

Business

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KUWAIT: (From Left) Hala El-Said, Mohammed Al-Sager and Osama Shaltout during the meeting. —Photos by Yasser Zayyat



KUWAIT IS OPEN TO EGYPTIAN INVESTMENTS, SAYS AL-SAGER

KCCI CHIEF RECEIVES EGYPTIAN ECONOMIC DELEGATION

By Majd Othman

KUWAIT: The Arab Republic of Egypt never closed its door in the face of Kuwaiti investments, said Chairman of the Kuwait Chamber of Commerce and Industry (KCCI) Mohammed Al-Sager. Kuwait was the pioneer of Arab investments in the country, he said, and "today ranks fourth among the countries with direct investments in Egypt." Sager added that due to the main role of Kuwaiti foreign investments in the country's economic future, it's important to look at the safety of capital and high economic and financial return when choosing investments to achieve a fair return for the guest and the host. The remarks came on the sidelines of an Egyptian delegation's visit to the Kuwait Chamber of Commerce and Industry on Thursday. The delegation was headed by the Minister of Planning and Economic Development and Chairman of the Board of Directors of the Sovereign Fund of Egypt, Hala El-Said, and a number of high-profile governmental Egyptian officials.

"The Kuwaiti private sector does not require special incentives or exceptional support for its investments. All that it requires, rather, is an encouraging investment environment based on sound economic standards and advanced infrastructure and institu-

tions and to be on equal footing with Egyptian partners," he added. Sager also emphasized the role played by that the stability of legislation and the respect for the rights, duties and legal positions established by previous legislation in attracting investments. He said he has deep appreciation for the broad and courageous steps Egypt has taken since 2016 so far within the framework of Vision 2030. He pointed out the Egyptian efforts in terms of preparing a "State Ownership Policy Document" which outlines Egypt's approach and policies clearly and transparently regarding its ownership of public assets and strengthening partnership between the public and private sectors. Sager highlighted the role of the Sovereign Fund of Egypt in attracting foreign investment and introducing available investment projects. The presence of Minister El-Said and Egyptian Ambassador to Kuwait Osama Shaltout, he added, is a special opportunity to learn about investment opportunities in Egypt from specialists and decision-making partners.

"We detected a great appetite from investors to enter the Egyptian market, by targeting several sectors, including tourism, agriculture, renewable energy, pharmaceutical and petrochemical industries, and others," El-Said said on the side line of the meeting. "Egypt is in the process of exiting from 32

companies with diversified activities" she indicated. She explained that the state's entry, through the Sovereign Fund, into partnerships with the local and foreign private sector aims to reassure the owners of capital and thus achieve common benefits. "The state ownership document confirms competitive neutrality and equality between investors, within the framework of the availability of promising investment opportunities in various sectors, in light of the Egyptian state's seriousness in opening up to investment and establishing long-term partnerships," she said. "We are working to provide added value to the Egyptian economy, whether through exiting some companies, selling some shares to strategic investors, offering usufruct rights, management rights, or capital increases." She added.

On the fluctuation of the currency exchange rate, El-Said said: "Emerging economies are facing a fluctuation in their monetary currencies. The diversity of portfolios provides returns that will have an impact on stability in the future." She said that this does not represent the slightest danger or concern for long-term investors. "Egypt has adopted an economic policy represented in liberalizing the exchange rate to ensure its progress in the right direction," she added. El-Said said what happened to the currency is temporary and that the Central

Bank of Egypt has taken the necessary corrective steps regarding the exchange rate and hedging in a way that provides reassurance to the investment community. Regarding the total size of the sovereign fund, she said: "We monitored a positive reading of the role of economic policy, as the total size of the sovereign fund, between assets and cash, amounts to £48 billion." Al-Said emphasized the depth of the historical relationship between Egypt and Kuwait, which cannot be affected by some individual practices, as they work within an institutional framework that supports these solid relations.

During her presentation on the infrastructure developments in Egypt, El-Said confirmed that the state has spent about \$400 billion on developing infrastructure, including roads, electricity, water, sanitation and other services, which provided an attractive climate for investment in many sectors. Meanwhile, she stressed that the concerned authorities in Egypt were mainly focused on improving legislation and enacting many important bylaws included in the investment law within the framework of reform." El-Said affirmed that there are no restrictions on investors transferring money from Egypt to anywhere according to their needs, noting that developments in the global scene, including the Russian-Ukrainian war, required special measures.



CHERBOURG: Activists of the environmental NGO Greenpeace arrive by boat to participate in an action on a Shell platform off the coast of Cherbourg, northwestern France. —AFP

SHAREHOLDER SUES SHELL BOSSES OVER CLIMATE RISKS

LONDON: British energy giant Shell has been hit with a new lawsuit over climate change, with activist investors accusing the company's leadership of mismanaging risks to the company. Corporations have faced a growing number of climate-related lawsuits in recent years as they come under pressure to step up efforts to curb global warming. Shell was already ordered by a Dutch court in 2021 to slash its greenhouse gas emissions by 45 percent by the end of the decade after it was sued by environmental groups.

This time, ClientEarth, a minor Shell shareholder, has filed a lawsuit in the High Court of England and Wales against Shell bosses "for failing to manage the material and foreseeable risks posed to the company by climate change". Shell, which reported recorded annual profits last week, denies the allegations. The group's current plan "will tie the company to projects and investments that are likely to become unprofitable as the world cleans up its energy systems", Client Earth said in a statement on Thursday. "That puts the company's long-term commercial viability at risk, and also threatens efforts to protect the planet, further increasing the risk to the company."

ClientEarth alleges the Shell board "breached legal duties" by "failing to adopt and implement an energy transition strategy that aligns with the Paris Agreement". Under the landmark 2015 Paris deal, nations pledged to reach net-zero carbon emissions

by the middle of the century to try and limit the increase in global temperatures to two degrees Celsius, and preferably to 1.5C.

'No merit'

Shell said in response that it does "not accept ClientEarth's allegations", insisting the claims had "no merit". "We believe our climate targets are aligned with the more ambitious goal of the Paris Agreement: to limit the increase in the global average temperature to 1.5 degrees Celsius above pre-industrial levels," it added in a separate statement. The giant is facing criticism over its net-zero plans from the wider environmental lobby, which accuses it of "greenwashing", or marketing a company as overly climate-friendly.

ClientEarth said its legal action had the support of institutional investors holding more than 12 million shares. Shell stressed such investors were not claimants but had sent ClientEarth letters of support, and accounted for less than 0.2 percent of its total shareholder base. It added that ClientEarth held a "very small" number of Shell shares. Thursday's legal claim was lodged one week after Shell posted spectacular annual net profit of \$42.3 billion thanks to surging oil and gas prices.

The post-tax figure, fuelled by the invasion of Ukraine by major energy producer Russia, was more than double the amount achieved in 2021. The energy sector has faced growing calls to step up efforts to transition away from fossil fuels as the world scrambles to become a net-zero emissions economy by 2050. But British oil giant BP on Tuesday reduced its target for cutting carbon emissions after reporting that its underlying profit had more than doubled last year to \$27.7 billion. — AFP

WORLD BANK REVAMP TO START BY APRIL: YELLEN

WASHINGTON: The first stages of a World Bank revamp are set to begin by April, amid a push for lenders to evolve and meet global challenges like climate change, US Treasury Secretary Janet Yellen said Thursday. While development lenders need to further their main mission of poverty reduction and inclusive growth, it is also key that they tackle global problems, she said in a speech at the Center for Strategic and International Studies in Washington.

"(Their) core model involves countries borrowing to make specific investments aimed at addressing development constraints in their own countries," Yellen said.

"That model is insufficient to meet the moment," she added. This is because it tends to underinvest in battling global challenges that go beyond a country's borders. "We have begun the evolution of the World Bank. Next, we expect to take this agenda to the regional development banks," she said.

"It's time for these banks to address global challenges head-on—with the urgency and scale that is required," she added. Last October, before the

BANK OF ENGLAND CHIEF CONCERNED ABOUT INFLATION

LONDON: Bank of England governor Andrew Bailey on Thursday expressed concern over persistent high inflation even if the rate of price increases shows signs of cooling. The remarks to a cross-party committee of MPs boosted the pound on raised expectations of more hikes to British interest rates, analysts said. Bailey spoke on the eve of data Friday that could show Britain officially in recession should it be confirmed that the economy contracted in the final quarter of last year. "We are concerned about persistence (of high inflation). This is why we (again) raised interest rates," Bailey told the Treasury Committee.

At its most recent regular monetary policy meeting a week ago, the Bank of England hiked its inter-

annual meetings of the International Monetary Fund and World Bank, Yellen said she and other leaders would call on the bank's management to develop an evolution roadmap by December.

The United States is the World Bank's largest shareholder. Outlining ongoing work at the World Bank, Yellen said it must create incentives for countries to fight global challenges such as by lowering investment costs for certain projects to be more viable.

For example, the bank could identify "concessional resources" that go towards incentivizing the decommissioning of coal plants and protecting displaced workers during a clean energy transition.

The bank could also make it easier for cities to gain access to funding for climate-smart infrastructure, she said. "The first phase of implementation should begin by the World Bank and IMF spring meetings in April," according to Yellen.

Shareholders are working on updates to the bank's vision and mission, and there are discussions on ways to boost financial headroom. "We are asking for additional reforms to be decided and implementation to begin by the... annual meetings in October," she added. An initial paper from bank management dated December still calls for a roadmap to respond to poverty reduction, shared prosperity and global challenges are "welcome." It added that progress to tackle these issues will take a "concerted global effort." — AFP

est rate for a tenth time in a row as global authorities race to combat sky-high inflation. The BoE lifted UK borrowing costs by a half-point to four percent, the highest level since late 2008, or height of the global financial crisis. UK inflation slowed to 10.5 percent in December—still around 40-year highs and more than five times the BoE's official target-level of two percent.

Central banks the world over are seeking to cool high energy and food prices, fuelled by Russia's invasion of Ukraine one year ago, by hiking interest rates. Sweden's central bank on Thursday announced a half-point rate increase to three percent, the highest level since 2008. And "the next (BoE) move is still likely to be another hike as we look to tomorrow's fourth-quarter GDP numbers, where we'll find out if the UK economy entered a technical recession", noted Michael Hewson, chief market analyst at CMC Markets UK. Britain's economy shrank 0.3 percent in the third quarter of last year. Another contraction would mean the UK is in a technical recession, or two quarters of negative growth in a row. —AFP