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LONDON: An anti-Brexit protester draped in a composite of the EU and Union flag walks past more flags outside the Houses of Parliament in London yesterday.—AFP

May unveils \$2.1bn fund for Brexit-backers

Ministers deny it is a bribe to win support for EU exit deal

LONDON: British Prime Minister Theresa May yesterday set out plans for a 1.6 billion pound (\$2.11 billion) fund to help to boost economic growth in Brexit-supporting communities with ministers denying it was a bribe to win support for her EU exit deal.

The "Stronger Towns Fund", details of which appeared in newspapers last month, is seen by many as part of May's efforts to win support for her Brexit deal from opposition Labour lawmakers who represent areas, particularly in northern England that voted strongly in favor of leaving the European Union.

Britain is due to leave the bloc at the end of the month and May, whose exit deal with Brussels was rejected by a large majority of lawmakers in January, has promised parliament will get to vote on a revised deal by March 12. The government said the fund would be targeted at places that had not shared fairly in the country's prosperity and would be used to create new jobs, help to train people and boost economic activity.

"Communities across the country voted for Brexit as an expression of their desire to see change; that must be a change for the better, with more opportunity and greater

control," May said in a statement. "These towns have a glorious heritage, huge potential and, with the right help, a bright future ahead of them." The opposition Labour Party's finance spokesman, John McDonnell, said the fund was "Brexit bribery". "This towns fund smacks of desperation from a government reduced to bribing Members of Parliament to vote for their damaging flagship Brexit legislation," he said in a statement.

However, Communities Secretary James Brokenshire said the money was not linked to support for the withdrawal agreement. "This is funding is there regardless of the outcome," he told BBC radio when asked if the money was a bribe. Obviously we want to see a deal happening. But no, there is no conditionality in that sense."

One billion pounds has already been allocated, with more than half going to towns across the north of England. A further 600 million pounds will be available for communities around the country to bid for, the government said. Critics said that the fund, when divided between a large of areas, would not provide individual towns with that much money, nor make up for what they had lost as a result of government cuts in recent years.

Brokenshire did not say how many towns would benefit but said the money could be "transformative".

"It can make that difference on creating the jobs, actually putting the skills in place and changing people's lives in a modern positive economy," he said.

Sterling gained yesterday on signs some pro-Brexit lawmakers were increasingly willing to compromise with Prime Minister Theresa May, increasing the chances the British leader will get her Brexit deal through parliament next week. Media reports over the weekend also suggested London was softening its demands of the European Union in renegotiating parts of the Brexit withdrawal deal that is deeply unpopular within large parts of May's own Conservative party. The Sunday Times said a group of Brexit-supporting lawmakers who previously rejected May's deal have set out changes they want to see to her agreement in return for her support.

The British parliament is set to vote on May's deal next week, although the vote could be held sooner. If it fails to pass, lawmakers will get to vote on whether to delay Brexit, currently set for March 29.

Hopes for a delay to Brexit and bets that a no-deal

Brexit is a far less likely outcome sent sterling surging last week. The British currency is up 3.7 percent against the dollar so far in 2019 and 4.7 percent versus the euro. "The nonetheless rising odds of PM May's deal succeeding (albeit we still think it is a below 50 percent probability event) are now helping GBP," ING analysts said in a note. Sterling rose as much as half a percent against the euro to 85.60 pence before settling at 85.79 by 1115 GMT. Versus the dollar, the pound added 0.1 percent to \$1.3218. Last week sterling rose as high as \$1.3351 as investors piled back into the currency in the belief a disorderly no-deal Brexit was far less likely. While Brexit negotiations dominate the headlines, concerns about a slowdown in the British economy continue to build.

Britain's construction industry reported the first fall in activity in almost a year last month, with the IHS Markit/CIPS Purchasing Managers' Index (PMI) falling to 49.5 in February from January's reading of 50.6, although the pound was unmoved after the release. Economists polled by Reuters had expected a reading of 50.3. The PMI for Britain's dominant services sector is published today.—Reuters

Easier for China to face tariffs than bend to US pressure

BEIJING: China will acknowledge concessions made in any trade deal with the United States for the sake of stabilizing shaky relations, but is unlikely to yield to demands it alter its economic model even if faced with continued tariffs, many trade experts believe.

US President Donald Trump has warned he could walk away from a China deal if it were not good enough, even as his advisers touted "fantastic" progress towards an agreement to end a dispute that has put tit-for-tat tariffs on hundreds of billions of dollars' worth of each other's goods. Such optimism has taken a different shape in Beijing, where the delay on a once "hard" March 1 deadline for a US tariff hike reinforced views that Trump's appetite for tough measures has weakened as the 2020 presidential election draws closer and a strong US economy shows initial signs of flagging.

Chinese concessions in any deal are likely to fall short of US demands for deep change in the way the world's second-

largest economy works.

Revamping decades of state planning will not happen overnight, Chinese experts argue. And President Xi Jinping faces political realities at home, where being seen as kowtowing to Trump would be less palatable than navigating the near-term impact continued trade tensions might have on China's own slowing economy, they say.

One Chinese official told Reuters that China's domestic reform was a long-term process.

"If the United States carries out overall restrictions or pressure based on its own interests, China will not accept it," the official said. Tu Xinquan, a trade expert at Beijing's University of International Business and Economics, said it would be difficult for Xi to agree to US demands that China revamp the role of state-owned enterprises and other core industrial policies. Xi would likely be prepared to go as far as to give "visible, politically influential commitments" to Trump, such as to buy more American goods and improve protection of intellectual property rights (IPR).

The United States has long complained that Beijing has systematically obtained American companies' intellectual property through coercion and outright theft. But improving copyright and trademark enforcement is seen by hardliners in Washington as a practical and self-interested move for China, now that it has innovative companies of its own. China verifiably cracking down on the more existential threat of forced technology transfer - which officials deny actually occurs - or substantially curbing the influence of state-owned companies in the economy is seen as less likely.—Reuters

Huawei's Meng Wanzhou lodges complaint against Canada authorities

MONTREAL: Chinese telecoms giant Huawei's chief financial officer, Meng Wanzhou, has filed suit against Canadian authorities for violating her constitutional rights when she was arrested in Vancouver, her lawyers said Sunday. As she suffered "serious breaches of her constitutional rights," she is "seeking damages for misfeasance in public office and false imprisonment" when detained at Vancouver International Airport on December 1, attorneys Howard Mickelson and Allan Doolittle said in a statement.

The 47-year-old businesswoman was changing planes in Vancouver when she was detained at Washington's request on suspicion of violating US sanctions on Iran-sparking arrests of Canadians in China that were seen as retaliatory. Her lawyers charge impropriety in the conditions under which Meng was interro-

gated for three hours by the customs officers, officially as part of a routine inspection, before being served with her official arrest.

During those three hours, the customs officers searched her phones and computers as well as her luggage, in violation of her rights, the lawyers said. The complaint was lodged Friday, the same day that Canadian justice officials launched Meng Wanzhou's extradition process to the United States.

The US Justice Department accuses Huawei and its chief financial officer of circumventing US sanctions against Iran, but also, via two affiliates, stealing trade secrets from US telecommunications group T-Mobile. The daughter of Huawei's founder, Meng was released on parole in mid-December in Vancouver, where she owns two residences, on a bond deposit of C\$10 million (\$6.6 million), wearing an electronic bracelet and handing over her passports.

She is scheduled to appear before a Vancouver judge next Wednesday "to confirm that a writ of court has been issued and to schedule a date for the extradition hearing," the Canadian court has explained.

The extradition procedure can take months or even years because of the many appeal possibilities. China is furious over the US charges against Meng, saying they are the product of "strong political motivations" and an attempt to undermine its flagship telecoms company. Huawei has strenuously denied any wrongdoing.—AFP