Pakistan opens new Islamabad airport

Pakistan's long-awaited new airport in the capital Islamabad opened its doors Thursday, after years of delays and embarrassing setbacks that exposed the difficulty of building modern infrastructure in the chaotic country.

"The new Islamabad International Airport became fully operational from today with the departure and arrival of several domestic and international flights," Pervez George, spokesman for Pakistan's Civil Aviation Authority, told AFP.

"Flights took off from and landed at the new airport today as scheduled," he added.

The new airport is set to be able to handle more than nine million passengers annually as China invests billions of dollars in the country and a vast improvement in security has spurred hopes Pakistan is ripe for development.

However, the disconcerting number of setbacks delaying its opening since at least 2013 became a perennial joke in the capital, highlighting the government's inability to complete high-profile infrastructure projects.

Just two weeks ago, the opening of the airport was delayed again after it was revealed the facility did not have any drinking water or completed restrooms. (AFP)

Australia's NAB to divest wealth management arm

National Australia Bank announced plans to sell its wealth management arm Thursday as it continues to offload assets to simplify its business.

The lender made the move as it posted a 16 percent slump in cash profit — the financial industry's preferred measure — in the six months to March 31.

The Aus$2.76 billion ($2.07 billion) result was hit by restructuring costs after a raft of job cuts and the introduction of new digital products. Without the one-off costs, profit was flat at Aus$3.3 billion.

Interim net profit inched marginally higher to Aus$2.58 billion, with the dividend steady at 99 cents.

The bank has been on a mission to further automate and simplify its business, with the sale of loss-making assets a key plank of the strategy.

It has already spun off British bank Clydesdale and most of its life insurance business to Japan's Nippon.

It also flagged plans in December to offload its life insurance arm to Swiss giant Zurich.

Now chief executive Andrew Thorburn said the axe will be taken to wealth management with an intention to sell MLC, which provides investment, pension, insurance, and financial advice. (AFP)

5G, Cloud and digital transformation top of the agenda

Huawei setting the scene at SAMENA Summit 2018

Charles Yang, President of Huawei Middle East.

Photo from SAMENA Huawei press conference

KUWAIT CITY, May 3: Huawei, a leading global ICT solutions provider, and the SAMENA Telecommunications Council hosted the fifth annual Telecom Leaders' Summit in Dubai on May 3, 2018. Held under the theme "Building the Digital Economy of the Middle East", the event was a platform for leading telecommunications companies, regulators, government bodies, technology providers and consultants across the Middle East and Africa to discuss how to frame practicable ICT strategies that will enable governments and organizations to reap maximum socio-economic benefits from digital transformation.

In addition to being the strategic partner of the SAMENA Summit for five consecutive years, Huawei held three sub-forums that guided discussions on key industry trends like 5G and All-Cloud Transformation, and presented the Global Industry Vision 2025 and the Global Connectivity Index 2018. Huawei also showcased its latest 5G E2E solutions, launched the "Middle East first Multitenant IoT Hosting Center" and introduced its 5G Ecosystem Program in the Middle East.

"This year, Huawei's new corporate vision is to bring digital to every person, home and organization for a fully connected, intelligent world," said Charles Yang, President of Huawei Middle East. "With 5G and artificial intelligence just around the corner, the digital world – where all things will sense, all things are connected, and all things are intelligent — is within reach. We will continue our investment on intelligent devices, to enhance people's work and entertainment experience. We will continue our investment on home broadband network, to enrich people's lives at home. We will continue our investment on network, cloud, and IoT, to inspire innovation in organizations. The SAMENA Telecom Leaders' Summit is a platform for us and all industry partners to collaborate to fulfill this mission."

Huawei's first sub-forum was "5G is Now." The forum focused on the imminent arrival of 5G and its support to national transformation plans across the region, in addition to the key role 5G will play in the Middle East's digital transformation journey. The 5G era is growing close, and preparation is necessary to build up network spectrum, transport, sites and business cases, in order to facilitate its approach. Huawei recommends Middle East operators and government agencies to support spectrum neutrality and use test-driven development to construct Mobile Broadband networks in order to rollout 5G as fast as possible. The sub-forum was an opportunity for Huawei and other ICT leaders to discuss how to address remaining challenges and opportunities on the road to 5G. In addition, the "5G Ecosystem Program in the Middle East" was launched with Huawei partners at the 5G sub-forum. The program aims to inspire the 5G ecosystem in the Middle East, as the 5G End-to-End commercial use is closely related to 5G ecosystem.

The second sub-forum was "Huawei Global Industry Vision 2025 and Global Connectivity Index 2018" where Huawei presented two studies. First was the Global Industry Vision (GIV) 2025, a new forward-looking report that provides quantitative and qualitative predictions about the future of industry and society. According to the report, by 2025 all things will be able to sense and all things will be connected, bringing us all into a world where everything is intelligent. Second study presented at this sub-forum was the Global Connectivity Index (GCI) which included 80 countries globally and examined how each is progressing in its digital transformation based on 40 unique indicators that cover five technology enablers: broadband, data centers, cloud, big data and Internet of Things. Nine countries from the Middle East were included in the index. The GCC figured prominently, with the UAE ranking highest among Middle Eastern countries, followed by Kuwait, Bahrain, Saudi Arabia and Oman, all placed in the "adopters" category in the report.

Huawei's third sub-forum was "All-Cloud Transformation in the 5G era". The forum was an occasion to discuss how cloud transformation can help accelerate the deployment of 5G networks in the region. The 5G era requires high-bandwidth, large-connectivity, low-latency user experience. It places higher requirements on the operator's cloud data center architecture and infrastructure, software defined anything, any thing as services become to AI: these are more flexible, smarter and more reliable.

At the summit, Huawei also announced the launch of the "Middle East first Multitenant IoT Hosting Center" in order to facilitate IoT local ecosystem incubation and accelerate IoT business development in the region. Based on this IoT Hosting Center and ecosystem enablement strategy, Huizhong and Hayat are the first partners to obtain "The Middle East IoT Hosting Center 1st NB-IoT enabled certificate"

Huawei advocates openness, collaboration, and shared success. Huawei is an active member of more than 360 standards organizations, industry alliances, and open source communities, where they work together on mainstream standards and lay the foundation for shared success. Moreover, Huawei focuses on three domains — fully-connected networks, intelligent computing, and device innovation — and continues to invest in products, technologies, basic research, engineering capability improvement, technical standards, and industry ecosystems, with the aim of supporting customers in their digital transformation journey, and lay the cornerstone of an intelligent world.

Farea Al-Saqaf Loyac Chairperson and Yaqoub Al-Baqer, NBK Public Relations, Team Leader in a group photo with participants and sponsors.

Social entrepreneurship program co-created with Babson College

NBK sponsors LOYAC's KON program

KUWAIT CITY, May 3: National Bank of Kuwait (NBK) is sponsoring LOYAC's social entrepreneurship program 'KON'. The program is a social entrepreneurship program that is co-created with Babson College. It aims to introduce young adults between the ages of 12 to 16 to the world business and to turn their ideas into action.

For the second year in a row, NBK will take part in the training sessions that will start on the 1st of July until the 8th of August 2018. Throughout the 5 weeks program, leaders from NBK along with a group of professional leaders mentors and trainers, locally and regionally will encourage the participants to create a profitable business that solves an environmental challenge.

NBK Public Relations, Team Leader, Yaqoub Al Baqer said:' NBK's sponsorship and participation in the program comes as a part of its strategic partnership with LOYAC. NBK is dedicated towards supporting talented young people and empowering them towards achieving their goals."

'KON' is one of these initiatives that help invest and support young youths. NBK is elated with the outcome of the program last year and looks forward to seeing the participants moving into key leadership roles in their near future," he added.

NBK believes that investing in human resources is investing in our future. The KON program goes along with NBK's initiatives to invest in youth and support their aspirations.

LOYAC is a nonprofit organization that runs several programs for the youth to develop their professional skills, enhance their personal growth and help them find their sense of purpose by extending themselves to others.

Brexit 'risks' remain

US trade threats 'dangerous' for growth: EU

BRUSSELS, May 3, (AFP): The EU warned Thursday that a rise in trade protectionism exemplified by the Trump administrations tariffs was the biggest threat to eurozone growth despite solid economic forecasts for the next two years.

Brussels unveiled the optimistic forecasts for 2018 and 2019 a day after official data showed growth slowed in the eurozone, fueling fears that the recovery in Europe was losing steam after a strong 2017.

Sparking particular worry about the economy is an ongoing trade dispute with US President Donald Trump, who has threatened to impose major metals tariffs and provoke a trade war.

The biggest risk to this rosy outlook is protectionism, which must not become the new normal: that would only hurt those of our citizens we most need to protect, said EU Economic Affairs Commissioner Pierre Moscovici.

The commission, the EU executive arm, said the 19-country single currency bloc would expand by a robust 2.3 percent in 2018, and by 2.0 percent in 2019, the same forecast as in February.

But the commission warned that policies taken by Trump, including a massive tax cut, had created a real threat to Europes economy.

The tax cuts and inward-looking trade policies present a dangerous nexus, to commission wrote in its forecast.

The Europeans and other allies have so far won a US exemption on the metals tariffs to June 1, but have prepared a long list of countermeasures in case Trump delivers on his threat.

An escalation of trade protectionism presents an unambiguously negative risk to the global economic outlook, the commission said.

Sluggish

The commission also had a warning for Britain ahead of Brexit, predicting that the UK economy would grow by a sluggish 1.5 percent in 2018, well below the EU pace of 2.3 percent.

Britains growth would slow even further to 1.2 percent in 2019, the year it is officially to divorce from the bloc.

Within Europe, risks related to the outcome of the Brexit negotiations remain, the EU added.

In its forecast, the commission delivered welcome news to pro-reform French President Emmanuel Macron, with France officially in position to emerge from the deficit procedure after nearly a decade.

The EU said that after 2.6 percent in 2017, the French deficit will reach and an even lower 2.3 percent in 2018.

France is indeed one of the last two countries in the eurozone, along with Spain, still concerned by the excessive deficit procedure, which can lead to sanctions and fines, even if this has never happened.

During the worst of the eurozone crisis in 2011, 24 EU countries were simultaneously under the procedure, which when the public deficit exceeds three percent of GDP.

Powerhouse Germany once again blew through targets on public spending, though remained open to criticism that it overly privileges austerity which punishes the wider European economy.

The German public budget is forecast to run a stunning surplus of 1.2 percent of GDP in 2018.

The EU also said Thursday that inflation in the eurozone fell to 1.2 percent in April, a dip from 1.3 percent in March.

That edges inflation further away from the European Central Banks target of near 2.0 percent.

Eurozone inflation slowdown adds to cenbank's headache

GDP growth also slows

BRUSSELS/FRANKFURT, May 3, (RTRS): Eurozone inflation unexpectedly slowed last month, adding to a string of data that points to a cooling economy and possibly makes it more difficult for the European Central Bank to curb its lavish monetary stimulus later this year.

Last month the rate slipped to an annual 1.2 percent, missing economists expectations in a Reuters poll that it would remain at the March level of 1.3 percent.

The weak reading follows disappointing GDP, output, export and sentiment figures, which suggest that Eurozone economic growth has peaked after a five-year run and will at best slow to a more moderate level, below optimistic forecasts at the start of the year.

This comes at a sensitive time for the ECB as policymakers are debating whether to end a 2.55 trillion euro ($3.1 trillion) bond buying scheme this year, satisfied that healthy growth will eventually raise inflation back to its target of almost 2 percent.

Boost

Introduced more than three years ago to boost flagging growth and inflation, the ECB's bond purchases helped to revive the economy with a flood of cheap cash. The program is due to run out at the end of September and policymakers need to decide over the summer whether to shut it down after several extensions.

But inflation has failed to rise for years according to expectations and in April it also missed the ECBs prediction of a rate around 1.5 percent for the rest of the year.

Perhaps more worryingly for the ECB, all measures of closely-watched underlying inflation fell, indicating that pressures remain weak, despite robust employment growth and a healthy wage deal in Germany, the blocs biggest economy.

Inflation excluding volatile food and energy prices, the ECBs preferred measure, slowed to 1.1 percent from 1.3 percent. The rate excluding energy, food, alcohol and tobacco, an even more narrow measure often looked at by market analysts, eased to 0.7 percent from 1 percent.

ECB chief economist Peter Praet said the slowdown had come sooner than expected and factors holding back growth may persist in the near term, but he played down the data.

We cannot yet declare mission accomplished on the inflation front, but we have made substantial progress on the path towards a sustained adjustment in inflation, he said in Paris.

Economists said it was too early for the ECB to panic as one-off factors such as the effects of the Easter holidays — which in 2018 fell right at the start of the month compared with mid-April in 2017 — on the year-on-year comparison. Higher oil prices could still boost inflation in the coming months.

The April decline in inflation owes largely to the timing of Easter and should correct itself next month, Berenberg economist, Berenberg economic Florian Hense said.

The ECB will look through the volatility in the current inflation data, he said. An oil-driven spike in headline inflation up to 1.7 percent or even 1.8 percent in the summer months may possibly scare some observers.

UK services firms struggle to recover from slowdown

LONDON, May 3, (RTRS): Britains services sector struggled to recover in April from a sharp slowdown in March, according to a major survey which seals expectations that the Bank of England is now highly unlikely to raise interest rates rise next week.

The IHS Markit/CIPS services purchasing managers index (PMI) rose to 52.8 in April from Marchs 20-month low of 51.7, a smaller increase than economists had forecast in a Reuters poll and its second-lowest level since September 2016.

Sterling fell and British government bonds rose as investors modestly marked down the chances of a rate rise on May 10, which now hover near 15 percent according to one measure.

Britains economy, which has underperformed its peers for most of the period since the 2016 Brexit vote, grew by just 0.1 percent in the first three months of 2018, its weakest in five years, due in part to heavy snow in late February and early March.

But since then business surveys have recovered less than expected and BoE Governor Mark Carney has suggested the central bank could wait before raising rates for only the second time since the 2008-09 financial crisis, causing a sharp shift in financial markets away from bets on a rate hike next week.

The disappointing services data will add to expectations that the Monetary Policy Committee will take its finger firmly off the rate hike trigger, IHS Markit economist Chris Williamson said. Any further slowing will also raise questions as to whether the November rate hike may have been ill-timed.

Business said they were hurt both by weaker demand from consumers, whose budgets have been squeezed by a year of above-target inflation, and by the reluctance of corporate clients to spend due to an uncertain economic outlook.

Terms for Britain's departure from the European Union in less than a year remain unclear, and the eurozone economy slowed in the first three months of 2018.

Britains smaller construction sector — the part of the economy most directly hurt by the harsh weather — showed a rebound last month, according to an IHS Markit survey published on Wednesday.

But Aprils recovery in the manufacturing sector was muted and IHS Markit said the PMI data overall suggested Britains economy was growing at a quarterly rate of 0.25 percent, well below its long-run trend.

Eurozone bond yields rise as flash CPI in focus

LONDON, May 3, (RTRS): Government bond yields in the euro area were just a touch higher on Thursday ahead of the closely-followed monthly "flash" inflation estimate for the single currency bloc in April.

A slowdown in the eurozone economy's solid growth momentum and subdued inflation could test the European Central Bank's resolve to roll back its hefty stimulus scheme.

While the ECB is seen on track to end stimulus by the end of the year, further disappointments in inflation or economic data could prompt investors to scale back rate-hike bets.

Economists polled by Reuters forecast inflation in the bloc rose 1.3 percent rise in April from a year earlier, unchanged from March. The ECB targets inflation at close to 2 percent.

The ECB's favoured core inflation measure, which strips out volatile energy and unprocessed food prices, is forecast to rise 1.2 percent. A another core gauge that also excludes alcohol and tobacco and is closely tracked by many economists, is estimated at 0.9 percent.

In early trade, most 10-year bond yields in the region were 1 to 2 basis points higher on the day. Sentiment was supported by an overnight fall in US bond yields after a quarterly refunding program came in short of expectations, while the US Federal Reserve left policy unchanged at a meeting.

"We expect the eurozone CPI (consumer price index) to deliver another blow to the odds of ECB tightening," said Antoine Bouvet, a rates strategist at Mizuho.