

another executive departs as Boeing tries to correct course

A close adviser to Boeing's ousted CEO will also leave the company. Mike Lutigg was Boeing's general counsel from 2006 until this spring. Shortly after the crash of a second Boeing 737 Max, the company's premiere aircraft, he was assigned to head the company's legal strategy and to advise the board. Lutigg, who will retire next week, is the latest executive to leave the beleaguered company. In addition to CEO Dennis Muilenburg who was pushed out this week, Kevin McAllister, the head of Bo-

eing Commercial Airplanes, was forced out in October. Anne Toulouse, senior vice-president of communications, will leave at the end of the year. Lutigg served 15 years on the US Court of Appeals for the Fourth Circuit before joining Boeing. "We are deeply indebted to Judge Lutigg for his extraordinary service to Boeing over these nearly 14 years, especially through this past, challenging year for our company," said interim CEO Greg Smith in a prepared statement.

In October 2018, a brand-new Max operated by Indonesia's Lion Air crashed into the sea near Jakarta. Five months later, in March, an Ethiopian Airlines Max went down shortly after takeoff from Addis Ababa. All 346 people aboard the two planes were killed. A faulty sensor caused the system to activate before the two disasters, pushing down the nose of both planes. Boeing had not told pilots about MCAS until after the Lion Air crash, and regulators at the FAA didn't know much about it either. (AP)



In this file photo, a worker walks past a Boeing 737 Max 8 airplane at Boeing's assembly facility in Renton, Wash. (AP)

Market Movements 27-12-2019

	Change	Closing pts		Change	Closing pts		
↑ AUSTRALIA	- All Ordinaries	+29.89	6,936.29	CHINA	- Shanghai SE	-2.32	3,005.04
↑ EUROPE	- Euro Stoxx 50	+7.88	3,782.27	JAPAN	- Nikkei	-87.20	23,837.72
↑ FRANCE	- CAC 40	+7.84	6,037.39	PAKISTAN	- KSE 100	-279.26	40,848.53
↑ GERMANY	- DAX	+36.13	13,337.11	PHILIPPINES	- PSEi	-27.02	7,815.26
↑ INDIA	- Sensex	+411.38	41,575.14				
↑ S. KOREA	- KRX 100	+11.69	4,776.23				

Business

No compensation for loss of output

Saudi-Kuwait 'border' issue settled; production to begin

By Kamel Al-Harami
Independent Oil Analyst

THE agreement signed in Kuwait last Tuesday between Saudi Arabia and Kuwait concerning the divided zone has settled the issue forever, opening a new page of cooperation. This is detailed in the agreement, which includes a memorandum of understanding and an attachment explaining the precise locations in order to avoid any misunderstandings concerning the equal division of the land, oil and gas by 50 percent each.

The agreement allows Chevron Saudi Arabia to remain in its present location for a period of five years until they complete their relocation to the Saudi Arabia site in Khafghi. Kuwait or its representative must compensate Chevron for the cost of replacing and relocating buildings and offices. This has been permitted, audited and approved by reliable international organizations.

No compensations are to be paid for the suspension of production in the oil fields in both Khafghi and Wafra for the past five years to any party, making way for starting a new page.

Kuwait, via its representative Gulf Oil Company, will pay Chevron Saudi Arabia half of the cost of export oil facilities, as its current loca-

tion is to be owned equally by both companies. The cost of facilities will be determined by international auditing houses. The current concession agreement between Saudi Arabia and Chevron is to conclude by end of 2046.

It is estimated that both countries are looking at producing and exporting more than 600,000 barrels of crude oil from Khafghi and Wafra fields in the southern part of Kuwait on an equal sharing basis. However, this export will not be possible with the current production quota in place unless both countries shut down other oil fields to cater for the new production.

The potential production of gas from Al-Durrah field is estimated to contain more than one billion square foot of gas, or more than 175,000 barrels of equivalent oil. Gas seems to be the major winner, as both parties are in need of gas.

Both parties have been instructed in the signed contract to move ahead, as both are desperate for a new gas source.

Time has come to put our agreement into action and put the past behind us, as well as ensure none of the party can unilaterally stop the flow of oil and gas in either directions, as it happened in the past.

It's a win-win deal for both countries, and let us reap the benefits for many years to come; along with it, the potential free gas from Al-Durrah as written and instructed in the agreement.

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Al-Harami

French oil refineries blocked



Trade union demonstrators gather in Bayonne, southwestern France, Dec 28. France's punishing transportation troubles may ease up slightly over Christmas, but unions plan renewed strikes and protests in January to resist government plans to raise the retirement age to 64. (AP)

Pension strike hits day 23

PARIS, Dec 28, (AP): French union activists disrupted two of the country's eight oil refineries Friday as part of nationwide strikes against a higher retirement age that have lasted for 23 days, the longest such walkout in France in decades.

The current action, at more than three weeks, is now longer than a 1995 transport workers strike that looms large in the nation's modern history. The strike under Jacques Chirac's presidency also was over pension reform and ended after 22 days when the government backed down.

This time, President Emmanuel Macron appears determined to push through the retirement overhaul and raise the official pension

eligibility age to 64. But the government is holding negotiations with unions and offering compromise measures to airline pilots, forensic police and other groups.

The most determined unions are keeping up the pressure. Protests caused disruptions at oil refineries Friday in a region southeast of Paris and in the region that includes the major Mediterranean port of Marseille.

France's interior minister insisted the disruptions would not cause

gasoline shortages and urged drivers not to resort to panic buying.

The strike halted about half of the country's high-speed trains on Friday, while tourists and Parisians squeezed into scarcer-than-usual buses and subway trains.

Unions called this year's strike Dec 5 against a pension reform plan they see as threatening the French welfare state. Macron argues the changes would make the pension system more fair and keep it out of debt.

Major world economic activities throughout 2019

KUWAIT CITY, Dec 28, (KUNA): There have been numerous economic developments at the domestic, regional and international scenes whether they were gains or losses.

Following are major economic events that took place throughout 2019.

Jan 7: The European Union announced the expected funding humanitarian aid for refugees in Turkey in 2019 hit 640 million euros.

Jan 8: President of the World Bank Jim Yong Kim declared his resignation at the end of January after six years in office.

Jan 16: The European Union adopted a biggest annual humanitarian budget at all estimated at \$1.6 billion euros in 2019.

Jan 19: The Saudi-Emirati coordination council declared the launch of seven strategic initiatives to embody bilateral integration between the two countries that included services, financial markets, tourism, aviation, entrepreneurship, customs and security.

Jan 19: Standard and Poor's fixed Kuwait's sovereign credit rating at AA with stable economic outlook.

Jan 21: China's economy posted a growth rate of 6.6 percent, the slowest since 1990.

Jan 21: The Directorate-General of the European Commission, Eurostat, said the EU 28 governments' deficit-to-GDP posted 0.6 percent in 2018.

Jan 22: France imposed a 50-million-euro fine on Google for violating the protection of data in the European Union.

Feb 1: Japan's government said its comprehensive deal with the European Union came into effect.

Feb 4: General Motors cut some 4,000 salaried jobs in North America.

Feb 5: German airline (Germania) filed for bankruptcy due to financial sanctions.

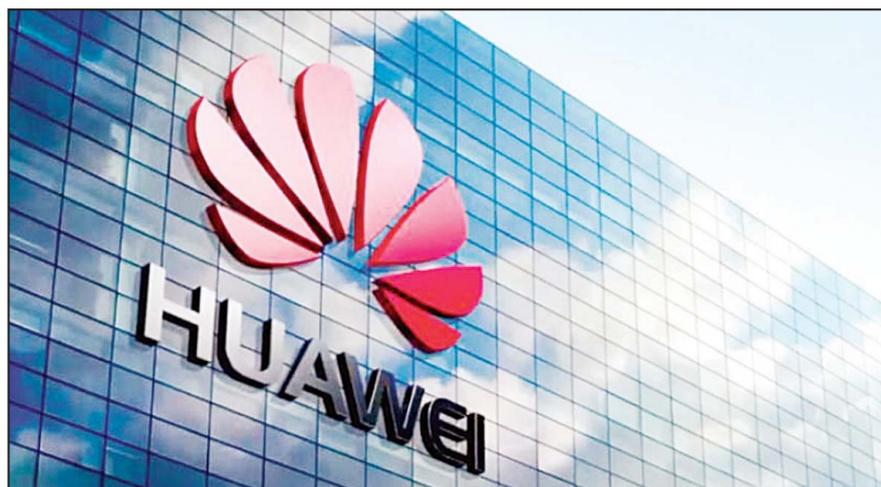
Feb 14: Emirates and Airbus signed a contract worth \$2.14 billion to purchase 70 new planes.

Feb 14: Airbus declared stopping production of A380 as of 2021.

Feb 18: The 129th session of the Council of the Union of Arab Chambers was hosted by Muscat.

Feb 20: Saudi Arabia and India signed five deals to boost bilateral cooperation on investment, infrastructure, tourism, radio transmission, housing fields.

Feb 22: European Union trade ministers concluded their meeting in Bucharest that discussed the development of the



A Huawei logo is pictured at the headquarters of the Chinese telecommunications equipment and smartphone maker in Shenzhen, Guangdong province, China.

World Trade Organization and commercial ties between the EU and the US.

Feb 22: China and Saudi Arabia inked deals on promoting bilateral cooperation in different fields including politics, finance, energy and shipping.

Feb 23: Central Bank of Turkey declared a net profit of \$10.7 billion in 2018.

March 3: The French automobiles company (Bugatti) revealed the richest car in the world estimated at \$11 million.

March 13: Boeing halted delivering 737 Max planes to customer in wake of preventing this kind from hovering in some countries including the US.

March 26: Uber Technologies, Inc, an American multinational transportation network company, bought its counterpart (Kreem) in a deal evaluated at USD 3.1 billion.

April 5: Senior official at the US Treasury and US President Donald Trump's nominee David Malpass was elected as President of the World Bank Group.

April 20: Kuwait's Ministry of Finance signed a memorandum of understanding on establishing the "Belt and Road" initiative forum for taxation cooperation. The signing was made with the participation of 80 countries during the first forum held in China.

May 31: US President Donald Trump imposed five percent tariff on all Mexican imports in the US.

June 3: The UK's INEOS company announced investing USD 2 billion in the chemicals' field in Saudi Arabia.

June 8: The US suspends tariff on Mexican imports in the US, after Mexico pledged to cut the number of people migrating to the US.

June 15: Oman started imposing excise tax of 50 to 100 percent on selected items.

June 25: The US' conference on encouraging investments in the West Bank kicked off in Bahrain. The US said the Conference aims to encourage investments in the West Bank and the Gaza Strip, in what is referred to as the "deal of the century."

June 26: Morgan Stanley Capital International for Europe, Australia and Far East markets announced upgrading Boursa Kuwait to the level of "emerging markets" as of May 2020.

Oct 3: The US decided to impose \$7.5 billion in custom duties on European imports after the World Trade Organization (WTO) ruled in favor of Boeing against Airbus over illegal subsidies to the European manufacturer.

Oct 6: The Libyan government allocated 1.5 billion Libyan dinars to the

national oil company to maintain production in 2019-20.

Oct 7: US President Donald Trump signed two trade agreements with Japan, according to which custom tariffs on \$7.2 billion worth of American agricultural products would be either cancelled or reduced.

Oct 8: US Trade Department put 28 Chinese government and commercial entities on its black list on alleged violations against the Uyghur Muslim minority.

Oct 9: Kuwait advanced eight places to rank 46 in the international competition index in terms of economic stability.

Oct 14: Russian investment fund signed 14 agreements over USD three billion with Saudi Arabia, on sidelines of President Vladimir Putin's visit to the Kingdom.

Oct 18: European Council appointed former IMF Director General Christine Lagarde as President of European Central Bank for an eight-year term.

Oct 23: The World Bank said Kuwait advanced from 97 to 83 to be part of the world's 10 best countries in terms of improvement of business environment.

Nov 1: The US' Alphabet Inc bought smart watch company (Fitbit) for \$2.1 billion.

Nov 3: Saudi's Capital Market Authority approved the request of Saudi

Arabian Oil Company (Aramco) to place two percent of its shares into initial public offering (IPO), considered to be the highest share placing process in the world.

Nov 6: Turkey announced the arrival of the first cargo train from China's Xi'an city to Ankara, to transfer goods to Europe through Marmara Sea in Istanbul.

Nov 9: US President Donald Trump opposed fully cancelling tariffs on Chinese exports to America, despite Beijing's announcement on reaching an agreement with the US on gradually removing tariffs.

Nov 11: Moody's Corporation changed its future view on global government debt for 2020 from stable to negative, due to the international political developments that could lead to global economic shocks.

Nov 11: Uber American founder Travis Kalanick sold about 20 percent of his shares in the company for \$547 million.

Nov 12: China's Alibaba online shopping broke the record of sales operations in the "Singles Day" occurring on Nov 11 every year, exceeding \$39 billion.

Nov 15: Iran announced raising fuel prices by 50 percent, in an attempt to face the impact of the US-imposed sanctions.

Nov 16: Standard and Poor's Financial Services LLC won a deal to store documents of the US Department of Defense for \$10 billion, leading the company's founder Bill Gates to regain his title as the richest in the world, as his fortune rose to \$110 billion.

Nov 17: Saudi's Aramco announced primary placing of its shares for individuals with a cost between SAR 30 to 32 per share (\$8-8.5), giving the priority to Saudi investors.

Nov 18: Air Arabia signed an agreement to buy 120 airplanes from Airbus with a cost exceeding \$14 billion.

Nov 19: The US' Boeing aerospace company signed an agreement with Air Astana Kazakhstan to buy 30 airplanes (Boeing 737) worth \$3.6 billion. The company also signed another agreement with Turkey's Sun Express airlines to buy 10 airplanes (Boeing 737 Max 8) worth \$1.2 billion.

Nov 26: Fitch Ratings Inc said in a report that Kuwait's sovereign wealth fund is the best among the GCC countries, estimating the fund's assets at over \$560 billion.

Nov 27: The North Atlantic Treaty Organization (NATO) and the US' Boeing company signed an agreement worth

USD one billion, to provide NATO with new (AWACS) surveillance planes.

Nov 29: Samba Financial Group, who runs Aramco's initial public offering (IPO), announced that the number of individual subscribers reached 4.9 million people, worth SAR 47.4 billion (\$12.64 billion).

Dec 5: Samba said total Aramco subscription - individuals and companies - amounted to \$119 billion, the largest in history.

Dec 5: Japanese Prime Minister Shinzo Abe announced allocation of \$239 billion to stimulate economy.

Dec 6: Aramco said it garnered \$25.6 billion out of its IPO, with the share worth SAR 32.

Dec 7: US Justice Department said Ericsson agreed to pay USD one billion settlement over a case where the Swedish company accused of paying bribes in Asian and Middle Eastern countries.

Dec 8: Boubyan Bank announced takeover of Bank of London and Middle East by \$158 million.

Dec 9: Chinese customs said trade surplus between China and the US in January-November reached \$272.5 billion.

Dec 10: Saudi Arabia announced its 2020 budget with projected spending at SAR 1.020 billion (\$272 billion).

Dec 11: Aramco enlisted in Saudi stock market and the share rose 10 percent at beginning of trading, boosting the company's market value to \$1.88 trillion.

Dec 13: European Council extended economic sanctions on Russia for six months due to the conflict in Ukraine.

Dec 14: New Kuwait conference held under "Kuwait towards better future" with participation of around 30 countries, and over 400 local, regional and international companies.

Dec 15: Kuwait said total appropriations for the 2019-20 development plan were KD 3.3 billion (\$10.9 billion).

Dec 18: Saudi Arabia launched "Fund of Funds" company with a capital of SAR 400 billion (\$1.7 trillion) to support SMEs.

Dec 19: Morgan Stanley upgraded Boursa Kuwait to an emerging market as of May 2020.

Dec 19: Aramco stocks listed in FTSE for emerging markets.

Dec 23: CEO Dennis Muilenburg after the company's shares retreated by 22 percent since March due to a deadly incident involving a Boeing 737 crash, which led to the death of 346.