

Business

stc Kuwait, Virgin Mobile MENA-led consortium win license from CITRA

stc Kuwait enables Virgin Mobile to operate as first virtual telecom provider in Kuwait



KUWAIT: Minister of Public Works and Minister of State for Communications and Information Technology, Dr Rana Al-Fares, Chairman and CEO of CITRA, engineer Salim Muthib Al-Ozainah, as well as representatives from the authority, CEO of stc Kuwait, engineer Maziad Alharbi, CEO of Virgin Mobile Kuwait, Benoit Janin during the press conference.

KUWAIT: Kuwait Telecommunications Company - stc, a world-class digital leader providing innovative services and platforms to customers, enabling the digital transformation in Kuwait, and Virgin Mobile Middle East and Africa (VMMEA) received the Communication and Information Technology Regulatory Authority's (CITRA) approval for the first-of-its-kind mobile virtual network operator (MVNO) license to launch Virgin Mobile Kuwait (Connect Arabia WLL).

The announcement of the first mobile virtual network operator in Kuwait was made during a press conference attended by the Minister of Public Works and Minister of State for Communications and Information Technology, Dr Rana Al-Fares, Chairman and CEO of CITRA, engineer Salim Muthib Al-Ozainah, as well as representatives from the authority, CEO of stc Kuwait, engineer Maziad Alharbi, CEO of Virgin Mobile Kuwait, Benoit Janin, and various members of the local press.

Virgin Mobile Kuwait will operate using stc's network, with stc acting as a Host Facilities Based Provider "FBP" with Virgin Mobile Kuwait, offering prepaid plans to users, making it the first virtual telecom service provider in Kuwait.

By combining VMMEA's role as the region's leading MVNO and digital innovator, and the strong infrastructure of stc's network, the two companies aim to provide an unparalleled customer experience within this market, transforming the user and on-demand experience for pre-paid mobile users through a range of digital solutions.

Engineer Salim Muthib Al-Ozainah, Chairman and

- **Al-Ozainah:** This milestone achieved by CITRA aids in stimulating healthy competition in the local market while elevating the quality of service in Kuwait
- **Alharbi:** We are delighted to partner with a prominent global brand to engage in a new market layer within the local telecom sector
- **Nielsen:** We are proud to launch Virgin Mobile in Kuwait as part of our ongoing commitment to provide customers with innovative digital services, transforming the traditional mobile experience.

CEO of CITRA, said, "Stemming from CITRA's goal of promoting positive competition, we are glad to license the first MNVO to Virgin Mobile Kuwait. We are also glad to see the entry of a reputable international investor such as Virgin International in bringing their digital expertise to the Kuwaiti market. This move will surely contribute greatly to the telecom sector in raising the quality of service and overall customer experience."

The previously established consortium was led by VMMEA and included stc as a strategic partner to provide a range of new-to-market fully digital consumer services in the Kuwaiti telecom sector.

The license awarded by CITRA to Virgin Mobile Kuwait to provide MVNO services is pursuant to the agreement for the provision and resale of the services necessary to allow the reselling of services to end-users and operate as a business. Virgin Mobile Kuwait aims to launch its innovative app-based platform with

proven technology derived from VMMEA's digital operator platform, mainly targeting the local youth population.

Commenting on this significant milestone in the local telecom market, engineer Maziad Alharbi, CEO of stc, said, "In line with our commitment to assist in the development of the Kuwaiti economy, we are proud to partner with a prominent global brand to engage in a new market layer within the local telecom sector. stc's well-built network infrastructure will provide Virgin Mobile Kuwait with high quality advanced service to meet the diverse needs of its customers, specially focusing on the youth."

Alharbi expressed that through this partnership, Virgin Mobile Kuwait aims to provide users with accessible and customized services. The online prepaid plan services will allow digital subscribers to take full control of their monthly bills and add ons. He also mentioned that this initiative falls in line with stc's

commitment to enable digital transformation in Kuwait, providing customers and the people of Kuwait with pioneering telecom and digital solutions that meet and exceed their expectations.

Alharbi added, "I would also like to thank and extend my sincere gratitude to CITRA, as this would not be possible without their guidance and support. CITRA's role in backing the telecom sector has enabled local providers to operate in line with international standards. They have continuously supported the various initiatives initiated by local telecom providers to expand their offerings and capitalize on lucrative opportunities that have proved beneficial for the providers and the community."

Erik Dudman Nielsen, Founder & Chief Executive Officer of Virgin Mobile Middle East & Africa, said, "We are very excited about launching Virgin Mobile in Kuwait. This forms part of our ongoing commitment to providing customers with innovative digital propositions, transforming the traditional mobile experience. We have no doubt that Virgin Mobile will introduce a new era for mobile connectivity with customer-led services, enabling a seamless customer experience."

Virgin Mobile Middle East and Africa has established a leading position across the Middle East and Africa region. Currently operating in Saudi Arabia, Oman and providing advisory services to Emirates Integrated Telecommunications Company (EITC) in the UAE, Virgin Mobile Middle East & Africa has been catering to a continuously growing number of mobile users offering world-class products and services since 2007, serving more than 3 million customers across the region.

Congested ports and supply chain woes hit US factories, stores

NEW YORK: The cold snap that gripped the United States in February not only caused chaos in Texas and the southwest, it also triggered a shortage in plastics that has disrupted a supply chain already under strain from a lack of microchips and growing congestion at ports as a result of the coronavirus pandemic. So factories have had to shut their doors and consumers are feeling the crunch.

At Toyota, a petrochemicals shortage affected production at plants in Kentucky, West Virginia and Mexico. Honda cited supply chain issues "related to the impact of COVID-19, congestion at various

ports, semiconductor shortages and severe winter weather" to justify the temporary closure of five of its factories in Canada and the United States.

Consumers are also being affected. Nike said Thursday that its sales of shoes and sportswear were being affected by congestion at ports around the country. At a Best Buy home appliance store in suburban Washington, a customer said she spent an hour with a sales assistant, only to find that many stove models wouldn't be available for several weeks.

"I had to buy a black stainless steel stove when I wanted a white one, and for \$200 dollars more than I'd budgeted", complained Virginie Hines, a French woman living in Maryland. The problems in the plastics sector are the latest glitch in the supply chain. In mid-February, freezing temperatures paralyzed Texas and Louisiana, home to many of the factories that transform oil into polyethylene, which is used to make plastic bags, shampoo bot-

les or toothpaste tubes, polypropylene, used for the hard plastic of car dashboards or refrigerators, or PVC, which is used to make pipes or window frames.

While they are used to weathering hurricanes, these plants rarely experience low temperatures. At the height of the cold snap, more than 70 percent of ethylene production capacity was down and at least 62 percent of polypropylene production, according to S&P Global Platts. "Not only was supply knocked off line from a freeze, but the demand for products had just started to rebound," said Robert Benedict of the American Fuel & Petrochemical Manufacturers (AFPM).

The consequences are hard to pinpoint, but with petrochemicals accounting for a third of the raw material costs of a car, "it's easy to understand why we're now seeing ripple effect in other manufacturing supply chains," he said.—AFP

ced with harsh winter weather, overwhelming some areas of the country with sub-freezing temperatures and winter storms. This caused a temporary setback in demand that is expected to accelerate in the coming months with President Joe Biden's \$1.9 trillion stimulus package, an easing of COVID-19 restrictions, and warmer weather ahead.

German sentiment on the rise

In Europe, the German ZEW headline which tracks economic sentiment improved to 76.6 in March following 71.2 in February. The figure beat expectations of 74. ZEW President Professor Achim Wambach said following in the release: "Economic optimism continues to rise. Experts expect a broad-based recovery of the German economy. They anticipate that at least 70 percent of the German population will be offered a vaccine against COVID-19 by autumn."

Brexit saga continues

The European Union launched legal action against the UK in a major escalation of tensions between the two sides less than three months after Brexit was formally completed. It follows Britain's unilateral decision to delay implementing a key part of the Brexit deal relating to Northern Ireland. The move could ultimately lead to financial penalties or trade tariffs being imposed on the UK.

On the FX front, The UK has been a great model to lead in vaccinations and steady plans to reopen their economy which helped push the Sterling above the 1.40 levels. As for the EU it has been struggling to push its vaccinations across and is lagging behind major economies in vaccination delivery percentage. As such we have seen the single currency fall down from the 1.22 levels to 1.18 levels.

BOE keeps policy unchanged

The Bank of England's Monetary Policy Committee has voted 9-0 to keep rates on hold at 0.10 percent and the QE target unchanged at GBP 895 billion, as expected by markets. The committee also announced that the pace of government bond buying will remain unchanged at 4.4

billions Sterling Pounds a week until 6 May - the date of the next meeting and Monetary Policy Report. The MPC minutes added that the pace could be increased if market function were to worsen materially. The central bank reiterated its existing direction that "it does not intend to tighten monetary policy at least until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2 percent inflation target sustainably".

BOJ maintains the status quo

The bank of Japan met last week and delivered its policy announcement on Friday. As widely expected by markets the central bank and similar to its major economy peers, it did not change its policy rate or bond purchases program. Few tweaks to the existing framework were made which mainly revolved around the yield curve: the 10-year yield is aimed to be at zero percent with a band of +/-25 basis points from the previous +/-20 basis points. The pair did not move after the announcement as markets were not surprised by the meeting outcome and the USD/JPY pair continued to trade in a narrow range between 108.60 and 109.40.

Oil prices drop

Demand for oil remains pressured by global restrictions even though some economies have eased their lockdown restrictions. On the inventory side, US crude inventories built by 2.4 million barrels last week and are up 38 million barrel over the last three weeks due to low refinery utilization following the winter freeze-off. Overall, US crude stocks are 30 million barrels which is 6 percent above their five-year average. These factors played a major role in pushing oil prices down by more than 10 percent at one point last week. Nevertheless, oil market remains supported by the vaccine rollout and the success globally in containing the pandemic which kept the prices above \$62 for Brent and \$60 for West Texas.

Kuwait

Kuwaiti dinar USD/KWD closed last week at 0.30195.

NBK Money Markets Report

Fed maintains a hold on interest rates till 2023

KUWAIT: In its meeting last week, the US Federal Reserve continued to project near-zero interest rates at least through 2023, maintaining its dovish stance even as it significantly upgraded growth forecasts. Estimates are now for 6.5 percent growth for this year, up from the 4.2 percent predicted in December. And in regards to the labor market, unemployment is expected to fall to 4.5 percent by the end of the year instead of 5 percent. Looking at inflation, the Fed's preferred measure is projected to rise to 2.2 percent, above the bank's target, compared with a smaller rise of 1.8 percent predicted in December.

While the Fed acknowledges a surge in inflation is likely, the central bank feels it will be short-lived and not a cause for concern. Predictions are for PCE inflation to fall back to 2 percent in 2022 and 2.1 percent in 2023, even as unemployment is anticipated to drop further. The market seems to be in line with the Fed's dot plot and is pricing 0 changes in interest rates for the next year through the Federal Funds Futures.

The 10-year US treasury yield reached a high of 1.75 percent last week, which is a 14 month high. Markets seem to be bullish on global recovery and are selling the safe-haven long-term US Treasury bonds and heading into riskier assets. Moreover, LIBOR rates are moving back-up gradually as 3-months LIBOR reached 0.19 percent on Friday up from 0.18 percent on Monday.

Fall in retail sales

Retail sales in the US fell by 3 percent in February following the robust 7.6 percent rise in January, the Commerce Department reported last week. Meanwhile, the core figure which excludes volatile items such as automobile sales declined 2.7 percent. The decline coin-

Al-Tijari announces winners of Al-Najma account campaign

KUWAIT: Commercial Bank of Kuwait conducted the weekly draws on Al-Najma Account and Salary Transfer Campaign yesterday. The draws were conducted in the presence of Ministry of Commerce and Industry representative Ahmad Al-Basman.

The results of the draws were as follows:

- 1- Al-Najma weekly account - the prize of KD 5,000 went to the winner Medhat Mohamed Mohamed Ibrahim
- 2- Salary account campaign - the prize of up to KD 1,000 went to the winner Fahad Ali Al-Temeemi

The bank stated that the salary campaign is aimed at customers who transfer their salaries of KD 500 or more to the Bank, especially Kuwaiti employees and residents working in the government, oil sectors and companies listed with the Bank as well as retirees, and take advantage of the benefits of this campaign and get an instant cash gift from KD 250 to KD 500 or an interest-free loan of 5 times the salary and a maximum of KD 10,000 Kuwaiti pensioner, along with expatriate customers who transfer their debt amounting to KD 10,000 or above to the Bank will receive an instant cash gift of 1 percent from their transferred debt.

The bank stated that Al-Najma Account prizes are distinguished by the highest cash prize and diversity of prizes throughout the year clarifying that the account offers weekly prize of KD 5,000/-, monthly prize of KD 20,000 and a semi-annual prize of KD 500,000 in addition to the largest prize - linked bank account payout of KD 1,500,000.

Al-Najma Account can be opened by depositing KD 100, and customer should maintain a minimum amount of KD 500 to be eligible to enter all draws on Al-Najma Account prizes. As for the chances of winning, the more balance a customer maintains in Al-Najma Account, the more chances the account holder will get to win, the account also offers additional benefits like the ATM card, a credit card against customer's account and all CBK banking services that customer can enjoy.

The Bank revealed that Al-Najma account is available to everyone, and anyone can open Al Najma account through CBK mobile application in simple steps from anywhere and at any time.