commodities to get US trade negotiators closer to a deal.

The talks have included discussion of purchases to reduce the "large and persistent bilateral trade deficit," the White House said in a statement.

But many China experts say Beijing's Communist Party rulers are unlikely to make significant changes to industrial policies without a long and tough fight.

Still, expectations for an accord have been growing as China faces pressure from slowing economic growth. "We all believe that China-US relations have broad

common interests in safeguarding world peace and stability and promoting global economic prosperity and development," Xi told the US negotiators.

US Trade Representative Robert Lighthizer, who led the American delegation, told Xi on Friday that while there was more work to do, they had made progress.

Lighthizer and US Treasury Secretary Steven Mnuchin met with China's top trade negotiator Liu He, Foreign Minister Wang Yi and central bank chief Yi Gang. Bloomberg News reported that the White House was considering a 60-day deadline extension, but Trump did not offer any particulars. Trump's economic advisor Larry Kudlow said of the talks that "the vibe is good," but there was no decision yet on extending the 90-day tariff truce.

The two sides last year exchanged tariffs on more than \$360 billion in two-way trade.

China's politically sensitive trade surplus with the US last year hit a record \$323 billion as tariffs kept Chinese buyers away from American agricultural and energy exports. Trump has said that any eventual trade deal would need to be sealed personally with Xi, though no date has been set for a meeting. — AFP