

## BUSINESS

## US fund KKR interested in Italian telecoms giant TIM

The Italian telecommunications company TIM is assessing a non-binding "indication of interest" by the U.S. investment fund KKR to acquire the entire capital share, a potential 11 billion-euro deal.

Any agreement would need the OK of the Italian government.

TIM in a statement issued on Sunday evening says its board of directors met and "acknowledged" the fund's interest in launching a possible public tender. The due diligence process is expected to take four weeks.

Although TIM is a private company quoted on the stock exchange, because it is considered a strategic asset for Italy, the Italian government can exercise its so-called "golden power" option to oppose any acquisition it considers wouldn't be in the public's interest.

TIM's statement said its board "acknowledged the intention" of Kohlberg Kravis Roberts & Co. L.P., to date qualified as "non-binding and indicative." TIM said that among conditions is a "minimum level of acceptance of 51%" for both ordi-

nary and savings shares.

KKR's indication of interest was described by TIM as "friendly" and aimed at obtaining approval by TIM's directors and support by TIM's management.

The government is expected to evaluate KKR's interest keenly, especially with regard to any layoffs in TIM, a major Italian company which is also the country's largest phone operator and holds the biggest part of telecommunications infrastructure in Italy. The move by KKR comes as Premier Mario Draghi's govern-

ment has pledged to use billions of euros in EU pandemic economic recovery funds to facilitate the country's digital transition.

A statement on the finance ministry website said the government called KKR's interests "positive news for the country. If this (deal) becomes concrete, it will be the market in the first place to evaluate the solidity of the plan."

In a reference to its "golden power," the government said it will "follow with attention the developments of manifestation of interest and will evaluate carefully, even

in regards to the exercising of its own prerogatives, the plans that involve infrastructure."

To properly evaluate the prospects, Italy is setting up a working group composed of government officials as well as experts.

TIM said the indication of interest foresees a indicative price, to be paid fully in cash, of 0.505 euros per ordinary or savings share. Italian media calculated that would make the offer worth up to 11 billion euros (more than \$12 billion). (AP)

# US stocks 'wobble', oil prices rise despite release of crude



In this file photo, traders James Dresch, (left), and Michael Urkonis work on the floor of the New York Stock Exchange. Stocks wobbled on Wall Street Tuesday as gains from a mix of banks and energy companies countered losses from communications and technology companies. (AP)

## Retailers mixed ahead of holiday shopping season

### NEW YORK, Nov 23, (AP): Stocks wobbled on Wall Street Tuesday as gains from a mix of banks and energy companies countered losses from communications and technology companies

The S&P 500 fell 0.1% as of 10:15 a.m. Eastern. The Dow Jones Industrial Average rose 33 points, or 0.1%, to 35,657 and the Nasdaq fell 0.5%.

Bond yields edged higher. The yield on the 10-year Treasury rose to 1.65% from 1.63% late Monday. That helped send banks higher, as they rely on higher bond yields to charge more lucrative interest on loans. Bank of America rose 1.2%.

Prices for U.S. crude oil rose 1.3% and wholesale gasoline rose 1% despite the fact that President Joe Biden ordered 50 million barrels of oil released from the nation's strategic reserve to help bring down energy costs. The move was made in concert with other big oil-consuming nations.

Oil and gas companies made solid gains as energy prices rose. Devon Energy rose 4.9%.

Retailers were mixed ahead of the official start of the key holiday shopping season. Discount retailer Dollar Tree rose 4.5%. Starbucks rose 1.7%. Best Buy slumped 15% as concerns

about tighter margins outweighed solid earnings.

Hotel operators gained ground ahead as people prepare to travel for the Thanksgiving holiday. Hilton rose 1.9% and Marriott rose 1.2%.

Technology and communications companies lagged the broader market.

Investors are facing a holiday-shortened week. Markets are closed on Thursday for Thanksgiving and will close early on Friday.

Wall Street will get a few pieces of economic data on Wednesday that could give investors a better sense of the economic recovery's pace and breadth. The Labor Department will release its weekly report on unemployment benefits. The Commerce Department releases data on third-quarter gross domestic product and its new home sales report for October.

#### Trimming

Also on Wednesday, the Federal Reserve will release minutes from its October interest-rate meeting, potentially giving investors more details on the central bank's plan to start trimming bond purchases that have helped keep interest rates low.

Investors have been watching to see if pressure from rising inflation will goad the Fed into speeding up its plans for trimming bond purchases and raising its benchmark interest rate.

Shares opened lower in Europe on Tuesday after a mixed session in Asia, as countries imposed lockdowns and

other restrictions to fight flare-ups of coronavirus cases.

Benchmarks dropped in London, Paris, Hong Kong and South Korea. The Shanghai composite index edged higher, while Tokyo was closed for a holiday. U.S. futures were lower.

In Europe, authorities have urged calm as protests broke out protesting tough COVID-19 measures as infections spike upward again. The continent is now the global epicenter of the pandemic as cases soar to record levels in many countries.

Spiking infections and measures to rein them in are combining to usher in a second straight grim holiday season in Europe.

Germany's DAX sank 1.4% in early trading Tuesday to 15,889.88 and the CAC 40 in Paris shed 1.3% to 7,011.34. Britain's FTSE slipped 0.7% to 7,207.51.

Outbreaks in some Asian countries including China and South Korea have also slowed progress toward ending the pandemic.

In Asian trading, Hong Kong's Hang Seng fell 1.2% to 24,651.58 and the Kospi in Seoul lost 0.5% to 2,997.33. In Sydney, the S&P/ASX 200 climbed 0.8% to 7,410.60 and the Shanghai Composite index added 0.2% to 3,588.77. Shares rose in India but fell in Taiwan.

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ing its benchmark interest rate.

The U.S. central bank has begun trimming bond purchases that have helped keep interest rates low to support the economy and markets.

In other trading Tuesday, U.S. benchmark crude oil lost 86 cents to \$75.89 per barrel in electronic trading on the New York Mercantile Exchange.

Brent crude, the standard for international pricing, gave up 60 cents to \$79.10 per barrel.

The U.S. dollar fell to 114.63 Japanese yen from 114.88 yen late Monday. The euro edged up to \$1.1265 from \$1.1237.

#### Traders

Traders are awaiting word on whether Biden might order a release from the U.S. strategic oil reserve, possibly in coordination with other major consuming nations such as Japan, South Korea and India.

Such a "move by the United States could push OPEC+ into a corner and force it to rethink its future production plans or risk losing a share of the market," Naeem Aslam of Avatrade said in a report.

So far, officials in Japan and the U.S. have said no decision has been made on such a move, meant to counter surging prices for crude oil as growth in demand outstrips increases in output.

## 'Escalating situation' cited

### Clothing major PVH Corp closes its Ethiopia facility

NAIROBI, Kenya, Nov 23, (AP): Ethiopia's once rapidly growing economy is taking another hit tied to its yearlong war, with global clothing manufacturer PVH Corp. saying it is closing its facility there because of the "speed and volatility of the escalating situation."

PVH, whose brands include Calvin Klein and Tommy Hilfiger, has been a marquee occupant of Ethiopia's model industrial park in the city of Hawassa, where Africa's second-most populous country has made clear its aspirations of rapid, Chinese-style development.

PVH said it is closing its facility after a planned sale was disrupted by the escalating situation in Ethiopia but added it remains committed to its third-party manufacturing partners at the Hawassa park.

The company's statement, emailed to The Associated Press, comes two weeks after U.S. President Joe Biden announced he would cut Ethiopia from a trade program, the African Growth and Opportunity Act, because of "gross violations of internationally recognized human rights." The sanction goes into effect on Jan. 1.

H&M, another high-profile occupant at the Hawassa park, told the AP that "we are following all developments carefully but refrain from taking any decision regarding our long-term presence in the country."

#### Business

Ethiopia's war and the many reported atrocities on all sides have led some in the business world to press Prime Minister Abiy Ahmed and his government for a cease-fire and humanitarian access to the blockaded Tigray region, echoing efforts by envoys from both the U.S. and African Union.

Thousands of people have been killed as Ethiopian and allied forces fight the Tigray ones who long dominated the national government before Abiy came to power in 2018. The conflict has been marked by gang-rapes, forced expulsions and manmade famine.

"We continue to emphasize to the government of Ethiopia the need for all parties to facilitate the delivery of humanitarian aid and supplies to those who need it, and see this as a first step toward the cessation of hostilities and a process that will result in lasting peace," Stephen Lamar, president of the American Apparel & Footwear Association, told the AP in an email.

"As the crisis spreads - and if

Ethiopia does lose AGOA eligibility - companies will increasingly be unable to source from Ethiopia. This will hurt Ethiopia's economy, particularly the women who comprise the bulk of the workforce in the country's apparel industry," Lamar added.

The harm to low-income workers far from the war is an argument that Ethiopia's government made as it openly lobbied against losing African Growth and Opportunity Act eligibility. Ethiopia's chief trade negotiator, Mamo Mihretu, has asserted that millions of workers would be affected.

But the Biden administration, which last week said it was not imposing sanctions on Ethiopia's government and rival Tigray forces "to allow time and space" to see if diplomatic efforts make progress, ran out of patience.

#### Program

The trade program announcement "is making people in the business world especially anxious. It certainly makes it less economically smart to be there," said Mike Posner, assistant secretary of state for democracy, human rights and labor in the Obama administration.

"I'd say we have very limited time now to try to tamp down the rhetoric and find a way to the bargaining table," Posner said, addressing Ethiopia's leadership. "This could be disastrous for the economy."

Warnings about the economy have been growing as Ethiopia's government pours resources into the war. In its World Economic Outlook report last month, the International Monetary Fund said projections for 2022 to 2026 "are omitted due to an unusually high degree of uncertainty."

Businesses like PVH had entered Ethiopia because of the government's push in recent years to build a network of industrial parks to make clothing and footwear for export, along with the country's large population of more than 110 million people and wages that are "significantly lower than even places like Bangladesh and Cambodia," Posner said.

#### Instability

But the instability has brought businesses' thinking to a tipping point, he said.

Chinese and other companies may continue to operate in the industrial parks, but Ethiopia is a tiny market in the global economy, Posner said. "If Ethiopia's government thinks it can make this work by shutting out the U.S. or Europe and only selling to Chinese or Indian customers, I think it's going to be disappointed."

## IKEA to phase out plastic from consumer packaging by 2028

In line with the commitment to have a positive impact on both people and planet, IKEA will phase out plastic from consumer packaging solutions. The phase-out will happen in steps, starting with all new range by 2025, and existing range by 2028. With this phase-out, IKEA aims to reduce plastic waste and pollution, and drive the industry agenda to develop packaging solutions centred around renewable and recycled materials.

Packaging is a key component of the IKEA business model and an important enabler for affordability, sustainability, and safe handling. To combat plastic waste and pollution, IKEA has already significantly decreased the amount of plastic used in packaging solutions. Today, less than 10% of the total volume of packaging material used annually by IKEA consist of plastics. In closing the remaining gap by removing plastics from consumer packaging solutions, IKEA will continue the movement towards only using



renewable or recycled materials.

"Phasing out plastic in consumer packaging is the next big step on our journey to make packaging solutions more sustainable and support the overall commitment to reduce plastic pollution and develop packaging from renewable and recycled materials. The shift will happen progressively over the coming years, and mainly be focusing on paper as it is both recyclable, renewable, and widely recycled across the world" says Erik Olsen, Packaging & Identification Manager at IKEA Of Sweden.

On an annual basis, IKEA spends over 1 billion Euros on approximately 920 000 tonnes of packaging material. The movement away from plastic

in consumer packaging will require the engineering of new solutions, as well as close collaboration with product development teams and IKEA suppliers across the world. Plastic packaging might remain in some parts of the IKEA food range where it is needed to secure quality and food safety standards beyond 2028, in which case it will come renewable or recycled sources.

"Ingenuity is part of the IKEA heritage, and packaging is by no means an exception in that regard. Shifting away from plastic in our consumer packaging solutions will doubtlessly be a challenging task in the coming years. With this movement we hope to spur innovation within packaging and use our size and reach to have a positive impact on the wider industry beyond our supply chain," says Maja Kjellberg, Packaging Development Leader at IKEA Of Sweden.

## ABK Announces Refaat Haleem Aladawi as Winner of Weekly Draw Prize of KD 10,000



Al Ahli Bank of Kuwait (ABK) announced Mr. Refaat Haleem Aladawi as the winner of KD10,000 in the Alfouz weekly draw. The draw was held under the supervision of the Ministry of Commerce and Industry and announced live on Q8 Pulse Station FM88.8 on Monday 22nd November 2021.

The Alfouz draw account offers ABK customers the chance to win life-changing rewards. With Alfouz, ABK customers will get a chance to win KD10,000 in Kuwait's highest single weekly draw and the ultimate grand prize of KD5,000 monthly additional income for 10 years. Both new

and existing ABK customers can benefit from this opportunity, with a minimum account balance of KD100 only.

The next draw date will be on Sunday 28th November 2021.

For more information about ABK, please visit eahli.com