

# Business

WEDNESDAY, OCTOBER 23, 2019

**12** Does the 737 MAX crisis threaten Boeing's future?



**12** AUB reports KD 45.2m net profit for 9 months period ended 30 Sept 2019



**14** NBK partners with global non-profit 'Entrepreneurs' Organization', Kuwait



DUBAI: This picture taken yesterday in Dubai shows a view of ongoing construction work at the site of the Expo 2020, a big-budget global trade fair the glitzy emirate's rulers hope will restore its flagging fortunes. — AFP

## Dubai marks 1-yr countdown to Expo 2020

### High hopes on big-budget global trade fair amid slowdown

DUBAI: Fireworks exploded over Dubai's skyline on Sunday to mark the one-year countdown to Expo 2020, a big-budget global trade fair the glitzy emirate's rulers hope will restore its flagging fortunes. Megastar Mariah Carey headlined at a concert underneath the illuminated Burj Khalifa, the world's tallest building, where thousands gathered for the centerpiece of festivities across the United Arab Emirates.

At exactly 20:20 local time, the skyscraper was lit up with "1 year to go" and "the world's greatest show" in both English and Arabic. "These spectacular nationwide celebrations will usher in the final leg of a historic journey," said Reem Al-Hashimy, a government minister and also director general of Expo 2020.

"The next 12 months will see us put the finishing touches to ensure an exceptional World Expo." Dubai hopes to attract 15 million visitors to the sprawling

site taking shape on sand dunes south of the city's gleaming downtown, being built at the staggering cost of 30 billion dirhams (\$8.2 billion).

With the city in the grips of a downturn in its vital property sector, officials are pinning high hopes on the event, the logo of which is emblazoned on everything from business cards to airliners. Some 200 countries will take part in the fair, which runs from October 20, 2020, to April 10, 2021.

Attractions will include the UAE pavilion in the shape of a falcon in flight and a dome crafted from 800 tons of steel which will be the world's largest 360-degree projection surface. Organizers say the Expo is much more than a six-month trade show. But although experts believe the much-anticipated event will give the economy a boost, there are concerns it will be only a temporary one and that finances will slump again as soon as the show is over.

#### Economic hangover

Since the first "World Expo" was held at the Crystal Palace in London in 1851, world fairs have been used to showcase new ideas and technology as well as serving as nation-branding exercises.

But not all have had the desired impact, with some marred by disappointing visitor figures and leaving a legacy of debt and abandoned infrastructure. Raed Safadi, chief advisor to Dubai Economy which is charged with guiding the emirate's financial fortunes, said Expo will add some \$34.6 billion to the economy between 2013 — when it won the bid to host the event — and 2030.

"It will be gross value added, directly, indirectly and induced. You come to Expo, you stay at a hotel, you go shopping, etc.," he said. London-based Capital Economics agreed the event would provide a boost — but said it was likely to burn out soon afterwards.

"As preparations for the Expo come to an end, activity in the construction sector is likely to weaken," it said. Already there are concerns of huge oversupply in the property sector, driven by predictions that the trade fair will deliver some 300,000 new jobs which saw hundreds of major projects unveiled in recent years. Also in the spotlight is the government's goal of attracting 20 million tourists in 2020, an increase of around 20 percent from this year.

The all-important arrivals figure has been stagnant at 16 million in recent years, and there are doubts that Expo will singlehandedly bridge that gap. Standard and Poor's ratings agency said in September that it expected Dubai's economy to pick up with 2.4 percent growth this year, from 1.9 percent in 2018, largely due to the completion of projects related to the Expo. But after the event packs up, growth will drop to a modest 2.0 percent through 2022, it said. — AFP

### Poll: Canada top country for social entrepreneurs

LONDON: Canada was named the best country for business leaders seeking to tackle social problems in a global poll yesterday while the United States fell from top slot due to political uncertainty.

Australia came second in the Thomson Reuters Foundation's second global survey on the best countries for social entrepreneurs, seeing the biggest gain of 24 places from the inaugural poll in 2016, while France came third. Mexico came last, down 15 places from 2016, but the United States was the biggest loser, plunging to 32nd place from No. 1, with the poll of about 900 social enterprise experts pointing to difficulties with government policy and access to investment.

Francois Bonnici, head of the Schwab Foundation for Social Entrepreneurship, said over the past three years there had been "some amazing gains and some ongoing challenges" for social entrepreneurs addressing issues from climate change to refugees. "Governments are recognizing that to meet their own agendas this is a group of citizens and entrepreneurs that actually want to improve society and the environment," said Bonnici.

"But it has a slightly different flavor in each country and that government role is important (as it) can legitimize the sector in their country by creating these policies." Business entrepreneurs globally are increasingly setting their sights on social problems with ventures that can be a commercial success while addressing problems like unemployment, homelessness, mental health, knife crime and even loneliness.

For example in South Africa social enterprise



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Harambee has created a 'dating service' to match unemployed youth with employers, while in India Project Patradya is tackling the waste problem by employing Afghan refugee women to make edible bowls. But with little data on which nations were encouraging the sector, the Thomson Reuters Foundation, in partnership with Deutsche Bank, began a poll in 2016 which was repeated in 2019. Social entrepreneurs, academics, investors and support agencies in the world's 45 biggest economies, as ranked by the World Bank, were asked their views. Iran and Saudi Arabia were dropped in 2019 as it was impossible to get the right sample.

#### Lack of understanding

The 2019 poll found most experts, 82 percent, said social entrepreneurship was gaining momentum in their

countries — although this was down three percentage points from 2016. Canada, Indonesia and South Africa were named as the top countries where social entrepreneurship was gaining momentum, while Mexico, the United States and China saw the biggest falls. Despite this, more than half of respondents — 54 percent — said the public still did not understand what they did which was not helped by the lack of a global definition of social enterprise. Italians were most aware of their work and Poles the least. "People are becoming aware that the whole notion of social entrepreneurship is not just kumbaya," said former Bangladeshi-U.S. investment banker Durreen Shahnaz, founder of the first social stock exchange, Impact Investment Exchange (IIX). "It really is about doing serious work and making sure that work is scalable ... There are signs the industry is maturing." — Reuters

### Qatar's Hamad airport to handle 60m passengers a year after 2022

DUBAI: Qatar's Hamad International Airport will be expanded to handle over 60 million passengers a year after 2022, the airport said yesterday. Qatar's main commercial airport, used by state carrier Qatar Airways, handled 34.5 million passengers in 2018.

It has already been announced capacity will be increased to over 53 million passengers a year by 2022 when the Gulf state hosts the FIFA World Cup. Construction of that expansion, which will link concourse's D and E, is due to start early next year, the airport said in a statement.

The second phase, where the airport will be able to handle over 60 million passengers, will begin sometime after 2022 and see the expansion of concourse's D and E. The expansion includes 11,720 square meters of retail and food & beverage space, a 10,000 square meter indoor tropical garden and a 268 square meter water feature. A new cargo terminal will also be built, increasing capacity to an estimated 3.2 million tons a year by 2023. Hamad International opened in 2014 with a capacity of around 30 million passengers a year, replacing the Doha International Airport. — Reuters