Gulf Bank shares expertise with Fikra Program entrepreneurs

Training session to equip Kuwaiti youth with essential business skills

KUWAIT: Gulf Bank employees shared their expertise with Fikra Program entrepreneurs during a training session on Sunday at Al-Hamra Business Tower. Fikra Program was designed to equip Kuwaiti youth with the essential business skills and knowledge required to transform their ideas into businesses, with the goal of creating a generation of innovators and entrepreneurs.

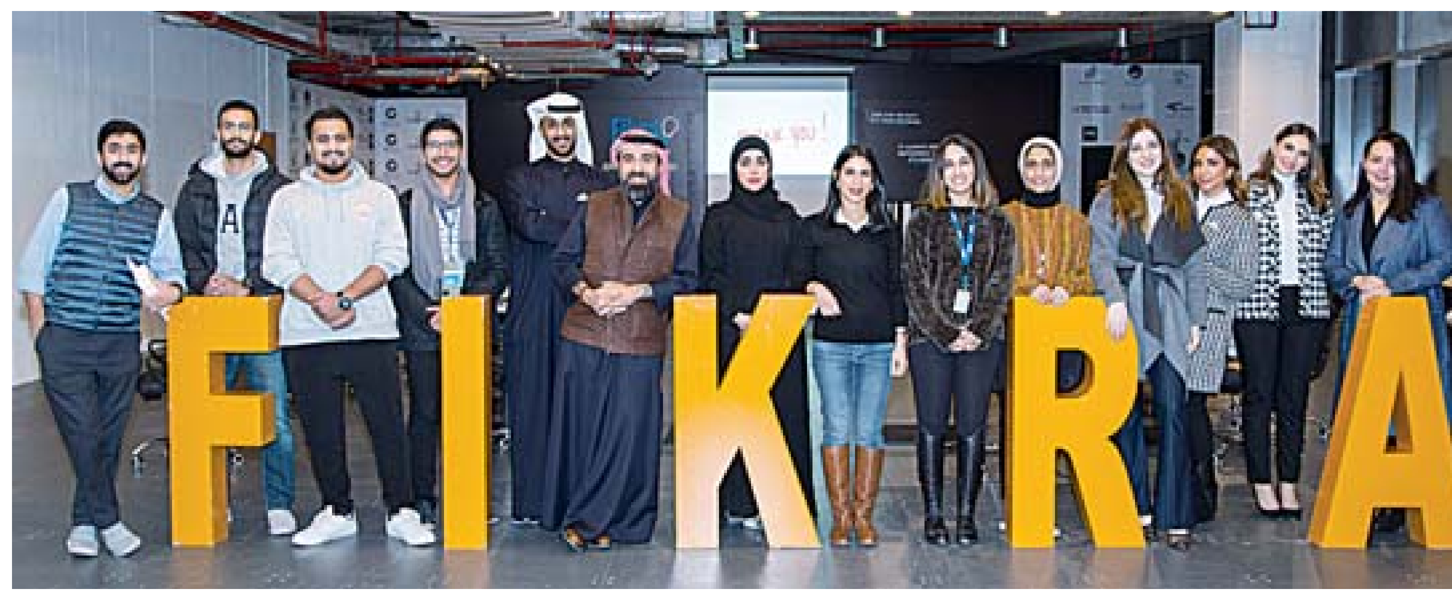
The two-hour training session was led by Gulf Bank's Rania Rasheed, Assistant General Manager of Consumer Banking and Hamad Bin Awadh, Relationship Manager, Business Banking. The session covered a range of topics, with a focus on understanding the techniques needed to conduct analyses of and make informed strategic directions about how to establish their businesses. Participants were provided with a range of knowledge and tools, from the factors to focus on in the establishment stage and SWOT analytics, to creating marketing plans. The session ended with a mini competition, with prizes awarded to the top performers.

Commenting on the session, Ahmed Al-Amir, Assistant General Manager for External Communication, Gulf Bank, said: "As a Gold Sponsor of the 4th edition of Fikra Program, Gulf Bank is proud to share the expertise and knowledge of our employees with Kuwait's younger generations. The business potential among the youth of Kuwait is exponential, and we are honored to support and guide them towards their business aspirations, and we wish them luck and success in the future."

Ahmad Al-Amir

Mariam Al-Rayes, Fikra Program Manager at Cubical Services, added: "There is great potential amongst Kuwait's aspiring entrepreneurs, and Fikra Program empowers them to turn their creative and innovative ideas into reality. Gulf Bank's collaboration with us in Fikra Program is of great added value in providing participants with the steps to successfully build their business ventures, and we thank them for their ongoing support."

Fikra Program was launched in 2015 as a corporate social responsibility program. It is an intensive entrepreneurship training program open to aspiring entrepreneurs with creative business ideas. Providing one-to-one mentorship for guidance and support as well as business training through workshops and field trips.



Fikra Program is under the kind patronage of Khaled Al-Roudan, Minister of Commerce & Industry, and supported by Ministry of State for Youth Affairs, The National Fund for SME Development, Al-Hamra Real Estate Company, Gulf Bank, Markaz Financial Center, KFAS (Kuwait Foundation for the Advancement of Sciences) and KUWAITNET, and Grand Cinemas. Fikra Program is organized and managed by Cubical Services Business Incubator.

Fikra Program's three previous editions combined witnessed over 550 applications, 45 business ideas, 57 training sessions and 76 trained entrepreneurs. Following the third edition of Fikra Program which ended in May 2018, over 40% of the participating entrepreneurs have successfully established their businesses and are now fully operational.

Lebanese CB targets stable pound; deposits rose in 2018

BEIRUT: Lebanon's central bank aims to keep the exchange rate of its pound currency stable in 2019, the bank's governor said yesterday. Riad Salameh also said Lebanese bank deposits climbed by 3.5 percent in 2018. The comments were his first in public since remarks by the finance minister last week about Lebanon's public debt triggered concerns that the debt might be restructured, leading to a sell-off in the country's dollar-denominated sovereign bonds.

The government issued a statement yesterday saying it had "absolutely" no plans to restructure the debt, helping the bonds to recover. The pound has been pegged against the dollar at its current level for more than two decades.

"For 2019, our goals will always be for the stability of the Lebanese pound exchange rate," Salameh said. "Our view of interest rates is stable."

He said the notable thing about the increase in deposits "was in the deposits in foreign currencies while the deposits in Lebanese pounds remained at the same level, raising dollarisation to 70 percent in the Lebanese markets." The veteran central bank governor did not refer to last week's market turbulence in his comments to the Arab economic gathering in Beirut.

Lebanon's public debt is one of the biggest in the world compared to GDP at around 150 percent.

Salameh said Lebanon's economic growth in 2018 was around 1 percent to 1.5 percent according to central bank studies and compared this to growth of around 2 percent in the region.

"We could have done 2 percent if the government had been formed at the appropriate time," he said. Political deadlock is still blocking the formation of a new cabinet more than eight months after a national election. Salameh said recent instructions to money transfer firms to pay in Lebanese pounds were related to compliance to combat money laundering "and not as some tried to frame it as either to prevent transfers or to support the Lebanese pound". —Reuters

Vacant offices plus housing crunch: US cities try to solve a riddle

WASHINGTON: From his office in downtown Washington, D.C., half a mile from the White House, architect Michael Wiencek can see something most people cannot: vacancies. "The 1970s building across the street, the four floors I see are all vacant," he told the Thomson Reuters Foundation.

"I'm looking at another building across the street which has been half-vacant since I've been in this office." While someone walking the streets of the capital would be hard-pressed to recognize it, this region has in recent years experienced the highest commercial vacancy rates in the country, according to the Metropolitan Washington Council of Governments (MWCOG), a non-profit.

And in those empty blocks, Wiencek sees something many do not: opportunity - and a way to help alleviate Washington's housing shortage. A September report from MWCOG warned that by 2045 the region would need to build 100,000 more homes than are already planned.

Across the country, "no state has an adequate supply of affordable rental housing for the lowest income renters," according to the National Low Income Housing Coalition, a non-profit.

Over the past dozen years, Wiencek and his firm have been involved in numerous projects in and around Washington to convert empty office space to housing, particularly for low-income residents.

The economics can be surprisingly feasible, Wiencek said - in part because flat complexes have become so expensive to buy, but also because tearing down and constructing a new, large building is cost-prohibitive. Converting disused office space also brings residents back to what are often run-down parts of the city, he said.

Fifteen years ago such conversions were a new idea. Today there are more of them, though "not nearly as much as there could be".

Vacant 'surplus'

Wiencek has noticed significant interest in conversions from developers across the country. Policymakers are also paying attention: since October, an official task force in Washington has looked at how the city can encourage developers to convert vacant office space, with the explicit intention of addressing the lack of low-income housing.

Its recommendations are expected early this year. Washington is something of a bubble because it is a "federal town", said David Whitehead, a housing activist with Greater Greater Washington (GGWash)- a non-profit advocating for walkable urban communities, and a member of the task force.

Commercial real estate owners have for decades been able to charge high rents to government entities, contractors and non-profits seeking high-class office space downtown, he said.

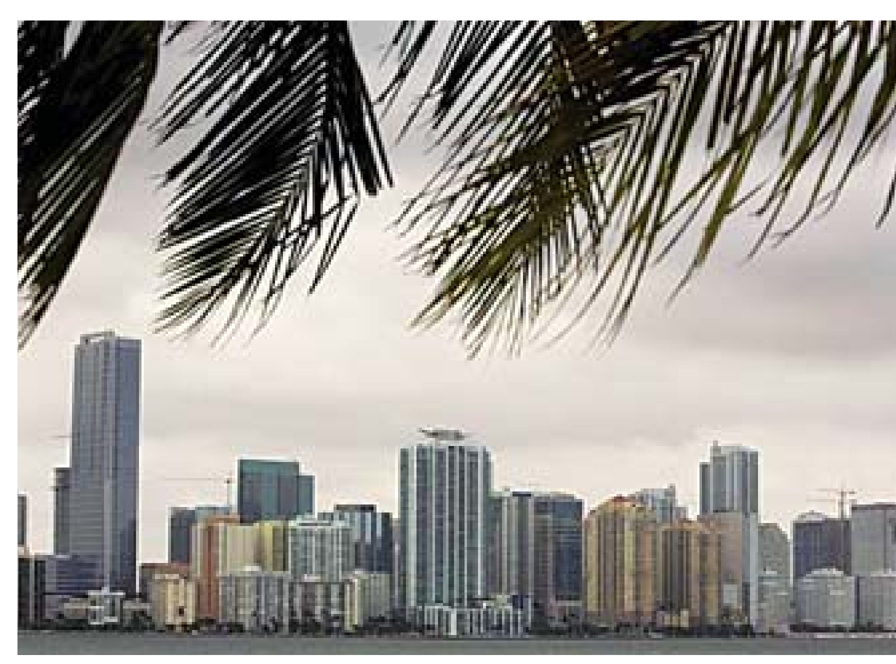
Yet recent years have seen major changes in the demand for office space, fuelled by the rise of remote working and coworking, and because the federal government has decreased in size."The need for office space is shrinking," a planner with MWCOG warned in 2017.

But, said Whitehead, many commercial real estate owners had yet to accept this new reality. Meantime, city tax penalties for vacant commercial space remain low and hard to impose. That goes to explain why Washington has a large surplus of office space, Whitehead said - roughly equivalent to two Pentagons, or at least 13 million square feet. Meanwhile, an official count last year found there were nearly 7,000 homeless people in the city. Most were living in emergency shelters. Nearly half that number were families. "We have this sitting surplus of office vacancy and draining of affordable housing, so why can't we figure that out?" he said, although he admitted the task force faced big challenges.

"It's not an easy thing to convert vacant commercial space to housing in general, and beyond that, we're now also talking about converting and subsidizing," he said.

'Big box' conversations

According to the US Energy Information Administration, a government agency, the country had about 88 billion square feet of commercial floor-



space in 2016. It expects that number will reach about 123 billion square feet by 2050. According to real estate consultancy CBRE, the national commercial vacancy rate currently stands at about 13 percent.

Which is why, even as Washington assesses its vacant office space, other states are looking at theirs - including fast-emptying commercial spaces such as groceries and "big box" stores that have been hit by the rise of the internet economy. A pilot project in Florida is looking to convert a former St. Petersburg grocery store - which sat vacant for four years - into housing and a venue where low-income entrepreneurs could start a retail business.

Commercial property owners across Florida are finding it increasingly difficult to keep retailers in "large format" stores, the project's organizers said. That is particularly acute in low-income communities.

"The idea came through thinking about places I pass by quite a bit that stood vacant," said Ashon Nesbitt of the Florida Housing Coalition (FHC), a non-profit.

"In a lot of low-income communities there are these resources of buildings. Instead of looking at them as liabilities, we need to see them as resources that need to be redeployed in a different way," he said.

In addition to a "severe lack" of affordable rental housing, Nesbitt said, Florida has experienced widespread closures of retail and grocery stores.

With a grant from the national mortgage-backer Fannie Mae, the FHC is drafting a blueprint that could be used by local governments, developers, housing finance authorities and others across the country for similar conversion projects, said the FHC's Ben Toro-Spears.

Few models exist in the United States for this type of project, he said, which meant the concept of adapting the building for a different use was new for its owner - a national property owner.

Toro-Spears said the firm was keenly awaiting the proposal.

And, he added, the rising number of vacant commercial spaces - on which owners must still pay taxes, utility bills and other expenses - meant there was potential to scale up the project nationwide.

"These are really large organizations, and if we can demonstrate early on that this can be successful, I think they'll adopt it pretty quickly," Toro-Spears said. Already the two have been inundated with interest from across the state, including from cities and civic groups. "They continue to ask what's going on: 'We have a site. Can you look at this site?'" said Nesbitt. "It's definitely something that caught folks' attention, and people want to see similar things happen in their communities." —Reuters

Turkey keeps main interest rate unchanged

ANKARA: Turkey yesterday kept its main interest rate unchanged for a third time since a dramatic hike in September, in line with market expectations and helping the lira rally against the dollar.

The central bank said in a statement on its website that the one-week repo rate would remain at 24 percent. Inflation in Turkey remains in double-digits. The Turkish lira, which has been trading at more than 5.5 against the dollar in the past couple of weeks, gained over one percent to 5.3 after the announcement at 1100 GMT. The consensus had been for the rate to stay at 24 percent amid fears a cut would cause further weakness in the lira. The bank said its policy committee "decided to maintain the tight monetary policy stance until the inflation outlook displays a significant improvement".

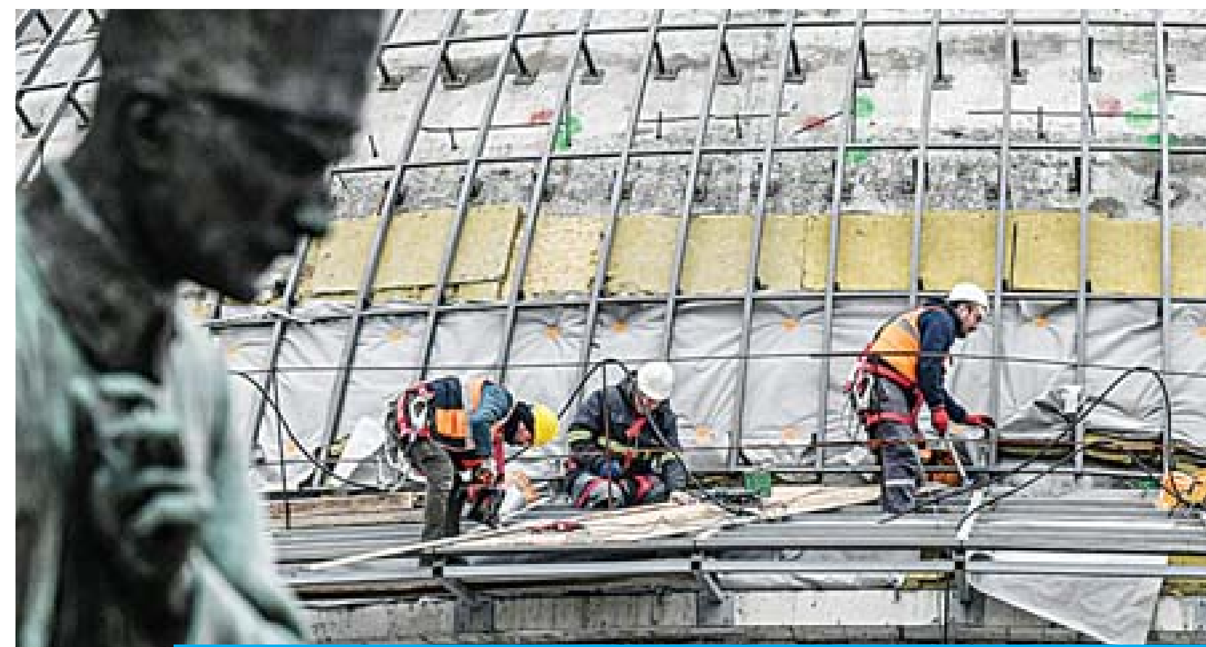
It added that "if needed, further monetary tightening will be delivered".

Consumer price inflation hit 25.24 percent in October, the highest level since 2003, before falling to 20.3 percent in December. Turkey suffered a currency crisis in August during a diplomatic spat with the United States over the detention of an American pastor, later released, as well as concerns over domestic monetary policy under Turkish President Recep Tayyip Erdogan.

Erdogan has railed against high interest rates, describing them as the "mother and father of all evil".

At one point during the US-Turkey row, the lira traded to lows around seven against the dollar.

But after the lira's dramatic fall in the summer, the bank made an aggressive rate hike in September of 625 basis points (6.25 percentage points) to 24 percent. Economists including Inan Demir of Nomura expected the central bank to keep the rate constant but London-based Capital Economics had warned of a potential 50 bps cut. Demir said before the announcement the case for a cut had been "weakened" by fresh US-Turkey tensions over a Washington-backed Syrian Kurdish militia Ankara views as terrorists. Although the dispute has since eased, US President Donald Trump on Sunday warned Washington would "devastate Turkey economically" if Ankara attacked the Kurdish People's Protection Units militia (YPG) in Syria. —AFP



ISTANBUL: Construction labourers work on the top of a new mosque next to a statue representing Mustafa Kemal Ataturk at Taksim square in Istanbul on Tuesday. —AFP