

TURKISH JOBLESS RISING AS ELECTION LOOMS

ISTANBUL: Turkish unemployment edged up towards 10 percent in June, data showed yesterday, a headache for the government as it prepares for a November election where latest polls show the ruling AK Party will fall short of a parliamentary majority.

Political uncertainty has risen since a June 7 vote in which the AKP failed to secure single-party rule for the first time since coming to power in 2002 and a survey yesterday pointed to only a small rise in its level of support. There was no sign of improvement in employment despite a package of government measures to boost

jobs in April and better-than-expected first half growth, said Is Investment economist Muammer Komurcuoglu.

"We think the upward trend in the unemployment rate will accelerate given the expectation of a loss in the momentum of economic activity in the second half," he said in a note.

The June unemployment rate, based on an average of the May-July period, rose to 9.6 percent from 9.3 percent a month earlier and 9.1 percent a year earlier, the Turkish Statistics Institute said. The non-farm unemployment rate rose to 11.7 percent from

11.2 percent a year earlier. Turkish gross domestic product grew a greater-than-expected 3.8 percent in the second quarter, data showed last week, but full-year growth is seen around 3 percent, well below a government target of 4 percent. On a positive note for the government, the budget returned to a surplus in August and the surplus in the first eight months of the year stood at 639 million lira (\$210 million), compared with a deficit of 2.7 billion lira a year earlier.

"The strong performance in the budget was achieved despite the June general elec-

tion, the lower than programmed growth, geopolitical tensions, financial market volatility and political uncertainty," Finance Minister Mehmet Simsek said.

He said in a statement after the data that budget discipline needed to be maintained despite this strong performance and that fiscal discipline was essential to fight the current account deficit and inflation, boost growth and make the economy resistant to external shocks.

The lira has lost nearly a quarter of its value against the dollar this year and touched a fresh record low of 3.0699 on

Monday. It stood at 3.0477 at 0940 GMT. The main share index, which has tumbled nearly 17 percent this year, was up 0.93 percent. The market weakness has been driven by security worries triggered by renewed conflict between Turkish security forces and Kurdish militants and political uncertainty ahead of the Nov 1 parliamentary election.

A survey by pollster Metropoll yesterday showed that support for the AKP has risen to 41.4 percent from 40.9 percent in the June vote but that it was not set to win enough votes to form a single-party government. — Reuters

BANK OF JAPAN STANDS BACK FROM FURTHER STIMULUS

REPORT SAYS JAPAN CONTINUES TO RECOVER

TOKYO: Japan's central bank held fire on expanding its monetary easing program yesterday as its chief said the economy was expanding, but economists warned more stimulus could be needed to boost the sagging economy.

A series of weak data had strengthened pressure on the central bank to expand its 80 trillion yen (\$665 billion) annual asset-buying scheme to stimulate the economy, which contracted in the second quarter. The Bank of Japan (BoJ) said in a statement that while Japan "has continued to recover moderately... exports and production are affected by the slowdown in emerging economies".

The yen gained against the dollar after the decision, with the US unit buying 119.76 yen compared to 120.65 yen before the announcement. Analysts had expected the BoJ to sit on its hands this time to see whether the US Federal Reserve decides to raise its key interest rate for the first time in almost a decade, a move that could hit emerging markets.

But concern about decelerating growth in China, the world's number two economy and a key trade partner, had fuelled fears about Japan's economy as its exports have begun to stall. Facing a deflated mood in the markets, which saw Tokyo's benchmark Nikkei give up strong early gains to close only 0.34 percent higher, BoJ governor Haruhiko Kuroda struck an upbeat note at an afternoon press conference.

He predicted Japan's economy, the world's third-largest, would return to growth in the current quarter, arguing that the 0.3 percent shrinkage in April-June was a "one-off" case.

The central bank chief also expressed confidence that Beijing has enough firepower to boost growth



TOKYO: The Bank of Japan (BOJ) Governor Haruhiko Kuroda speaks to the press at the bank headquarters in Tokyo after a two-day policy meeting yesterday. —AFP

and said a US rate rise would only prove that the world's top economy is in good health.

"China has shown its resolve to support the economy from the fiscal and monetary viewpoints. I

believe there is a significant room for policy space," Kuroda said. "I believe the Chinese economy will continue gradual growth in light of policy steps and other factors," he said.

Further easing 'inevitable'

Japan's economy remains in the doldrums more than two years after Prime Minister Shinzo Abe launched his "Abenomics" policy blitz to kickstart the economy and conquer deflation, and the odds are growing that the bank may act next month. Slowing exports to China—which sparked a bloodbath in global markets last month after it devalued the yuan—have heightened concerns the BoJ is fighting a losing battle.

"The Bank of Japan's more cautious assessment of economic conditions suggests that policymakers will announce additional monetary stimulus before too long," said Marcel Thieli of Capital Economics in a client note. Japanese brokerage SMGC Nikko also said further easing was "inevitable". Abe's program called for big government spending, massive BoJ monetary easing and reforms to cut red tape in the highly regulated economy. Those reforms have stalled, however, and experts say Abe's push to pass a highly unpopular security bill could make them even harder to enact. Household spending has been unsteady following a sales tax rise last year, brought in to pay down a massive national debt, which saw consumers rush to stores before prices rose.

Inflation has also remained close to zero, keeping Japan teetering on the brink of a dangerous cycle of deflation in which consumers delay spending in hopes of cheaper prices, hurting businesses and sapping government coffers.

Kuroda insisted inflation was on a rising trend, although he admitted that it would "likely stay around zero for the time being". — AFP

ALGERIA CONSIDERING 2016 TAX HIKES, IMPORT DUTIES

ALGIERS: Algeria is considering higher taxes, import duties and a hike in subsidized diesel and electricity prices to help cover its deficit after a slump in crude oil prices eroded its revenues, a preliminary draft of its 2016 budget showed. An OPEC member and a major gas supplier to Europe, Algeria relies on energy for 60 percent of its state budget. Oil and gas exports account for 95 percent of all the North African country's sales abroad.

In view of the collapse in world petroleum prices, the government has said it expects Algeria's energy export earnings to fall 50 percent to \$34 billion this year, while its import bill is projected at \$57.3 billion, little changed from 2014's \$58 billion. That threatens to widen the North African state's trade deficit, which reached \$8.041 billion in the first seven months of 2015, compared with a \$3.9 billion surplus in the same period last year. Last week, the central bank said a state fund used to hold surplus oil revenue to cover deficits had seen a 33.3 percent drop in its resources since June 2014, when crude prices started falling.

Officials have said the deficit will not impact subsidy policies - energy revenues finance billions of dollars worth of free housing, subsidized food, fuel and products for Algerians. But authorities are seeking alternatives to fill the gap. The government has already

announced a 9 percent cut in spending for next year. According to a copy of the 2016 preliminary draft seen by Reuters, the government plans to raise the value-added tax (VAT) for electricity from the current 7 percent to 17 percent when consumption exceeds 125 kilowatt hour (kwh). Diesel oil prices will increase slightly to 14.98 dinars a liter from 13.70 dinars. The VAT hike will also apply to 3G internet services, while the government is also considering increasing taxes on new vehicles. The government is still discussing the draft before passing it to parliament for final endorsement. Domestic prices for energy products are very low by international standards, which analysts say is the main reason behind high consumption rates in the country of 40 million people.

"The new measures may improve state finances and reduce consumption. Algerians consume too much because of low prices," said international consultant and former presidential adviser Abdelmalek Serrai.

As part of attempts to ease its import bill, the draft also includes customs duties estimated at 30 percent on computers. Algeria's government has already suspended some large infrastructure projects it had planned as a cost-saving project and is trying to curb massive imports in an attempt to shore up its foreign reserves. — Reuters

ENI PLANS TO HOLD KEYS FOR EAST MEDITERRANEAN GAS EXPORTS

MILAN: Braving all the political risks of the region, Italy's Eni aims to pull together its east Mediterranean gas empire headed by a giant Egypt find, into a major hub to supply Europe. State-controlled Eni, the biggest foreign oil and gas major in Africa, wants to use its deep ties with Egypt and Libya to help create the export hub for liquefied natural gas.

It expects Libyan gas to flow into a hub when conflict abates, hopes to attract other producers seeking an export outlet from Israel and accelerate plans to send Cypriot gas owned by other companies into the facility, likely to be located in Egypt. The project would help diversify gas supply to Europe, now dependent on Russia for about a third of its needs, but faces long odds given the region's mix of political disputes, conflict zones and state involvement in energy policy. Its scope of tying together a multi-national gas supply network may be unprecedented. Pipelines would need to be built linking the various gas deposits scattered across the region to an LNG plant.

"The area (Egypt) could restart exporting LNG and, as it's very close to Italy and Spain where LNG import terminals are idle or underused, it's very likely it will come in there," Eni CEO Claudio Descalzi told Italy's parliament last week. Descalzi, who has already flown to see heads of state in Egypt and Cyprus where the idea of a gas export hub was discussed, told senators the hub could be established to bring together the resources of Egypt, Cyprus, Israel and at some later point Libya.

"There's massive potential here for Europe and room for Italy to increase its clout in the area. It's clear there are huge amounts of gas, including off Libya," a person familiar with the matter said.

EGYPTIAN LNG

Fuel shortages have forced Egypt to idle its two liquefied natural gas (LNG) export plants, which chill gas into liquid form for transport on ships. Pooling the region's rich energy resources could spur investment in previously stranded gas fields in Israel and Cyprus, while resuscitating once-bustling LNG export plants like BG's Idku as well as Eni's dormant Damietta in Egypt.

In Cyprus, Eni itself has not yet discovered any gas deposits but is focused on doing so, the company said last week. Still, the firm's bumper gas find in Egyptian waters this month, the biggest ever in the Mediterranean, may help unlock aspects of the problem by providing large new supplies to feed the gas export hub.

While gas from the newfound Zohr field, holding 30 trillion cubic feet of reserves, will mainly feed domestic Egyptian demand only, a deeper reservoir below it could be a candidate for gas exports. "Egypt had a plan to double its LNG export capacity and if the hub grows it could do it," Descalzi told Italy's parliament. The CEO said Eni has made big gas discoveries in Libya that have lain dormant for years because they were unable to develop them as conflict raged, seeing Egypt as one export outlet. — Reuters



BANGKOK: Workers (L) complete the construction of the roof of a high-rise building in downtown Bangkok yesterday. Shanghai led most Asian shares lower yesterday as China's economic woes keep investors on edge. —AFP

EXCHANGE RATES

AL-MUZAINI EXCHANGE CO.

ASIAN COUNTRIES	
Japanese Yen	2.522
Indian Rupees	4.559
Pakistani Rupees	2.898
Sri Lankan Rupees	2.172
Nepali Rupees	2.854
Singapore Dollar	216.490
Hongkong Dollar	39.057
Bangladesh Taka	3.890
Philippine Peso	6.481
Thai Baht	8.424

GCC COUNTRIES	
Saudi Riyal	80.750
Qatari Riyal	83.180
Omani Riyal	786.510
Bahraini Dinar	804.170
UAE Dirham	82.443

ARAB COUNTRIES	
Egyptian Pound - Cash	40.870
Egyptian Pound - Transfer	38.678
Yemen Riyal/for 1000	1.413
Tunisian Dinar	155.800
Jordanian Dinar	426.690
Lebanese Lira/for 1000	2.018
Syrian Lira	2.158
Morocco Dirham	31.791

EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	302.650
Euro	343.810
Sterling Pound	468.200
Canadian dollar	229.110
Turkish lira	99.160
Swiss Franc	214.280
Australian dollar	216.700
US Dollar Buying	301.450

GOLD	
20 gram	226.690
10 gram	116.400
5 gram	58.700

UAE EXCHANGE CENTRE WLL

CURRENCIES	TELEX TRANSFER PER 1000
Australian Dollar	195.69
Canadian Dollar	231.84
Swiss Franc	317.29
Euro	345.54
US Dollar	302.85
Sterling Pound	469.68
Japanese Yen	2.56
Bangladesh Taka	3.888
Indian Rupee	4.560
Sri Lankan Rupee	2.182
Nepali Rupee	2.850
Pakistani Rupee	2.898
UAE Dirhams	0.08240
Bahraini Dinar	0.8048
Egyptian Pound	0.03857
Jordanian Dinar	0.4307
Omani Riyal	0.7864
Qatari Riyal	0.08350
Saudi Riyal	0.08078

DOLLARCO EXCHANGE CO. LTD

Rate for Transfer	Selling Rate
US Dollar	302.900
Canadian Dollar	230.445
Sterling Pound	467.985
Euro	343.905
Swiss Franc	294.310
Bahrain Dinar	803.930
UAE Dirhams	82.765
Qatari Riyals	90.745

Saudi Riyals	81.500
Jordanian Dinar	426.815
Egyptian Pound	38.572
Sri Lankan Rupees	2.174
Indian Rupees	4.555
Pakistani Rupees	2.902
Bangladesh Taka	3.885
Philippines Peso	6.470
Cyprus pound	576.925
Japanese Yen	3.515
Syrian Pound	2.600
Nepalese Rupees	3.840
Malaysian Ringgit	71.050
Chinese Yuan Renminbi	47.895
Thai Bhat	9.395
Turkish Lira	99.160

BAHRAIN EXCHANGE COMPANY

CURRENCY	BUY	SELL
Europe		
British Pound	0.459909	0.468909
Czech Korune	0.004629	0.016629
Danish Krone	0.041783	0.046783
Euro	0.336596	0.344596
Norwegian Krone	0.032851	0.038051
Romanian Leu	0.077320	0.077320
Slovakia	0.009018	0.019018
Swedish Krona	0.032552	0.037552
Swiss Franc	0.305900	0.316100
Turkish Lira	0.096556	0.106856
Australasia		
Australian Dollar	0.206928	0.218428
New Zealand Dollar	0.184561	0.194061
America		
Canadian Dollar	0.222801	0.231301
US Dollars	0.298550	0.303050

US Dollars Mint	0.299050	0.303050
Asia		
Bangladesh Taka	0.003395	0.003995
Chinese Yuan	0.046051	0.049551
Hong Kong Dollar	0.036961	0.039711
Indian rupee	0.004350	0.004740
Indonesian Rupiah	0.000017	0.000023
Japanese Yen	0.002435	0.002615
Kenyan Shilling	0.002866	0.002866
Korean Won	0.000245	0.000260
Malaysian Ringgit	0.067722	0.073722
Nepalese Rupee	0.002960	0.003130
Pakistan Rupee	0.002790	0.003070
Philippine Peso	0.006337	0.006617
Sierra Leone	0.000062	0.000068
Singapore Dollar	0.212432	0.218432
South African Rand	0.016358	0.024858
Sri Lankan Rupee	0.001916	0.002496
Taiwan	0.009162	0.009342
Thai Baht	0.008100	0.008650

Arab		
Bahraini Dinar	0.795156	0.803156
Egyptian Pound	0.037809	0.040639
Iranian Riyal	0.000084	0.000085
Iraqi Dinar	0.000198	0.000258
Jordanian Dinar	0.422863	0.430363
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000150	0.000250
Moroccan Dirhams	0.020468	0.044468
Nigerian Naira	0.000915	0.001550
Omani Riyal	0.779684	0.785364
Qatar Riyal	0.082419	0.083632
Saudi Riyal	0.080070	0.080770
Syrian Pound	0.001283	0.001503
Tunisian Dinar	0.151857	0.159857
Turkish Lira	0.096556	0.106856
UAE Dirhams	0.081419	0.082568
Yemeni Riyal	0.001368	0.001448