

Business

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Boursa Kuwait co-hosts the Network Forum's Middle East Meeting 2021

Meeting held in collaboration with Kuwait Clearing Company

KUWAIT: Boursa Kuwait hosted The Network Forum's (TNF) Middle East Meeting, which was held from 8-9 November 2021, along with Kuwait Clearing Company (KCC), to highlight the latest capital market developments in the region.

The Network Forum is a curated global community for the custody, settlement, and post-trade industry, aiming to provide a structured networking environment, in which key issues are discussed, developments are communicated, and best practices shared. The TNF's Middle East Meeting gave experts from across the region the chance to discuss the latest projects and products, the sub-custody landscape and its recent developments, as well as central securities depository initiatives and structure. Also discussed were the latest standards and practices in Environmental, Social and Governance (ESG) reporting, how technology is shaping our future as well as regulations and reforms.

Commenting on the initiative, Boursa Kuwait Chief Executive Officer Mohammad Saud Al-Osaimi, said, "Boursa Kuwait's hosting of the Network Forum's Middle East Meeting comes as part of our commitment to raising awareness of the larger investment community to the latest developments in Kuwait and the Middle East, which is fast becoming an important investment destination for investors worldwide."

Al-Osaimi added, "Throughout the pandemic, stock markets were still able to attract local and

international investors, launch an assortment of products and services, and see many companies list, accomplishments that I am sure we are all proud of. I would like to thank the Network Forum and our co-hosts, Kuwait Clearing Company, for their efforts in making this event a successful one."

Speaking on behalf of the Network Forum, Managing Director Andrew Barman said, "The Network Forum is delighted that the Middle East Meeting was a resounding achievement. I would like to thank Boursa Kuwait and Kuwait Clearing Company for co-hosting this event and contributing to its success, and look forward to further collaborations in the future."

Boursa Kuwait's sponsorship and hosting of the event came as part of the exchange's commitment to promote knowledge, awareness and transparency through the sustained approach to education with respect to all key stakeholders. The company has continued to fund and support a range of high-impact, education-focused initiatives as well as enhanced collaboration with local, regional and



Mohammad Saud Al-Osaimi



Andrew Barman

international strategic partners as part of the "Education" pillar of its Corporate Sustainability strategy, which is in line with Goal 4 - Quality Education - and Goal 17 - Partnership for the Goals of the United Nations' Sustainable Development Goals (SDGs) as well as the National Development Plan for the State of Kuwait.

The company's Corporate Sustainability strategy stipulates ensuring initiatives apply and fall in line with the company's corporate social responsibility (CSR), industry best practice standards and investor expectations, creating strong and sustainable partnerships that ultimately achieve success and allow Boursa Kuwait to leverage the capabilities and strengths of other companies or organizations that have experience in different fields, and integrating sustainability efforts with the company

culture, in order to achieve longevity and an ongoing impact that is carried on and instilled in the day-to-day operations of the stock exchange.

As part of the strategy, Boursa Kuwait has launched many initiatives in partnership with local and international organizations, focusing on support for nongovernmental organizations and charity programs, financial literacy and capital market awareness, the empowerment of women, environmental protection as well as safety and preventive measures against COVID-19.

Since it was established by the Capital Markets Authority to take over the responsibilities of the Kuwait Stock Exchange in 2014, Boursa Kuwait has worked diligently to build a progressive exchange platform based on efficiency and transparency, with a view to creating long-term value for the company's stakeholders in the economic, social and environmental dimensions.

Guided by a mission-driven strategy that focuses on developing the market in line with international standards, Boursa Kuwait has successfully introduced innovative investment tools, reinforced transparency, and restructured the market to increase its competitiveness and liquidity. The company's market developments and enhancements have contributed to the reclassification of the Kuwaiti capital market to "Emerging Market" status in the world's top three indices, strengthening Kuwait's position as a leading financial center in the region.

Evergrande raises \$144m before payment deadline

BEIJING: Crisis-hit property developer Evergrande has managed to raise around \$144 million by slashing its stake in an internet company, days before a looming debt interest payment deadline. Evergrande sold a 5.7 percent stake totaling HK\$1.12 billion (\$144m) in HengTen Networks Group in three separate transactions from last Thursday, Hong Kong stock exchange filings showed.

The indebted property developer faces a Wednesday deadline for an overdue \$148 million offshore bond coupon payment it initially missed last month. The crisis at one of China's biggest property developers has hammered investor sentiment, rattled the key real estate market and fuelled fears of a spillover into the wider economy. Battered down in a sea of debt worth more than \$300 billion, Evergrande has been trying to dispose of its assets to raise cash.

But some offshore bond holders said they had not received payments of over \$80 million that were due Saturday, Bloomberg reported. The HengTen sale reduced Evergrande's stake in the internet services firm from 26.55 percent to 20.82 percent, according to the filings.

That leaves Tencent as the biggest remaining shareholder, with an almost 24 percent stake.

Evergrande was plunged into crisis after Beijing began clamping down on the country's colossal property sector last year, a move that has prompted rare public anger and protests from anxious homebuyers, suppliers and investors. In October, Evergrande managed to avert default twice after making overdue interest payments to offshore bond holders.

In a bid to shore up investor confidence, it recently announced that it delivered over 57,000 properties to buyers between July and October. But a planned deal to sell a \$2.6 billion stake in its property arm to a Hong Kong developer fell through last month, sending shares tumbling as it resumed trading on the Hong Kong Stock Exchange after a 17-day suspension. Stresses in China's real estate sector including from heavily-indebted Evergrande have the potential to impact the United States if they spread first to the Chinese financial system, the Federal Reserve said.

Noting the concerns about high debt levels and inflated real estate values causing regulators in Beijing to take action, the central bank's latest Financial Stability Report said the stresses could cause "a sudden correction of real estate prices" and impact the China's financial system.

As one of China's biggest property developers, fears around Evergrande's debt mountain have battered investor sentiment and shaken the country's mammoth real estate market, but the firm recently met an interest payment it was expected to miss. "Given the size of China's economy and financial system as well as its extensive trade linkages with the rest of the world, financial stresses in China could strain global financial markets through a deterioration of risk sentiment, pose risks to global economic growth, and affect the United States," the report said. —AFP

Philippine economic growth beats forecasts in Q3

MANILA: The Philippine economy grew more than expected in the third quarter, the government said yesterday, as a rebound in consumer spending overcame pandemic lockdowns and other restrictions to rein in the fast-spreading COVID delta variant. Gross domestic product expanded 7.1 percent, according to the Philippine Statistics Authority, better than the 4.9 percent predicted in a Bloomberg survey and following a blockbuster 12 percent rate in the previous three months.

The second-quarter reading was the best performance in more than three decades and came as the country emerged from a deep recession that saw five quarters of contraction caused by the virus.

Socioeconomic Planning Secretary Karl Chua said the third quarter growth validated the government's approach to fighting COVID with strict containment measures.

"Our strategy was correct. The results are clear," Chua said in a virtual briefing. "This careful balancing between Covid-19 and non COVID-19 needs led to the continued expansion of most sectors."

Palestinian economy recovering at slow pace: World Bank

GAZA CITY: The Palestinian Territories' economy is showing "signs of recovery" but still faces serious challenges including "very high unemployment and deteriorating social conditions" in Gaza, the World Bank said yesterday. In the first half of 2021, growth reached 5.4 percent, and is expected to reach 6 percent this year, the World Bank said in a report. However, growth in 2022 is predicted to slow to around 3 percent, it added.

"The way ahead is still uncertain," said Kanthan Shankar, World Bank Country Director for the West Bank and Gaza, adding that progress "depends on coordinated actions by all parties in revitalizing the economy and providing job opportunities for the young population".

The Gaza Strip was hit hard during 11-days of



GAZA STRIP: In the first half of 2021, growth in the Palestinian Territories reached 5.4 percent, and is expected to reach 6 percent this year, the World Bank said in a report.



MANILA, Philippines: This file photo taken on August 6, 2021 shows policemen checking documents of motorists at a border check point in Marikina City, suburban Manila, after authorities imposed another lockdown to slow the spread of the coronavirus. — AFP

With GDP growth reaching 4.9 percent in the first nine months, Chua said the Philippines is likely to attain the higher end of the government's 4-5 percent target this year. "The recovery is accelerating and it is very likely that we will hit or even exceed the high end of our growth target for 2021," he added.

Chua has previously said it will take the Philippines more than a decade to return to its

devastating conflict with Zionist forces in May, while the economy was also impacted by restrictions imposed to stem the spread of coronavirus. In Gaza, a Palestinian enclave of two million people controlled by the Hamas, unemployment stands at 45 percent, while the poverty rate has risen to 59 percent from 43 percent five years ago.

"The dire living conditions and the high dependency on social assistance of the people of Gaza is of particular concern," Shankar said. In the occupied West Bank, the unemployment rate is around 17 percent, the World Bank calculates, saying the "Palestinian Authority's fiscal situation remains very challenging" and warning it was "no longer able to borrow from domestic banks". The PA's deficit is expected to reach \$1.36 billion in 2021, it added.

The World Bank called on donors "to help reduce the budget deficit", and for the "systematic transfer" of revenues by Zionist regime raises from businesses operating in the so-called Area C of the West Bank, where Zionist regime holds full control under the 1995 Oslo Accords. "Releasing some of these funds would provide much needed quick financing in these difficult times," it added. — AFP

pre-pandemic growth path. He said the "long-run total cost of COVID and quarantine" will reach 41 trillion pesos (\$810 billion), which would be felt over the next 10 to 40 years. More than 2.8 million people have been infected in the Philippines, with more than 44,000 deaths. But cases have fallen sharply in recent weeks-to levels last seen in February-allowing the government to reopen parts of the economy. —AFP

US wholesale prices may be accelerating

WASHINGTON: US wholesale prices remained high in October and showed signs of accelerating again, the government reported yesterday, as the world's largest economy battles a wave of inflation.

The producer price index (PPI) rose 0.6 percent, seasonally adjusted, in October, according to the Labor Department, which was in line with analyst expectations and slightly higher than September's increase. Compared to the same month in 2020, PPI increased 8.6 percent, the same rate as the prior month, the report said. The United States has seen prices increase throughout this year as business normalized with the help of widespread COVID-19 vaccines.

But rising inflation has been fueled by shortages of workers and components, amid a global snarl in supply chains. Goods made up the majority of the wholesale price increases, particularly energy, which rose 4.8 percent last month. Among services, transportation and warehousing prices increased 1.7 percent. "With supply dynamics showing few signs of abating before year end, we look for PPI inflation to peak later in (the fourth quarter) before price pressures gradually moderate across 2022," Mahir Rasheed of Oxford Economics said.

The PPI data signaled building price pressures in the pipeline that could spill over to consumers. With volatile food, energy and trade costs excluded, PPI rose 0.4 percent last month, faster than the 0.1 percent increase in September, and it was up 6.2 percent year-over-year in October after a 5.9 percent gain the month prior. The Labor Department will release consumer price data today, which economists also expect to accelerate. —AFP