

Business

NBK Capital advises VIVA on acquisition of 100% of the capital of QualityNet

Batelco Group, NBK sell their stakes for \$93 million

KUWAIT: NBK Capital, one of the leading investment management firms in the region, announced that it has successfully advised VIVA on its acquisition of 100 percent of the capital of QualityNet General Trading and Contracting Company, a Kuwait-based internet services provider.

In a press release, NBK Capital stated that Batelco Group and National Bank of Kuwait, who owned 90 percent and 10 percent of QualityNet respectively, sold their stakes for a total consideration of KD 28.3 million (around \$93 million).

On this occasion, Faisal Al-Hamad, CEO of

NBK Capital, said: "The success of this transaction and its positive outcome is a reflection of the robustness of NBK Capital's business model in managing the transaction with transparency, professionalism and adoption of international best practices in investment banking, while fully complying with local regulations."

Al-Hamad praised VIVA for its trust and cooperation throughout the process, and the effective role and outstanding performance of NBK Capital investment banking team in ensuring the success of the transaction. This success reflects the high proficiency in dealing with various transactions,

and the commitment to meet the needs of the growing and diverse customer base.

In addition, Rani Selwanes, Managing Director and Head of Investment Banking at NBK Capital, commented: "VIVA's choice of NBK Capital as an advisor is proof of confidence in our capabilities and our leading position locally and regionally. We are proud of the success of this transaction." Selwanes emphasized that NBK Capital constantly strives to deliver the best advisory and financial services to its clients, which will strengthen the leading position of NBK Capital in the investment banking sector locally and regionally.



Faisal Al-Hamad

Rani Selwanes

Trump says US farmers to get \$15bn in aid amid China trade war

WASHINGTON: President Donald Trump said on Monday that his administration was planning to provide about \$15 billion in aid to help US farmers whose products may be targeted with tariffs by China in a deepening trade war. "We're going to take the highest year, the biggest purchase that China has ever made with our farmers, which is about \$15 billion, and do something reciprocal to our farmers so our farmers can do well," Trump told reporters at the White House.

He did not provide more details on what kind of an aid package it would be. American farmers, a key constituency of Trump, have been among the hardest hit in the trade war. Soybeans are the most valuable US farm export, and shipments to China dropped to a 16-year low in 2018. Sales of US soybeans elsewhere failed to make up for the loss. US soybean futures fell to their lowest in a decade on Monday.

US Agriculture Secretary Sonny Perdue said on Friday that Trump had asked him to create a plan to help American farmers cope with the heavy impact of the US-China trade war on agriculture.

A new aid program would be the second round of assistance for farmers, after the Department of

Agriculture's \$12 billion plan last year to compensate for lower prices for farm goods and lost sales stemming from trade disputes with China and other nations.

"Out of the billions of dollars that we're taking (in on tariffs on Chinese imports), a small portion of that will be going to our farmers, because China will be retaliating, probably to a certain extent, against our farmers," Trump said. The tariffs are not paid by the Chinese government or by firms located in China. They are paid by importers of Chinese goods, usually American companies or the US-registered units of foreign companies. On Monday, China said it would impose higher tariffs on a range of US goods, including frozen vegetables and liquefied natural gas, striking back in its trade war with Washington after Trump warned it not to.

Last year, Beijing imposed tariffs on imports of US agricultural goods, including soybeans, grain sorghum and pork as retribution for US levies.

While farmers have largely remained supportive of Trump, many have called for an imminent end to the trade dispute, which propelled farm debt to the highest levels in decades and worsened credit conditions for the rural economy.

Trump's pledge on Friday to buy American farm products that China normally imports and distribute them to poor countries drew criticism from Canada. "Dumping products in developing countries is not the way we do things," Canadian Agriculture Minister Marie-Claude Bibeau told reporters on a conference call from the G20 meeting in Japan, adding such efforts required multilateral coordination. "It seems easy, but it is complicated to do it the right way," Bibeau said. "Obviously, it may create some distortion in the market and this is what we want to avoid." —Reuters



OMAHA: Clare Duda inspect rotten soybeans on a field destroyed and flooded by the Missouri River flooding near Omaha, Nebraska. —AFP

South Africa unemployment rises to 27.6%

JOHANNESBURG: South Africa's unemployment rate rose by half a percentage point to 27.6 percent, official data showed yesterday, underlining the challenge facing President Cyril Ramaphosa after his ANC government won elections last week. The job losses focused on the construction, finance and social sectors, with 6.2 million people unemployed in the first quarter of 2019 — the highest level since the third quarter of 2017.

Of the 20.3 million South Africans aged between 15 and 34, 40.7 percent were not in employment, education or training, according to the data released by Statistics South Africa.

South Africa's unemployment crisis was a key battle-

ground in the May 8 vote, which the ruling ANC party won with its lowest share of the ballot since the country embraced democracy with the fall of apartheid in 1994. "They were saying 'president: we want jobs'... that is what we are going to do, we are going to work hard to create jobs for our people," Ramaphosa told ANC activists on Sunday after the count gave the party 57 percent of the vote.

Ramaphosa, 66, took over last year when the ANC forced Jacob Zuma to resign after nine years in office. A former trade union leader and a wealthy businessman, Ramaphosa has vowed to boost sluggish economic growth and attract foreign investment to tackle unemployment.

"Within days of the election, the rise in unemployment figures is a stark reminder that without policy shifts and confidence-building initiatives, South Africa will continue to under-perform... and more ominously, will alienate its youth even further," analyst Daniel Silk said on Twitter. Selected by lawmakers in parliament, Ramaphosa is set to be inaugurated on May 25. —AFP

statement. "The latest escalation in the trade conflict between the United States and China has once again increased uncertainty about German exports, and thereby a central factor for GDP growth," he added. While direct exchanges of trade blows across the Atlantic have so far been limited, Germany is indirectly harmed by any impact on the Chinese economy—one of the Eurozone heavyweight's biggest export customers—from the trans-Pacific showdown.

The ZEW survey period from May 6 to May 13 covers last weekend, when US President Donald Trump announced a hike in import duties on hundreds of billions of dollars in imports from China starting next month. Beijing has already said it would fire back with higher border taxes on \$60 billion of US wares.

Brighter spots in yesterday's investor survey came in judgments of Germany and the Eurozone's present economic situation, which both gained, although views of the single currency bloc remained negative overall. Looking ahead, economic expectations for the euro area dropped sharply, entering negative territory at -1.6. —AFP

owns HVB, a large German lender based in Munich. But the Italian bank, which has been concentrating on its own turnaround plan that concludes this year, had been waiting first to see the outcome of merger talks between Commerzbank and its larger Frankfurt neighbor, Deutsche Bank.

In recent weeks, those talks unravelled, placing Commerzbank, which has a market valuation of around 9.3 billion euros (\$10.4 billion), back on the agenda for UniCredit Chief Executive Jean Pierre Mustier.

The advances of UniCredit come as the Dutch bank ING Groep has also shown interest in Commerzbank, sources familiar with the matter said. One person with knowledge of those informal talks described them as "intensive". Mustier has hired Lazard in the hope that Assmussen can lobby for the deal with finance minister Olaf Scholz. Both have roots in the German Social Democrat Party.

UniCredit, JPMorgan, Lazard, Commerzbank and Germany's finance ministry declined to comment. Assmussen did not immediately respond to a request for comment. —Reuters

US-China trade battle knocks German investor confidence

FRANKFURT: Confidence among German investors fell back in May, a closely-watched survey showed yesterday, as Europe's largest economy fretted over the knock-on effects of the US-China trade conflict. Expectations for economic performance in the coming months dropped 5.2 points compared with April, to -2.1, according to the ZEW institute's regular sounding of almost 200 analysts and financial players.

"Financial market experts continue to expect restrained economic growth for the coming six months," ZEW president Achim Wambach said in a

UniCredit advances toward takeover bid for Commerzbank

FRANKFURT/LONDON: UniCredit has stepped up preparations for a potential bid for Germany's Commerzbank by hiring investment bankers, including a former top German official, three people familiar with the matter said.

UniCredit had engaged Lazard and its banker Joerg Asmussen, the former German deputy finance minister, along with JP Morgan on a possible takeover, the sources said, for a potential deal that could see one of Italy's largest lenders pivot away from its struggling home country towards Germany.

Although it is unclear whether and when a bid could be made, UniCredit's top management has long been interested in expanding in Germany, several sources familiar with their thinking said. It already

GOES TO ABK FOR THE DUBAI AEROSPACE DEAL

CONVENTIONAL REVOLVING LOAN FACILITY AND ISLAMIC MURABAHAH FACILITY

DBP
Dubai Islamic Bank

COORDINATING MANDATED LEAD ARRANGER & BOOKRUNNER: **ABK**

MANDATED LEAD ARRANGER & BOOKRUNNER: **FAB**
First Abu Dhabi Bank

GLOBAL FACILITY AGENT & ISLAMIC INVESTMENT AGENT: **NCOR BANK**

MANDATED LEAD ARRANGER & ISLAMIC STRUCTURING BANK: **NCOR BANK**

ACCORDION LENDERS:

Bank of Bahrain | **China Construction Bank** | **Union Bank of India** | **China Agricultural Bank**

RAKBANK | **State Bank of India** | **ICICI Bank** | **Woori Bank**

ahli.com | **Ahlan Ahli 1 899 899**