

Nikola founder Trevor Milton leaves a federal courthouse in New York, July 29, 2021. (AP)



EV start-up Nikola settles with US for \$125 million

Electric and hydrogen-powered truck startup Nikola has agreed to a \$125 million settlement over charges that it defrauded investors after misleading them about its products, technical advances, and financial prospects. Nikola Corp. violated the antifraud and disclosure control provisions of the federal securities laws, the Securities and Exchange Commission said Tuesday.

In July the founder and one-time chair of Nikola, Trevor Milton, was freed on \$100 million bail after pleading not guilty to charges alleging he lied about the company.

The U.S. Attorney's Office in Manhattan charged Milton, 39, with two counts of securities fraud and wire fraud. He resigned as chairman in September. The SEC said in its order that Milton embarked on a public relations campaign aimed at inflating and maintaining Nikola's stock price before the company had produced a vehicle.

The SEC also found that Milton misled investors about Nikola's technological advancements, in-house production capabilities, hydrogen production, truck reservations and orders, and financial outlook. In

addition, it found that Nikola misled investors by misrepresenting or omitting information about the refueling time of its prototype vehicles, as well as the economic risks and benefits associated of a potential partnership with General Motors.

Nikola also went public through something called a special purpose acquisitions company, or SPAC, a vehicle that is getting increased scrutiny from the SEC and other regulators. The SEC issued new accounting guidance for SPACs this year after a flurry of them hit the market. (AP)

Market Movements 22-12-2021

	Change	Closing pts		Change	Closing pts
EGYPT - EGX 30	+105.97	11,630.63	PAKISTAN - KSE 100	-2.10	44,174.97
EUROPE - Euro Stoxx 50	+42.07	4,217.06	PHILIPPINES - PSEi	-47.87	7,119.19
INDIA - Sensex	+611.55	56,930.56	SAUDI - Tadawul	-56.85	11,204.43
JAPAN - Nikkei	+44.62	28,562.21	UAE - DFM	-26.64	3,126.29
SINGAPORE - Straits Times STI	+2.43	3,087.51			
UK - FTSE 100	+44.25	7,341.66			

Business

US economy grows at 2.3% rate in Q3

Prospects for solid rebound going forward clouded by rapid spread of Omicron

WASHINGTON, Dec 22, (AP) — The US economy grew at a 2.3% rate in the third quarter, slightly better than previously thought, the Commerce Department said Wednesday. But prospects for a solid rebound going forward are being clouded by the rapid spread of the latest variant of the coronavirus.

The third and final look at the performance of the gross domestic product, the nation's total output of goods and services, was higher than last month's estimate of 2.1% growth in the third quarter.

The new-found strength came from primarily from stronger consumer spending than previously thought and businesses in rebuilding their inventories more than initial estimates revealed.

The 2.3% third quarter gain follows explosive growth that began the year as the country began to emerge from the pandemic, at least economically. Growth soared to 6.3% in the first quarter and 6.7% in the second quarter. The emergence of the delta variant in the summer was blamed for much of the third quarter slowdown.

Concerns

Now with the appearance of the omicron variant, coming on top of high inflation and lingering supply chain issues, there are concerns about future growth prospects.

Those fears have sent the stock market on a turbulent ride in recent days although new optimism that the omicron risks will be manageable allowed the Dow Jones industrial average to stage a 560-point rebound on Tuesday.

But many economists believe it is far too early to declare an all-clear on the threats posed by the new variant.

"History is repeating itself with the COVID virus suddenly reappearing and dampening economic growth prospects," said Sung Won Sohn, an economics and business professor Loyola Marymount University.

Oxford Economics has trimmed its forecast for economic growth for the



Trucks line up to enter a Port of Oakland shipping terminal on Wednesday, Nov 10, 2021, in Oakland, California. The US economy grew at a 2.3% rate in the third quarter, the Commerce Department said Wednesday, Dec 22. But prospects for a solid rebound going forward are being clouded by rising worries about the rapid spread of the new omicron virus. (AP)

current quarter from 7.8% to 7.3%, which would still represent a sizable rebound from the slowdown seen in the third quarter.

Kathy Bostjancic, chief US financial economist for Oxford, said that not only COVID but also the dimming prospects for President Joe Biden's \$1.8 trillion spending plan to bolster social programs and fight climate change were causing the forecasting firm to make downward revisions to its projections.

She said Oxford's current assessment was that the resurgence of COVID could reduce growth next year from 4.3% to 4.1% and that if Biden's Build Back Better program is completely derailed, that could likely shave another 0.4 percentage points in 2022, lowering it to around 3.7% and chop a half-point from growth in 2023, reducing it to below 2%.

She said under these assumptions,

job growth could be 750,000 lower by this time next year if economic growth slows as much as she fears.

"Omicron has been so rampant," Bostjancic said. "We think it is going to take a pretty toll on economic activity."

And it is not just the resurgence of COVID that could hold the economy back next year. Inflation has spiked to the highest level in nearly four decades, prompting the Federal Reserve to start pulling back the massive amounts of support it has been providing to the economy as it switches from trying to boost job growth to fighting inflation.

For this year, analysts expect GDP growth to come in around 5.5%, which would be the best showing since 1984 and a big improvement over last year when the economy shrank by 3.4%, reflecting the initial loss of 22 million jobs after the global pandemic hit and forced shutdowns in early 2020.

IMF extends its 'debt service' relief for 25 eligible countries

WASHINGTON, Dec 22, (KUNA) — The Executive Board of the International Monetary Fund (IMF) approved a fifth and final tranche of debt service relief for 25 countries.

The move was taken under the Catastrophe Containment and Relief Trust (CCRT) for 25 member countries with "eligible debt service falling due to the IMF from January 11 to April 13, 2022," the IMF announced Monday evening.

The IMF said in a statement that the approval of the fifth tranche, totaling about USD 115 million, follows four prior tranches approved in April and October 2020 and April and October 2021 and "helps free up scarce financial

resources for vital health, social, and economic support to mitigate the impact of the COVID-19 pandemic."

It added that the tranche completes the two-year COVID-related debt service relief first approved in April 2020, totaling "a cumulative debt service relief" of about USD 964 million.

In March 2020, IMF Managing Director Kristalina Georgieva launched an urgent fundraising effort to raise USD 1.4 billion in grants for the CCRT that would "enable the CCRT to provide financial assistance for COVID-related relief on debt service for up to a maximum of two years, while leaving the CCRT adequately funded for future needs."

the bottomline

NEW YORK: Software maker Oracle is buying electronic medical records company Cerner in an all-cash deal valued at about \$28.3 billion.

Oracle will pay \$95 per Cerner share and the deal is expected to close next year.

Hospitals and physicians offices use Cerner software to record and share health and medical data. The companies said Monday that Cerner systems running on the Oracle Gen2 Cloud will be available 24 hours a day, every day, with the goal of having zero unplanned downtime.

Cerner, based in Kansas City, Missouri, will become a unit of Oracle. (AP)

SANTA CLARA, California: Intel said it will invest 30 billion ringgit (\$7.1 billion) to expand its manufacturing operation in Malaysia as chipmakers work to diversify their global supply chains that were hit hard by the COVID-19 pandemic.

The US semiconductor company is no stranger to Malaysia, where it built its first offshore assembly plant in Penang in 1972. But the Santa Clara, California-based chipmaker said Thursday the new investment will expand the operations of its Malaysian subsidiary across Penang and Kulim, creating more than 4,000 new Intel jobs and more than 5,000 local construction jobs.

He said it will expand Intel's assembly and test manufacturing, "while also building out die prep capability with the addition of advanced packaging capabilities," and help fulfill global demand driven by pandemic-fueled chip shortages. (AP)

LISBON, Portugal: European Union authorities have approved a rescue plan for TAP Air Portugal, which is getting government aid worth 2.55 billion euros (\$2.9 billion) to help the flag carrier restructure its operations.

In return, TAP will have to give up some of its slots at Lisbon airport and sell off some of its assets, including catering and baggage handling companies in Portugal, the Portuguese government announced late Tuesday. (AP)

Measures to fight tax abuse

EU proposes rules against shell companies

BRUSSELS, Dec 22, (AP) — The European Union's executive arm proposed measures Wednesday to better detect shell companies that do not carry out any real economic activities to prevent them from receiving tax advantages and crack down on their tax abuse.

The European Commission said the directive, which needs to be approved by the bloc's 27 member nations, would help national authorities identify shell companies through a filtering system, analyzing criteria such as income, transactions and management.

"This is another important step in our fight against tax avoidance and evasion in the European Union," EU Commissioner for Economy Paolo Gentiloni said. According to EU estimates, tax dodging causes the bloc to lose up to 1 trillion euros (\$1.13 trillion) in income each year.

The commission also proposed another directive ensuring a minimum effective tax rate for large multinational companies. The EU said it would help implement the deal reached in October by more than 130 countries to make

sweeping changes to how big global companies are taxed, including a 15% minimum corporate rate designed to deter multinationals from stashing profits in low-tax countries.

All 27 EU member countries will need to agree to the proposal.

In the shell company rules, companies identified as such will no longer be entitled to tax advantages meant to support real economic activities. The proposal also will allow EU countries to request other members to conduct tax audits of companies.

stc signs a binding agreement to fully acquire e-portal Holding Company



Kuwait Telecommunications Company (stc), a world-class digital leader providing innovative services and platforms to customers, enabling the digital transformation in Kuwait, announced signing a binding agreement to acquire 100% of the share capital of e-portal Holding Company and its subsidiaries, which specialize in the Information and Communications Technology sector in the State of Kuwait. The acquisition with e-portal – one of the most prominent companies in the ICT field, with a reputable position and a value-added customer base from both the private and government sectors – has been initiated with the purchase price of KD 23 Million.

This transaction was disclosed on Boursa Kuwait in compliance with the regulations of the Capital Markets Authority; whereby, the completion of this transaction is subject to the regulatory approvals.

On this occasion, Engineer Maziad Alharbi, the Chief Executive Officer of stc, stated: This deal is an achievement for us in terms of its alignment with stc's corporate strategy of expanding its activities, shifting from the traditional telecommunication services

to the digital services as well as the advanced integrated communications information solutions and advanced technical solutions through the provision of digital capabilities from the ICT, IOT and Cloud Services. In addition to strengthening stc's internal ICT capabilities in line with the recent rapid global developments, this acquisition is also considered as an integral opportunity for both companies to expand their scope of work and share expertise between their teams. This would allow stc to exploit the potential growth opportunities arising in the enterprise sector and develop its scope as well as sharing the required expertise to support the digital transformation process in order to provide the best services, products and solutions to exceed the expectations and requirements of our enterprise and corporate customers.

Alharbi noted: stc had studied

all the available investment opportunities in this field that would support and enable the Company to provide the latest and most advanced services besides expanding its activities and operations in the field of the integrated communications and advanced technical solutions. This was driven by stc's Board of Director's and Executive Management's vision of enriching our shareholder's value and sustaining Company's competitive position through seizing the promising investment opportunities.

Alharbi also emphasized that stc's future plans are greatly based on elevating customers' experience at both, the individual and enterprise levels combined with uplifting company's market leadership through developing its capabilities and providing an effective operating model, based on the digital platforms.

Accordingly, this acquisition will be the corner stone that would support stc to provide the necessary infrastructure in order to develop its ICT portfolio backed by our current capabilities.

ABK Concludes its 9th Annual Football Tournament



Al Ahli Bank of Kuwait (ABK) announced the conclusion of the 9th Annual Football Tournament, which was held at the Public Authority for Sports field in Mishref. A total of 8 Academies for children between the ages of 10 and 12 years old participated in the tournament; S & A Academy, Future Champions Academy, Falcons Academy, Captain 23 Academy, Super Kick Academy, Heroes Academy, Panther Academy, and Dynamo Kuwait Academy.

The First Place was won by "S&A Academy" with each team member receiving KD60. The second place was taken by "Future Champions Academy" with each team member receiving KD40.

The ABK football tournament is part of the Bank's annual social program which aims to engage with the youth by encouraging sport and a healthy lifestyle from an early age. The tournament, which was launched in 2011 has grown substantially in popularity year-on-year.

For more information kindly visit eahli.com