

Business

Aramco completes purchase of 70% stake in SABIC for \$69.1bn

OPEC throttles output in May

RIYADH: Saudi Aramco said it has completed the acquisition of a 70 percent stake in chemical giant SABIC for \$69.1 billion, boosting it as one of the world's largest producers. The stake was held by the Public Investment Fund (PIF), the kingdom's sovereign wealth fund which has reportedly been on a spree to purchase stakes in international firms.

"The completion of the transaction enhances Aramco's presence in the global petrochemicals industry," Aramco said in a statement. "Combined, in 2019 Aramco and SABIC recorded petrochemicals production volume of nearly 90 million tons," one of the world's largest, the company said.

Completion of the purchase comes six months after Aramco sealed the world's biggest initial public offering, selling 1.7 percent of its shares for a record \$29.4 billion. Last year, the energy giant raised \$12 billion in a bond sale to help pay for the SABIC acquisition.

Aramco chairman Yasir Al-Rumayyan, who also chairs the Saudi wealth fund, said the SABIC deal served both parties. "It provides capital for PIF's long-term investment strategy as it drives the economic transformation and growth of Saudi Arabia, further benefiting the people of

our country," Rumayyan said.

"It supports Aramco's continued growth in downstream and enhances its international footprint."

The government last month transferred \$40 billion to PIF from the foreign reserves managed by the Saudi central bank to support its liquidity. In the first quarter of this year, it bought \$7.7 billion holdings in a host of companies—from Boeing, Walt Disney and Starbucks to Marriott and Citigroup. SABIC's share price has fallen by more than 27 percent since the deal was announced early last year. The company posted losses in both the fourth quarter of last year and first quarter of this year over low prices.

PIF, which aims to raise its holdings to \$2 trillion by 2030, is seen as the main driving force behind Crown Prince Mohammed bin Salman's Vision 2030 economic diversification plan.

Meanwhile, major oil producers sharply cut back output in May, data showed on Wednesday, as part of a concerted effort to prop up prices that have fallen dramatically in the wake of the global coronavirus pandemic. In the latest monthly report by the Organization of Petroleum Exporting Countries, data showed that the cartel's 13 member states throttled output by 6.2

million barrels per day (bpd) last month.

Back in April, OPEC and key allies such as Russia—grouped together under the wider OPEC+ banner—had pledged to cut output by 9.7 million bpd from May 1 until the end of June. In a further crisis meeting earlier this month, the oil-producing nations subsequently agreed to extend those cuts through July.

OPEC itself does not officially publish exact output figures in its regular monthly bulletins, but instead cites data compiled by so-called secondary sources.

And according to those statistics, OPEC kingpin Saudi Arabia bore the brunt of the cuts, curbing its output by 3.16 million bpd alone. The United Arab Emirates curtailed production by 1.364 million bpd and Kuwait axed 921,000 bpd.

The concerted action was deemed necessary after oil prices plummeted in the face of falling demand as countries around the world imposed strict lockdowns to stop the spread of the new coronavirus.

Both the US benchmark, West Texas Intermediate (WTI), and Europe's Brent North Sea contracts, slumped to historic lows in April, with Brent falling as low as \$15 and WTI briefly entering negative territory.



Saudi ARAMCO oil facility in Dammam. — AFP

In its latest monthly report, OPEC estimated that 10 non-member states had, for their part, also cut production by 2.95 million bpd in May, bringing the overall volume of cuts to 9.2 million bpd. The cartel noted the "high level of conformity" to the voluntary production cuts by both its members and allied oil-producing countries, which, in addition to Russia, include Azerbaijan, Kazakhstan, Mexico and Oman. — AFP

AUB: Al-Hassad draws are back!

KUWAIT: In alignment with its plan to resume regular operations, Ahli United Bank (AUB) announced resuming the postponed Islamic Al-Hassad draws starting from 17 June 2020, which will be in accordance with preventive guidelines and measures set by health authorities.

All postponed draws will be held while preserving the full legal rights of all qualified Al-Hassad customers, including collecting all opportunities to win during the period of suspending the draws.

On this occasion, Faten Al-Tameemi, Head of Marketing & Products Development at AUB, said: It gives us great pleasure to announce to our valued customers the return of Al-Hassad draws and announcing the winners in the postponed draws during the previous months due to the Coronavirus (COVID-19) pandemic and its impact of businesses.

Al-Tameemi clarified: During the period of suspending businesses, AUB remained close to its customers and fulfill their needs through its electronic banking services. This all included keeping them informed about all developments relevant to the operations of Branches and conducting their banking transactions through various electronic channels. We wish all our customers overall health and safety, as well as best of luck in Al-Hassad. AUB held the postponed draws for the following dates: the March 25 Monthly Draw for KD 100,000; the March 25 Privilege Draw for KD 25,000; the April 22 Quarterly Draw for KD 250,000. The remaining postponed draws will be held accordingly based

on relevant laws and regulations.

Al-Hassad draws includes several prizes, such as KD 100,000 each Eid. The grand quarterly draw for Al-Hassad Islamic account of KD 250,000 prize continues being a key aspiration for customers wishing to fulfill their dreams. On top of that, Al-Hassad still includes the monthly draw of KD 100,000, as well as 20 weekly prizes of KD 1,000 for each winner. In addition to this attractive package of rewards, Al-Hassad Islamic account incorporates a Wakala contract for projected annual profits, making this account beneficial to both families and others wishing to build their savings through a number of short and long-term advantages that are lauded by existing and potential customers. Furthermore, for the first time in Kuwait, the AUB Al-Hassad presents the "Privilege Draw". This is a quarterly draw of KD 25,000 exclusively for Al-Hassad customers who maintained their balances for more than one year and have not won a prize in the last five years with one draw chance per KD 50.

It is worth mentioning that Al-Hassad Islamic account has won the "Best Savings Product in Kuwait 2019" by the prestigious Banker Middle East Magazine for the numerous unique features it provides. Such features include the simplest and easiest program, highest number of winners, largest prize value, unique draws during Eid Al-Fitr and Eid Al-Adha, loyalty multipliers, unique online account opening feature, transparent draws held during radio shows with live broadcast on the Bank's social media platforms.

Ooredoo launches iPhone 11 Pro with Shamel

KUWAIT: Ooredoo Telecom, the first to introduce innovative digital services in Kuwait, is bringing the world to its customers with the power of the exceptional iPhone 11 Pro at an unbeatable price starting at KD 29 per month from Shamel. The Shamel plan includes unlimited Ooredoo minutes, 30 GB internet, and 500 local minutes.

Commenting on the campaign, Yousef Al-Shallal, Director of Marketing at Ooredoo Kuwait said, "During these unprecedented times, people are asked to remain home which hinders their ability to enjoy the things in life that they love. With this campaign, Ooredoo is inviting its customers to live their lives through their iPhone 11 Pro with Shamel". Al-Shallal further added, "We are bringing the world to our customers with simple activities such as going out, going to the movies, and traveling but virtually through their iPhone 11 Pro empowered by Shamel; this is aligned with our commitment to embracing digitalization and leading the way in meeting the growing demands for online digital services in Kuwait".

The iPhone 11 Pro is one of the most advanced line-up of Apple smartphones ever, and with its innovative and revolutionary design, it

carries many new features and capabilities built into the Apple iOS 13 operating system, delivering an unmatched customer experience. The devices are available in many colors; including midnight green, light gray, light silver, gold, black, white, purple, green, yellow and red.

It is worth mentioning Ooredoo Kuwait also launched its 'Be Safe. Be Home. Be Online' campaign, featuring an array of digital offers and services designed to support customers and to ensure they are well connected and informed during the Coronavirus outbreak in the country. The digital offers and services provided by Ooredoo Kuwait include subscription to any Ooredoo Surprise offer on My Ooredoo App, enjoying the best music, series, movies, and games, recharging online, joining ANA and free SIM delivery to customers' doorsteps, and amazing benefits from Shamel. Customers can also view Ooredoo's services as well as exclusive offers and their subscription data online through the MyOoredoo application and the Company website Ooredoo.com.kw in addition to contacting our call center through 121 around the clock for all enquiries and services.

Ooredoo Kuwait reaffirms its keenness to adhere to all instructions issued by the official authorities in Kuwait related to the current situation, confirming its cooperation and its complete readiness to implement the procedures followed in this regard during the coming period.



Yousef Al-Shallal