

BUSINESS

China reportedly threatened tiny Faeroe Islands over Huawei

Danish media are reporting that the Chinese government threatened to cancel a trade deal with the tiny Faeroe Islands if the country does not agree to use internet networks supplied by Chinese tech company Huawei.

Huawei is at the center of a global cybersecurity debate, with the US pushing allies in Europe and elsewhere to avoid the company over fears it could allow the Chinese government to snoop on consumers. Huawei denies that.

It's part of a broader global battle be-

tween China and the US over trade and technological supremacy, and control over the market for new, superfast 5G wireless equipment is considered key.

Danish media cited an audio recording made Nov. 15 by the local broadcaster as it prepared to interview the islands' trade minister. The hot mic recording picked up a private conversation between the minister, Helgi Abrahamsen, and his aide.

In it, the aide allegedly explains to the minister how the Chinese ambassador, Feng Tie, had in a meeting four days earlier

threatened to pull a trade deal if the Faeroe telecoms operator did not choose Huawei to build its 5G mobile network.

The Faeroe broadcaster had planned to broadcast the audio but a local court quickly issued an injunction - requested by the Faeroe government. The injunction banned the airing of the recording, claiming it might damage relations between China and the country, a tiny nation of barely 50,000 people that is part of Denmark but enjoys broad autonomy. In Denmark, broadcaster DR and daily Berlingske reported Tues-

day about the case. DR said it "is familiar with the contents of the audio file," but declined to specify whether it had heard it directly. Berlingske could not be immediately reached for more information.

Bardur Nielsen, the Faeroe Islands' premier who attended the Nov. 11 meeting with the Chinese ambassador, has said he will not discuss the case. The Chinese embassy could not be reached for comment.

China's state-run paper Global Times cited the Chinese foreign ministry spokesman, Hua Chunying, as saying that the

claims "are completely false and have ulterior motives."

Huawei, the world's biggest maker of mobile network gear, said it "was not aware of any meeting between the Chinese ambassador and Faeroese politicians in November as reported."

On Tuesday, Danish Prime Minister Mette Frederiksen said it was up to the Faeroe Islands, located midway between Scotland and Iceland, to decide who should provide the 5G network but they are welcome to seek advice in Denmark. (AP)

China welcomes preliminary trade deal

Leaders promise to shore up 2020 growth amid trade war

BEIJING, Dec 14, (AP): China put a positive face Saturday on a first-step trade agreement that dials down a trade war it blames the US for starting.

Chinese experts and news media joined government officials in saying the deal would reduce uncertainty for companies, at least in the short term. They remained cautious, saying both sides will have to show a willingness to compromise to resolve the more fundamental differences between them.

"It at least stabilizes the situation and lays a foundation for the next round of trade talks or canceling additional tariffs in the future," said Tu Xinquan, a professor at the University of International Business and Economics in Beijing. "I cannot predict what achievement can be made during the future talks."

Technology

The two countries announced a "Phase 1" agreement Friday under which the US will reduce tariffs and China will buy more US farm products. Chinese officials said the nine-chapter text, which includes intellectual property, technology transfer, financial services and dispute settlement, has to undergo legal and translation review before it can be signed.

At a late night news conference in Beijing, timed to coincide with the US morning, the officials said the United States would begin phasing out tariffs on Chinese imports, rather than continue to raise them. The deal was announced just two days before higher tariffs were set to kick in. China would make similar tariff cuts, the officials said, but they gave no details.

China portrayed the agreement as in line with the opening up of its economy and the deepening of its economic reforms. Increased imports of high-quality products from the United States and elsewhere will "meet the growing needs of the people for a better life," said Wang Shouwen, a deputy commerce minister and trade negotiator.

Bai Ming, an economic expert described as being close to the commerce ministry, told the state-owned Global Times newspaper that the US tariff cuts demonstrate a positive attitude.

"They are not showing enough of it, but it's an improvement," he was quoted as saying.

In a separate piece, the Global Times called the agreement a new beginning. It pointed to stock market gains in recent days as word of a possible deal emerged. The dispute between the world's two largest economies had rattled markets and depressed global growth.

"China and the US have been locked in a trade war for about 20 months and neither side could overwhelm the other to recklessly impose its own will on the other," said the newspaper, which is known for its nationalistic views.

It added, though, that both countries are capable of prolonging the trade war, and that resolving their differenc-

es will require patient negotiations.

"Rome was not built in a day," it wrote.

Meanwhile, China's leaders are promising to shore up economic growth next year in the face of a tariff war with Washington and to reduce poverty and pollution.

Leaders of the ruling Communist Party, in a statement reported Friday by state media, pledged at an annual planning meeting to promote technology-based development and competition by opening the state-dominated economy wider.

The annual Economic Work Meeting, which ended Thursday, lays out overall goals for the coming year. Companies and investors usually have to wait for the meeting of China's ceremonial legislature the following March for details of how they will be achieved.

This week's meeting "sent a strong signal that stability is the first priority," said Citigroup economists in a report. Still, they warned, "some of the elements that plagued China's 2019 slowdown will continue to shape next year's economy."

This year's plan comes amid a tariff battle with President Donald Trump over Beijing's technology ambitions and trade surplus and a steady decline in economic growth from the previous decade's explosive double-digit rates.

Communist leaders are in the midst of a marathon campaign to steer China to more sustainable, if slower, growth based on domestic consumption instead of trade and investment. Their plans have been challenged by the trade war and an unexpectedly sharp downturn in Chinese consumer demand.

Economic growth sank to a multi-decade low of 6% over a year earlier in the quarter ending in September.

Friday's statement promised to fight "three major battles" against poverty, pollution and financial risk. It said the ruling party will "ensure reasonable growth" in the economy and "stable growth" of trade.

It made no direct mention of the trade battle with Washington but said China faces "mounting risks and challenges at home and abroad."

Reforms

The party has tried to shore up growth by easing controls on bank lending and pumping money into the economy through higher spending on building highways and other public works. But the leadership wants to avoid reigniting a rise in already-high debt and has said it wants to rely on economic reforms instead of stimulus spending. Trump's tariff hikes have battered Chinese exporters, but they have responded by stepping up sales to other markets, putting China on track to end 2019 with little loss in global trade. Exports to the United States fell 25% from a year ago in the 11 months through November but global sales were off only 0.3%.

On Thursday, the two governments were close to agreeing on details of an interim agreement announced by Trump in October. Investors were hoping that would persuade the White House to postpone a new increase in



A Huawei employee talks on her cellphone as she stands next to a sign at Huawei's campus in Shenzhen in southern China's Guangdong Province, Dec 5. Chinese tech giant Huawei is asking a US federal court to throw out a rule that bars rural phone carriers from using government money to purchase its equipment on security grounds. (AP)

Exports hit by US-China trade war

Japan's 'tankan' survey shows sentiments souring

TOKYO, Dec 14, (AP): A closely watched economic survey by the Bank of Japan showed sentiments among major manufacturers soured for the fourth straight quarter.

A trade war between the US and China crimped trade and growth. Japan's growth is dependent on exports

and any slowdown in pan-Pacific trade hurts company sentiments.

Corporate optimism in Japan was also believed to have been dampened by a tax increase and damage from a typhoon, which both took place in October.

The "tankan" survey released Fri-

day showed the headline index for big manufacturers' sentiment was zero in December, down from plus 5 in September.

The index measures sentiment by subtracting the number of companies saying business conditions are negative from the number of respondents

who say conditions are positive.

Recent data show that the world's third-largest economy has been eking out strength but worries remain about the US-China trade dispute as well as a slowdown in consumer spending, which was inflated as shoppers sought to buy items ahead of the hike.

Australia tells Facebook, Google to follow new rules

SYDNEY, Dec 14, (RTS): Australia said technology giants such as Facebook Inc and Google will have to agree to new rules to ensure they do not abuse their market power and damage competition, or the government will impose new controls on them.

Prime Minister Scott Morrison said the Australian Competition and Consumer Commission (ACCC) will create a code of conduct to address complaints that the technology companies have a stronghold on advertising, the main income generator of local media operators. The guidelines will ensure substantial market power is not used to lessen competition in media and

advertising services markets.

"I want us to be the model jurisdiction in the world for how we are dealing with digital platforms, social media platforms," Morrison told reporters in Melbourne.

The move tightens the regulatory screws on the online platforms, which have governments from the United States to Europe scrambling to address concerns ranging from anti-trust issues to the spread of "fake news" and hate speech.

Australia's government said technology companies would need to agree to the new rules by November 2020 or it will impose them.

"The companies are on notice. The government is not messing around. We will not hesitate to act," Australian Treasurer Josh Frydenberg told reporters.

Google and Facebook both said they support greater competition and will work closely with the ACCC.

"We support a sustainable news ecosystem which is why we work with publishers to help them reach new audiences," Mia Garlick, director of policy, Australia and New Zealand at Facebook, said in an emailed statement. Google and Facebook have opposed tighter regulation, while traditional media owners, including Rupert Murdoch's News Corp., have backed reform.

tariffs due Sunday on \$160 billion of Chinese imports.

Friday's statement also promised

"vigorous efforts" in "supply-side structural reform," a reference to reducing excess production capacity in steel,

coal and other industries.

Overproduction by Chinese industry has depressed prices, threatening pro-

duces with financial ruin. A flood of low-cost exports is straining trade ties with Washington and Europe.

investment funds

Funds	Fund Manager	Valuation	Valued date	Currency	Net Asset Value (NAV)	Prev NAV	Prev NAV Dated	
NBK CAPITAL								
Money Market Funds	Watani KD Money Market Fund II	Weekly	Dec 03, 2019	KD	1.083	1.082	Nov 26, 2019	
	Watani USD Money Market Fund	Weekly	Dec 03, 2019	USD	10.683	10.679	Nov 26, 2019	
	Watani KD Money Market Fund (Acc to Islamic Shariah principles) II	Weekly	Dec 03, 2019	KD	1.081	1.080	Nov 26, 2019	
	Watani USD Money Market Fund (Acc to Islamic Shariah principles) II	Weekly	Dec 03, 2019	USD	10.478	10.467	Nov 26, 2019	
	NBK Kuwait Equity Fund	Weekly	Dec 05, 2019	KD	0.846	0.812	Nov 21, 2019	
	Gulf Equity Investment Fund	Weekly	Dec 05, 2019	USD	12.902	12.882	Nov 21, 2019	
	Regional Bond and Sukuk Investment Fund	Weekly	Dec 05, 2019	USD	11.488	11.437	Nov 21, 2019	
Gulf Bank								
	Al Basha'er GCC Equity Fund	Monthly	June 30, 2019	USD	7.907	7.701	May 31, 2019	
	Coast Fund	Monthly	Aug 31, 2019	KD	0.826	0.817	June 30, 2019	
	Markaz Real Estate Fund	Bi-annual	Sept 30, 2019	KD	1.339	1.341	Aug 29, 2019	
Al Ahli Bank								
	Al Ahli Gulf Fund	Monthly	Nov 01, 2019	KD	11.020	1.022	Oct 31, 2019	
	Al Ahli Kuwaiti Fund	Monthly	Nov 01, 2019	KD	0.882	0.878	Oct 31, 2019	
	Ahli International Multi-Asset Holding Fund	Monthly	Oct 31, 2019	KD	10.804	10.727	Sept 30, 2019	
Boubyan Bank								
	Boubyan KD Money Market Fund II	Weekly	Oct 22, 2019	KD	1.059	1.059	Oct 15, 2019	
Boubyan Capital Investment Co.								
	Boubyan USD Liquidity Fund	Weekly	Oct 22, 2019	USD	10.662	10.658	Oct 15, 2019	
	Boubyan Multi-Asset Holding Fund	Monthly	Oct 31, 2019	USD	11.719	11.643	Sept 30, 2019	
Kuwait Investment Co.								
Local Fund	Al Raed Fund	Weekly	Nov 14, 2019	KD	1.097	1.000	Sept 30, 2019	
	Kuwait Investment Fund	Weekly	Oct 31, 2019	KD	0.847	0.873	Sept 30, 2019	
	Al Hilal Fund	Monthly	Nov 18, 2019	KD	0.883	0.881	Sept 30, 2019	
	Al Atheer Fund	Weekly	Oct 31, 2019	KD	1.169	1.174	Sept 30, 2019	
International	Diversified Fund	Weekly	Oct 31, 2019	USD	21.180	20.600	Aug 30, 2019	
National Investment Co. (NIC)								
	Al-Wataniya Fund	NIC	Monthly	Oct 31, 2019	KD	0.636	0.632	Sept 30, 2019
	Al-Darji Fund	NIC	Monthly	Oct 31, 2019	KD	0.375	0.372	Sept 30, 2019
	Mawardi Fund	NIC	Monthly	Oct 31, 2019	KD	0.459	0.478	Sept 30, 2019
	Zajil Fund	NIC	Monthly	Oct 31, 2019	KD	0.767	0.792	Sept 30, 2019
	Al Mada Investment Fund	NIC	Weekly	Oct 31, 2019	USD	0.822	0.843	Sept 30, 2019
Kuwait Financial Centre (Markaz)								
	Mumtaz Fund	Weekly	Oct 10, 2019	KD	4.985	4.948	Sept 30, 2019	
	MIDAF	Weekly	Oct 10, 2019	KD	3.786	3.760	Sept 30, 2019	
	Islamic Fund	Weekly	Oct 10, 2019	KD	1.831	1.814	Sept 30, 2019	
	FORSA Financial Fund	Monthly	Aug 31, 2019	KD	1.268	1.318	July 31, 2019	

Funds	Fund Manager	Valuation	Valued date	Currency	Net Asset Value (NAV)	Prev NAV	Prev NAV Dated
Kuwait & Middle East Financial & Inv. Co.							
Real Estate Fund	Kuwait Financial Center	Monthly	Oct 31, 2019	KD	1.338	1.339	Sept 30, 2019
AI Rouyah Fund	KMEFIC	Monthly	Oct 31, 2019	KD	1.389	1.389	Sept 30, 2019
Global Investment House							
Index Funds	Global Premier Market Index Fund	Weekly	Dec 05, 2019	KD	1.760	1.643	Oct 31, 2019
Equity Funds	Al-Mamoun Fund A	Weekly	Nov 28, 2019	KD	0.855	0.823	Oct 31, 2019
	Al-Mamoun Fund B	Weekly	Nov 28, 2019	KD	0.855	0.823	Oct 31, 2019
	GCC Large Cap Fund	Weekly	Nov 26, 2019	USD	171.829	169.560	Nov 05, 2019
	Global Saudi Equity Fund	Bi-weekly	Dec 03, 2019	SAR	265.948	265.200	Nov 05, 2019
Sectoral Funds	EPADI Fund	Weekly	Nov 05, 2019	USD	91.800	94.486	Sept 24, 2019
Islamic Funds	Global GCC Islamic Fund	Weekly	Nov 05, 2019	USD	109.130	110.736	Oct 01, 2019
	Al-Durra Islamic Fund	Weekly	Oct 31, 2019	KD	1.492	1.446	Oct 03, 2019
Kuwait Finance & Investment Co (KFIC)							
AI Wasim Fund	KFIC	Weekly	Oct 06, 2019	KD	0.512	0.519	Oct 09, 2019
Al Basha'er GCC Equity Fund	KFIC	Monthly	June 30, 2019	USD	7.907	7.701	May 31, 2019
KAMCO							
KAMCO Investment Fund	KAMCO	Monthly	Sept 30, 2019	KD	1.392	1.515	July 31, 2019
KAMCO Real Estate Yield Fund	KAMCO	Monthly	Oct 31, 2019	USD	8.910	8.840	July 31, 2019
Wafra International Investment Co.							
Wafra Equity Fund	Wafra Co.	Monthly	Oct 31, 2019	KD	1.030	0.995	Sept 30, 2019
Wafra Bond Fund	Wafra Co.	Monthly	Oct 31, 2019	KD	1.045	1.042	Sept 30, 2019
Masaref Investment Fund	Wafra Co.	Weekly	Oct 31, 2019	KD	1.196	1.221	Sept 30, 2019
Fajir Islamic Fund	Wafra Co.	Monthly	Oct 31, 2019	KD	0.838	0.826	Sept 30, 2019
Al-Tharwa Investment Co.							
Tharwa Investment Fund	Tharwa Investment Co	Weekly	Oct 31, 2019	KD	1.021	1.024	Oct 03, 2019
Tharwa Islamic Fund	Tharwa Investment Co	Weekly	Oct 31, 2019	KD	0.685	0.687	Oct 03, 2019
Bank Al-Bilad							
Al Seel Fund	Bank Al-Bilad	Daily	Nov 10, 2019	KD	0.501	0.497	Nov 03, 2019
Commercial International Bank							
CIB Money Market Fund (Osool)	CI Asset Management	Weekly	Nov 27, 2019	EGP	408.460	406.720	Nov 14, 2019
CIB II Equity (Istithmar)	CI Asset Management	Weekly	Nov 27, 2019	EGP	195.410	203.170	Nov 14, 2019
CIB and Faisal Islamic Al Aman	CI Asset Management	Weekly	Nov 27, 2019	EGP	102.940	107.350	Nov 14, 2019
Hemaya	CI Asset Management	Weekly	Nov 03, 2019	EGP	237.820	236.100	Oct 01, 2019
Thabat	CI Asset Management	Weekly	Nov 27, 2019	EGP	207.090	274.540	Nov 14, 2019
Takamol	CI Asset Management	Weekly	Nov 27, 2019	EGP	186.370	190.760	Nov 14, 2019
Misr El Mostakbel	CI Asset Management	Weekly	Nov 24, 2019	EGP	23.510	24.760	Nov 11, 2019
KFH Capital							
KFHC GCC Equities Fund	KFH Capital Investment Co	Daily	Apr 30, 2019	KD	0.824	0.797	Mar 31, 2019
KFH Capital Investment Co	KFH Capital Investment Co	Daily	Nov 30, 2018	KD	0.407	0.406	Oct 31, 2018