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Business

Zain awarded prestigious World Finance 'Best Corporate Governance Award 2022'

Al-Kharafi: Outstanding achievement for Kuwait for two years in a row

- **Bader Al-Kharafi:** Zain is committed to providing all stakeholders accurate and transparent access to company information, beyond the minimum disclosure requirement
- Zain's Investor Relations and Corporate Governance team proactively raising awareness on issues related to the environment, social, and governance matters

KUWAIT: Zain Group, a leading telecom innovator in seven markets across the Middle East and Africa, listed on the Boursa Kuwait, announced it has won the World Finance 'Best Corporate Governance Award 2022' for Kuwait for the second consecutive year. Zain's Investor Relations and Corporate Governance Framework continue to attract high praise and gain market confidence as the functions provide stakeholders including shareholders, industry analysts, and regulatory authorities with accurate, timely, and actionable information in a transparent and accountable manner.

As a leading entity listed on the Premier Market, Zain is in regular communication with the country's Capital Markets Authority (CMA), as it fully abides by and seeks to exceed the regulations issued by all financial regulatory bodies in Kuwait including the Ministry of Commerce and Industry, the CMA and Boursa Kuwait.

Bader A-Kharafi, Zain Vice-Chairman and Group CEO said, "It is an outstanding achievement to be recognized as possessing the 'Best Corporate Governance' practice in Kuwait for two years in a row, and this milestone justly rewards our Investor Relations and Corporate Governance team's high ethical standards, professionalism and diligence."

Al-Kharafi added, "As a publicly traded organization, it is necessary for us to disclose certain information, though in Zain's case we proactively seek to go beyond this minimum disclosure requirement. The publication of our annual and sustainability reports, regulatory disclosures, Corporate Governance framework, as well as our operational and financial results reporting, all point to our goal to be as informative, transparent, and supportive as possible to all stakeholders, that require company and financial information from us."

Zain's Corporate Governance framework helps the company to mitigate risks and facilitates an effective board oversight over the company's executive management by monitoring the implementation of policies when running daily operations. Corporate Governance promotes strong internal controls to improve integrity of financials



and establishes a culture of compliance. This governance structure has helped Zain to win the confidence of the market and attract global investors.

In Kuwait, there are 11 principles on which Corporate Governance laws are based. The principles include disclosure to achieve transparency, composition and independence of the board of directors, value creation through appointing qualified members of the board and qualifications and management, performance assessment of the board, promoting ethical standards and enforcing the code of conduct, ensuring accounting integrity, applying sound systems for Internal Audit and Risk management, and focusing on corporate social responsibility.

Zain's board plays an important role in ensuring that Zain conducts its business in a fashion that is consistent with the highest standards of governance and ethical behavior and that it contributes positively to society. One of the Group's business priorities is to comply with legal and regulatory business requirements, demonstrated through developing its operations to reflect the latest



Zain Kuwait HQ building

changes in corporate governance best practices. Zain focuses on the environmental, social and governance (ESG) indicators, and ensures that ESG issues are integrated into business strategy.

Zain's business environment depends on better empowerment of decision makers through diversity and inclusion, working with integrity and honesty, and adhering to the company's code of ethical conduct to achieve our targets.

The ethical guidelines of Zain's Code of Conduct are extensive and exist to guide and empower the Board of Directors and executive management to make the right choices, as individuals and as a company. Adhering to the Code of Conduct allows Zain to exercise a positive impact on the industry, communities in which it operates, and beyond; and build a company all can be proud of, where corporate responsibility is a key competitive advantage.

Zain's Investor Relations and Corporate Governance departments are also working to raise awareness on issues related to the environment,

social, and governance matters in response to global trends and best practices. Accordingly, Zain has developed new policies and is working to increase transparency in addition to focusing on social responsibility. Such policies and procedures are flexible, and take into account both short- and long-term challenges and risks.

Zain Group has placed sustainable growth at the forefront of its priorities, as the board and executive management believe in building positive relationships between all stakeholders, by strengthening Corporate Governance. World Finance is a print and online magazine providing comprehensive coverage and analysis of the financial industry, international business and the global economy. Since being founded nearly 20 years ago, the publication is read in over 100 countries, with a readership of 120,000 per issue on average. The annual World Finance Awards select and analyze some of the most diverse and succinct governance platforms and recognize leading organizations in this important area.



Saudi consumer spending rises 13.4% in June

RIYADH: Consumer spending in Saudi Arabia rose by 13.4 per cent annually in June as the Arab world's largest economy continues to recover from the impact of the COVID-19 pandemic. Cash withdrawals, as well as point-of-sale (POS) transactions, climbed 1 per cent and 19 per cent, respectively, during the month, according to a report.

"Most sectors saw annual rises, while 'jewelry', 'furniture' and 'hotels' recorded annual declines in June, at 2.3 per cent, 5.9 per cent and 7.9 per cent, respectively," Riyadh-based Jadwa Investment said, citing POS transactions by each sector.

Saudi Arabia, the world's leading oil exporter, recovered in 2021 from the coronavirus-induced slowdown, with economic activity picking up momentum this year as oil prices rose.

The kingdom's economy grew 9.9 per cent in the first quarter, recording its highest rate of growth in the past 10 years on the back of higher oil prices and rising oil-related activities.

In the second quarter of this year, the country's economy grew 11.8 per cent, according to flash estimates released by the kingdom's General Authority for Statistics (Gastat) this week. The kingdom's headline, seasonally adjusted S&P Global purchasing managers' index, which indicates business con-

ditions in the non-oil private sector of the economy, also rose in June amid economic recovery.

Inflation, on the other hand, climbed by 2.3 per cent annually and by 0.2 per cent on a monthly basis in June, driven by price increases in the food and beverage, and restaurant and hotel segments, the latest data shows. Crude oil production edged up 1 per cent, month on month, in June, to an average of 10.6 million barrels per day, in line with the OPEC+ agreement, while Saudi crude oil and refined products exports reached 8.5 million bpd in May, according to the report.

OPEC and its allies including Russia have been boosting production on a monthly basis as they unwind record output cuts put in place during the pandemic. The production pact expires at the end of this month. Real estate prices rose by 0.7 per cent on a quarterly basis, driven by an increase in the prices of residential property.

Riyadh, the capital of Saudi Arabia, recorded the highest increase in residential prices, at 4.4 per cent year on year, during the second quarter, the report said. Foreign exchange reserves at the Saudi Central Bank surged by \$15 billion on a monthly basis in June to \$466.7 billion as both bank deposits and foreign securities increased by \$8.5 billion and \$6.8 billion, respectively, during the month, according to the data.

The country's economy is forecast to grow 7.7 per cent in 2022 and 3.1 per cent next year, Jadwa said. The International Monetary Fund, in its latest forecast, estimates that the kingdom's economy will grow 7.6 per cent in 2022 and 3.7 per cent in 2023, after expanding 3.2 per cent last year. —Agencies

Emirates Steel Arkan's Q2 profit surges on sales

ABU DHABI: Emirates Steel Arkan, the largest public steel and building materials company in the UAE, swung to a profit in the second quarter on rising sales volumes and commodity prices. The company, formed after the merger of Emirates Steel and Arkan Building Materials last year, posted a net profit of \$56.43 million in the three-month period ended June, it said in a statement on Tuesday to the Abu Dhabi Securities Exchange, where its shares are traded.

It attributed the results to higher sales volumes and elevated prices, enhanced operational efficiency and a supportive commodity market environment. "Ever since our merger last year, the group has been reporting strong revenue and profit growth in all three quarters," group chief executive Saeed Alreimeithi told the National. "Clearly, operational efficiencies resulting from the merger and

high commodity prices have helped."

In the second quarter, the company's revenue rose more than 13 times to \$700.2 million.

"During the second quarter, the management continued the integration of Arkan and Emirates Steel, creating increased opportunities for growth and employment," said chairman Hamad Alhammadi. "The group is also actively supporting Operation 300bn, the UAE's industrial strategy, which will enhance prospects for new business." "During the first half of 2022, the group enhanced the efficiency of its plants [and] that brought about significant cost savings," Alreimeithi said. "We have in place a process of prudent raw materials inventory management and keep finished product volumes at low levels to take advantage of and manage the risks associated with increasing price volatility."

During the first six months of the year, Emirates Steel Arkan significantly reduced its debt burden by bringing down the net debt-to-equity ratio to 21 per cent at the end of June, from 32 per cent at the end of December. "Profitable trading income, very tight working capital control and inventory management helped us to achieve significant cost efficiencies to reduce our debt ratio," chief financial officer Stephen Pope said. —Agencies

Australia bumps interest rates to tame inflation

SYDNEY: Australia's central bank raised interest rates by another 50 basis points Tuesday while pledging to "do what is necessary" to bring soaring inflation under control. The Reserve Bank of Australia's fourth successive increase saw its central rate rise to 1.85 percent, and officials put borrowers on notice of more.

Governor Philip Lowe said inflation—already at the highest level in decades—was expected to reach 7.75 percent this year, and may take two-three years to bring back to stable levels. The bank, like others around the world, faces a difficult balancing act in trying to curb consumer prices without stalling the already slowing economy. "The path to



SYDNEY: A billboard marking recently sold property is seen in front of a newly-constructed house in western Sydney on August 2, 2022, as Australia's central bank raised interest rates taking the cash rate to 1.85 percent. —AFP

achieve this balance is a narrow one and clouded in uncertainty, not least because of global developments," said Lowe. —AFP