

Business

Markaz: Saudi's real estate sector continues to recover

'KSA Real Estate Outlook H1 2021' report

KUWAIT: The Kuwait Financial Centre "Markaz" recently issued its "KSA Real Estate Outlook H1 2021" report, where it highlighted expected GDP growth in Saudi Arabia's for 2022, mainly on the back of increasing oil prices and higher production.

The report also revealed positive indications of stability and recovery in the Saudi real estate sector, and expects real estate prices to stabilize after a long period of decline since 2015. Government spending on infrastructure projects as part of the Vision 2030 program is expected to boost non-oil GDP growth, and the fiscal balance, which was severely dented due to Covid-19, is expected to improve in 2021 and beyond.

Markaz's report indicated that investments are expected to pick up as the Government initiates major projects like Neom City, and follows through with the Saudization policy. Moreover, steady population growth, government subsidies, and the enacted mortgage law are enabling banks to finance home purchases fueling the growth in the residential sector.

Commenting on the current Real Estate scene in

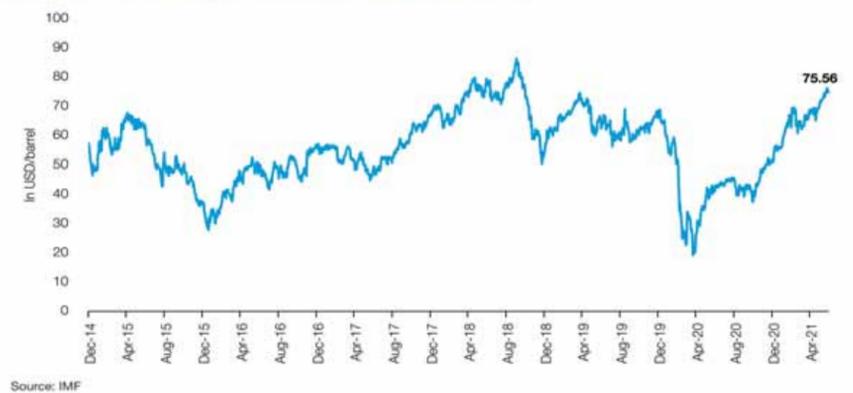
KSA, Bassam N Al-Othman, Managing Director, MENA Real Estate at Markaz, said: "We strongly believe that the Saudi Arabian real estate sector is currently recovering, and we anticipate an acceleration in pace over the next few years, based on our expectations of favorable macroeconomic factors during this period."

"Markaz analysis is based on its proprietary 'Real Estate Index', which helps investors assess the real estate market. The Real Estate Index is derived from various economic indices, such as oil and non-oil GDP, inflation rates, increase in employment opportunities, and others. We also analyzed data related to the Saudi real estate market covering the past seven years from which we extrapolated our expectation for the sector," Al-Othman added.

The report also indicated that the Saudization program may lead to an increase in employment opportunities, which is yet another positive indicator for the real estate sector. Moreover, resuming work from office spaces and an increase in tourism is expected to improve the overall demand for the office, commercial, and hospitality sectors.

Kuwait Financial Centre k.p.s.c. and Subsidiaries

Month-End Brent Oil Prices (Dec 2014 – June 2021)



KIB expands reach by installing more ATMs across Kuwait

KUWAIT: Aiming to strategically expand its reach and provide its banking services to its customers in every part of the country, Kuwait International Bank (KIB) recently installed a series of new ATMs in several locations across Kuwait, including in Al-Rawda, Qortuba, and Surra.

Providing a comprehensive suite of banking services to customers, KIB ATMs are designed to save customers the hassle of having to visit the branches and wait in line to complete their transactions. These services include cash deposits and withdrawals, balance inquiry and account statements, as well as updating civil ID data. These ATMs also enable customers to carry out vital services, such as new card activation, password change, prepaid card recharge, and credit card payment. Customers can also redeem loyalty program points through the Bank's designated ATMs. A KIB customer can also transfer funds using ATMs, whether for own account transfer to a beneficiary. These alternative banking channels also feature a cash withdrawal service using a civil ID or a mobile phone.

Speaking about the ATM installations, General Manager of KIB's Retail Banking Department, Othman Tawfeeq said: "Following our current strategy, as we continue to elevate our experience and expand our services, we have focused heavily on continuing to expand our network of branches to cover all areas in Kuwait; ensuring we remain close to the largest possible number of customers across all governorates. In addition to installing more KIB ATMs in many vital locations across the country, we have strived to enhance these machines with additional digital services that customers can benefit from to complete their banking transactions anywhere and with complete ease."



Othman Tawfeeq

AUB announces KD 250,000 grand prize winner

KUWAIT: Ahli United Bank announced the result of the quarterly grand prize in Al-Hassad Islamic prize program and named Sader Allah Aftabi as the lucky winner of KD 250,000 during the draw broadcasted live on FM 88.8 Kuwait Pulse in 360 Mall on 5 January 2021.

On this occasion, Hanadi Khazal, Head of Retail Distribution at AUB congratulated the winner, wishing him all the best. She expressed her hope that all the Bank's customers will be lucky in the upcoming draws. Khazal expressed her happiness with the value trust of the customers in the Bank. Khazal assured that AUB is keen since the beginning of launching Al-Hassad Islamic prizes program to offer a host of exclusive prizes to contribute in making the aspiration and dreams of its clients true, and to enhance the culture of savings, stressing that the bank is committed to provide state-of-the-art banking solutions, which are in line with the client's different requirements.

In its new design, Al-Hassad Islamic Saving Account presents a broader variety of rewards. Customers could now participate in the draw to win monthly KD 100,000 prize, in addition to 10 weekly prizes of KD 1,000 each. The grand quarterly prizes of KD 250,000 in cash for the winner remains the most important aspiration of customers. It is a real chance for them to realize their life dreams. In addition to this attractive package, there will be the annual expected profits on the basis a Wakala contract that increases the attractiveness of the Al-Hassad Islamic Saving Account to customers. Al-Hassad Account provides a suite of unique features, including the simplest and easiest savings program, and unique account opening feature online with all ease with instant deposit option.

To be eligible to participate in the draw, the customer should have a minimum balance of KD 100, whereby the customer has two chances to participate, with up to 30,000 chances per draw, in addition to rewarding annual profits. Every KD 50 invested entitles the customer to one chance in the draws, provided that to maintain his balance for at least fifteen days before the draw date. The longer the customer keeps his balance the bigger the changes of participation in the draw with every KD 50 in the account. Draws are held every Wednesday based on the draw scheme. On religious and national holidays, the draw is postponed to the next business day.

Samsung Electronics forecasts 52.5% jump in Q4 profits

SEOUL: Samsung Electronics expects operating profits for the fourth quarter to soar 52.5 percent, the South Korean tech giant said in a statement on Friday, spurred by record sales. The world's biggest smartphone maker forecast 2021 fourth-quarter operating profits at around 13.8 trillion won (\$11.5 billion), up from 9.05 trillion won in the same quarter last year.

The firm was boosted by record sales in the quarter, estimated at 76 trillion won, up 23.5 percent on-year, according to the statement, which added that the forecast reflected a one-time bonus payment to employees. A spokeswoman told AFP annual sales in 2021 are also expected to be the highest ever. The operating profit estimate was below analysts' estimate of 15.2 trillion won, according to Bloomberg News.

"A continued price growth in memory chips that ran three consecutive quarters until October last year has boosted Samsung's profit margins," said Park Sung-soon, an analyst at Cape Investment & Securities. "The most significant source of income for Samsung lies in the memory chip business."

Samsung Electronics did not provide details Friday on the performance of its various divisions. The firm is expected to release its full results on January 27. Analysts and investors are also keeping an eye on the impact of the citywide COVID lockdown in Xi'an, China, which is home to a Samsung semiconductor plant. Samsung said last week that it had to "temporarily adjust operations" at the Xi'an facilities, without detailing how that would impact production.

Pandemic boom

While the coronavirus pandemic has wreaked



SEOUL: People walk past an advertisement for the Samsung Galaxy Z Fold3 and Flip3 smartphones at the company's Seocho building in Seoul Friday. —AFP

havoc on the world economy, it has helped many tech companies boom. Pandemic-driven working from home has boosted demand for devices powered by Samsung's chips, as well as home appliances such as televisions and washing machines. Analysts had also expected the firm to benefit from the traditionally lucrative holiday season. The world's biggest memory chip maker, Samsung Electronics has aggressively stepped up investment in its semiconductor business as the world battles chip shortages that have hit everything from cars and home appliances to smartphones and gaming consoles.

In November, it announced a new microchip factory in Texas, a \$17 billion investment. The plant is

expected to be operational by the end of 2024. It joined rivals TSMC from Taiwan and US firm Intel in expanding chip manufacturing capacity in the United States, which sees the sector as an area of strategic competition with China.

The firm is also investing in the development of advanced technologies such as artificial intelligence, robotics and 5G/6G communications. Samsung Electronics is the flagship subsidiary of the giant Samsung group, by far the largest of the family-controlled empires known as chaebols that dominate business in South Korea.

The conglomerate's overall turnover is equivalent to around one-fifth of South Korea's gross domestic product. —AFP



India raises growth forecast to 9.2% despite COVID risks

NEW DELHI: India on Friday raised its growth estimates for this financial year to 9.2 percent despite a surge in coronavirus infections threatening the country's recovery. The National Statistics Office (NSO) forecast Asia's third-largest economy will bounce back strongly from a 7.3 percent contraction last year, when it saw a ferocious wave of coronavirus infections and deaths. But economists say a new pandemic surge could threaten its economic recovery. India reported 117,100 new COVID-19 infections on Friday, its single-day tally crossing the 100,000-mark for the first time since June 2021.

Madan Sabnavis, chief economist at CARE Ratings, told AFP the figures "say very clearly that they have not yet included the COVID impact".

Prime Minister Narendra Modi's administration has so far refrained from announcing a drastic nationwide lockdown, as it seeks to limit the economic toll of the current wave. "The impact on GDP growth will depend on the extent to which restric-

tions need to be extended across states in the coming weeks," said Aditi Nayar, chief economist at ratings agency ICRA.

The NSO figures are below the most recent forecast by the International Monetary Fund, which projected 9.5 percent GDP growth for India in the current financial year ending March 2022. The country's central bank has also estimated India's GDP growth at 9.5 percent this year, "assuming no resurgence in COVID-19 infections in India". But despite an apparent bounce-back in India's headline growth numbers following the second wave, other economic indicators have remained under pressure.

The country's unemployment rate touched a four-month high of 7.9 percent in December, data from the Centre for Monitoring Indian Economy (CMIE) showed, revealing signs of strain even before the outbreak of the third wave. India this week began vaccinating children aged between 15 and 18 years for the first time, administering over 12 million doses since January 3.

In total, the country of 1.3 billion has administered nearly 1.5 billion jabs, with 61 percent of adults receiving two doses, according to the health ministry. India will roll out third "booster" doses to senior citizens aged 60 years and over and those with co-morbidities beginning on Monday. —AFP

German industrial output stalls even as exports rise

BERLIN: German industrial production fell slightly in November as persistent supply bottlenecks weighed on companies, official figures showed Friday, despite exports climbing again. The country's manufacturing sector produced 0.2 percent less in November than in the previous month, the federal statistics agency Destatis said, after a revised rise of 2.4 percent in October.

Production levels in November 2021 were 2.4 percent below the same month in 2020, and lagged Germany's pre-coronavirus crisis output in February 2020 by seven percent.

While output lagged, exports from Europe's top economy rose by 1.7 percent in November on the previous month, according to further data from Destatis, the second consecutive increase in the indicator. The value of exports totalled 125.7 billion euros (\$142.1 billion), with exports to other European Union countries rising by 14 percent year on year.

"The revival of exports and to a lesser extent industrial production in the first months of the fourth quarter indicate how fast and strong German industry can rebound once global supply chain frictions show any relief," said Carsten Brzeski, head of macro at ING. Such a prospect was some way off, however, with industry still "in the stranglehold of global supply chain frictions" and needing at least until spring to be back on a sustainable path to recovery, Brzeski said.

The pandemic has caused widespread disruptions in supply chains, leading to shortages of raw materials and key components. Germany's flagship auto industry has been particularly hard hit by a shortage of semiconductors, a crucial component in both conventional and electric vehicles, leading to sporadic stoppages on factory lines through 2021. —AFP