

# EMPTY CAIRO HOMES BEYOND REACH OF POOR

**CAIRO:** Ahmed and Mohamed are both married with children but still live with their mother, unable to afford one of the hundreds of thousands of homes sitting empty in Egypt's capital. A construction boom has seen new housing developments mushroom around Cairo but they are out of reach for many, including the two brothers in their 30s. Instead they share a three-bedroom apartment with their wives, three children, another brother and their mother, for a combined rent of around \$10 a month.

Away from their rubbish-strewn neighbourhood with its tenements and narrow alleys, empty and unfinished buildings flank the ring road that circles the vast metropolis. Outside the city, gated compounds of villas, lush gardens and golf courses in the desert await those with fortunes. Almost half of Cairo's population of about 20 million lives in informal settlements with poor infrastructure and buildings often constructed with no permits.

At the same time, the government says there are 1.5 million vacant homes across the country. In 2013, then-housing minister Tarek

Wafik, quoted by state-run newspaper Al-Ahram, said 30 percent of the country's housing units were left unused. According to experts, empty units are either held as an investment by their owner, bought for children for when they get married, or remain empty because they have no water or electricity.

Experts blame the authorities for allowing housing prices to rise while not creating enough affordable social housing. "Those projects are not made for us," said Ahmed, a father-of-two who earns about \$160 a month working at a slaughter house. "If you have the means, you can pay and have one. If not, no," he said. Mohamed's wife Rahma Nafea, who is pregnant and expecting a second child, also dreams of having a home of her own. "But we just have enough to buy food and cover expenses for the children," the 18-year-old housewife said.

### 'I Lost Hope'

A 2007 government decree that removed

many restrictions on property purchases by foreigners was followed by a boom in construction of high end real estate. According to Yahya Shawkat, an urban planner and founder of the 10-Tooba research centre, the government encouraged an increase in housing prices by deregulating the market. The price of land in Cairo's satellite neighbourhoods, for example, increased fourfold between 2007 and 2013, according to Shawkat.

In a country where 26 percent of the population lives below the poverty line, social housing has become a pressing need, but it is often beyond the means of those who most need it. "There is a high demand for social housing, but the homes that are available are luxury ones," said Manal Al-Tibi, the director of the Egyptian Centre for Housing Rights. In 2011, after a popular revolt that overthrew veteran president Hosni Mubarak, the government announced it would build one million affordable homes over five years.

The project floundered during the years of political instability that followed Mubarak's



**CAIRO:** Egyptian street vendors ride a cart in front of empty apartment buildings in Giza, on the outskirts of the Egyptian capital, on Sept 10, 2015. — AFP

ouster, with only 70,000 houses completed, deputy housing minister Khaled Abbas said. Measures have been taken to ensure the homes go to people who deserve them, he added. "Not just anyone can come and take a

unit," Abbas said. "There is an income ceiling." The government budget for this fiscal year allots about \$1.7 billion for social housing, 19 percent more than last year's budget, according to the government. — AFP



**SEOUL:** A currency trader watches monitors at the foreign exchange dealing room of the KEB Hana Bank headquarters yesterday. — AP

# EUROPE RESILIENCE TRUMPS ANOTHER SLUMP IN CHINA

## VOLKSWAGEN SHARES REBOUND

**LONDON:** European shares rose yesterday after business activity data pointed to steady growth across the continent, contrasting starkly with figures that showed the biggest contraction in China's manufacturing sector since the global financial crisis. The Chinese purchasing managers index intensified fears that a slowdown in the world's second-largest economy will spread more widely, hitting Asian markets, but those fears were later allayed by the European PMI.

A recovery in the shares of scandal-hit Volkswagen, which had lost more than a third of their value in the first two days of this week, also spurred the recovery in European shares. S&P mini futures pointed to a higher open on Wall Street. "Headwinds from the emerging market turmoil are not derailing the euro zone recovery," said Marco Valli, chief euro zone economist at Unicredit. "While weakness in world trade is unlikely to be reversed soon - the latest news from China points to a further loss of momentum there - the euro zone continues to benefit from past euro depreciation and the recovery in domestic demand," he said.

At midday in Europe the FTSEuroFirst index of leading 300 European shares was up 0.6 percent at 1,373 points, Germany's DAX and France's CAC 40 were up 0.7 percent, and Britain's FTSE 100 was up 1.4 percent. Volkswagen AG was in the spotlight again after the company said a scan-

dal over falsified U.S. vehicle emission tests could affect 11 million of its cars around the globe as investigations of its diesel models multiplied, heaping fresh pressure on CEO Martin Winterkorn.

The share price fell as much as 8 percent early yesterday before rebounding to trade 3 percent higher. It plunged 37 percent over Monday and Tuesday. Asian stocks, however, posted their biggest single-day fall in a month, with MSCI's broadest index of Asia-Pacific shares outside Japan down 2.3 percent, its biggest daily loss since Aug. 24, according to Thomson Reuters data. The MSCI world index was down 0.1 percent, marking the fourth consecutive daily loss.

The preliminary Caixin/Markit China Manufacturing Purchasing Managers' Index (PMI) fell to its worst level since March 2009. "The decline was driven by a fall in new orders and new export orders. Falling demand both domestically and abroad is only going to make the task of achieving 7 percent growth that much harder," said Craig Erlam, senior market analyst at Oanda in London. The Chinese data came after the US central bank refrained from lifting interest rates for the first time in nearly a decade last week, citing concerns that global problems, and China in particular, may hurt the US recovery. However, the resilience of European stocks cooled overnight demand for safe-haven fixed-income assets.

The benchmark two-year US Treasury yield edged up to 0.7 percent, and the yield on the 10-year US bond rose 3 basis points to 2.16 percent. Yields on benchmark German bonds also rose as much as 3 basis points. The positive reaction in Europe to the PMIs helped the euro to rise a third of one percent to \$1.1160. The dollar was little changed against the yen at 120.20 yen.

In emerging markets, Brazil's real languished at a record low against the dollar, having fallen through the 4 per cent level on Tuesday for the first time ever. It has now lost around 35 percent this year. In commodities US crude futures rose 0.7 percent to \$46.70 per barrel, while Brent futures rose 0.5 percent firmer to \$49.35. Copper recovered in European trading from near four-week lows overnight in Asia. It was last up 0.5 percent having earlier posted its biggest one-day drop in more than two months as fund and speculative selling pushed prices down following the Chinese PMI report. Platinum slid to a fresh 6-1/2-year low on fears about reduced demand from the auto sector, where it is used in diesel catalysts to clean up exhaust emissions. It fell to its lowest since January 2009 at \$925.30 an ounce, before recouping some losses to trade up 0.3 percent at \$937.20. The metal has been hurt by news of Volkswagen's falsification of US vehicle emission tests as investors believed it could affect demand for diesel cars. — Reuters

# OIL NEARS \$50

**LONDON:** Brent crude oil rose towards \$50 a barrel yesterday as a drawdown in US crude oil stocks outweighed the negative impact of weak economic manufacturing data from China. The American Petroleum Institute (API) said US crude stockpiles fell 3.7 million barrels last week, with stocks at the Cushing, Oklahoma, delivery point for US crude futures down almost 500,000 barrels. Although total US oil inventories are at record highs, the draw suggests a rebalancing of the biggest domestic oil market is under way as oil production slows in the face of low prices.

Benchmark Brent was up 30 cents a barrel at \$49.38 by 1145 GMT. US light crude was up 40 cents at \$46.76. The US industry data helped oil resist the negative impact of a sharp contraction in Chinese manufacturing, which darkened the outlook for the world economy. Flagging demand is dragging China's factory sector into its sharpest contraction in 6-1/2 years, a private survey showed on Wednesday, triggering a flight to safety in Asian markets that analysts say could extend across the globe.

The preliminary Caixin/Markit China Manufacturing Purchasing Managers' Index fell to 47.0 in September, its lowest since March 2009. Levels below 50 show a con-

traction. Oil prices have been weak for over a year and are now less than half their peak levels in 2014 thanks to massive oversupply by oil producers in the Middle East and North America. Some analysts say oil prices could be about to recover, particularly if official US government figures confirm that the oil market there is starting to tighten.

The US Energy Information Administration was to publish its figures at 10:30 am EDT (1430 GMT) yesterday. "If the EIA confirms the crude draw this afternoon, the market could go even higher," said Tamas Varga, analyst at London brokerage PVM Oil Associates. "It is now not unreasonable to expect higher prices."

Investors remain worried about China. "China's economic slowdown continues, with factory output and investment growth both failing to hit targets," oil consultancy Energy Aspects said. "With the economy showing little sign of recovery, the 7 percent GDP growth target set by the government may prove difficult to achieve," it added. Energy Aspects said it expected global crude demand for the second half of the year to grow at only 1 million barrels per day (bpd), down from almost 2 million bpd in the first half. — Reuters

# PLATINUM DROPS OVER VOLKSWAGEN SCANDAL

**LONDON:** Platinum slid to a fresh 6-1/2-year low yesterday on fears about reduced demand from the auto sector, where it is used in diesel catalysts to clean up exhaust emissions. The metal has been hurt by news of Volkswagen AG's falsification of US vehicle emission tests as investors believed it could affect demand for diesel cars. It fell to its lowest since January 2009 at \$925.30 an ounce, before recouping some losses to trade up 0.7 percent at \$940.55 by 1202 GMT.

"I would say at this point that the growth story, if there was a growth story for diesel cars in the US, is dead for now, which is something that takes away some potential upside for platinum demand," Julius Baer analyst Carsten Menke said. Gold firmed, following two days of losses, as the dollar fell 0.1 percent against a basket of leading currencies, while weak Chinese factory data soured investor appetite for risk.

Gold rose 0.5 percent to \$1,130.60 an ounce, after losing 1.3 percent over the past two days on renewed expectations that the Federal Reserve will raise US interest rates for the first time in nearly a decade by the end of the year. "There is some typical risk-off trade in gold ... but it seems

that investors are still very much reluctant to add safe-havens to the portfolios," Menke said.

European shares rebounded from a lower start, although remaining volatile due to a fall in Asian stocks after a private survey showed activity in China's factory sector unexpectedly shrank to a 6-1/2-year low in September. Gold's outlook, however, continues to be clouded by a looming US interest rate hike. The Fed stood pat on interest rates last week but the US central bank has also said it would move to increase rates later this year.

Atlanta Fed President Dennis Lockhart said on Monday that last week's decision was largely a "risk management" exercise, and he still expects an increase this year. St. Louis Fed President James Bullard said the central bank could lift rates at its October meeting. Higher rates would dent demand for non-interest-paying gold, while boosting the dollar. Inflows into SPDR Gold Trust, the world's largest gold-backed exchange-traded fund, supported prices yesterday. The fund's holdings rose 0.18 percent to 675.80 tonnes on Tuesday, the first inflow in almost a month. Silver rose 0.8 percent to \$14.84 an ounce and palladium gained 2.7 percent to \$621.22. — Reuters

## EXCHANGE RATES

### AL-MUZAINI EXCHANGE CO.

ASIAN COUNTRIES	
Japanese Yen	2.524
Indian Rupees	4.604
Pakistani Rupees	2.898
Sri Lankan Rupees	2.161
Nepali Rupees	2.852
Singapore Dollar	215.870
Hongkong Dollar	39.054
Bangladesh Taka	3.890
Philippine Peso	6.506
Thai Baht	8.483

  

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	40.820
Egyptian Pound - Transfer	38.678
Yemen Riyal/for 1000	1.413
Tunisian Dinar	155.840
Jordanian Dinar	426.870
Lebanese Lira/for 1000	2.018
Syrian Lira	2.158
Morocco Dirham	31.724

EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	302.650
Euro	343.810
Sterling Pound	471.680
Canadian dollar	229.800
Turkish lira	100.320
Swiss Franc	313.950
Australian dollar	218.660
US Dollar Buying	301.450

GOLD	
20 gram	226.690
10 gram	116.040
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 Frank	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	0.463140	0.472140
Czech Korune	0.004618	0.016618
Danish Krone	0.041776	0.046776
Euro	0.336596	0.344598
Norwegian Krone	0.033001	0.038201
Romanian Leu	0.077148	0.077148
Slovakia	0.009018	0.019018
Swedish Krona	0.032612	0.037612
Swiss Franc	0.305900	0.316100
Turkish Lira	0.096556	0.106856

  

Australasia	
Australian Dollar	0.208498 0.219998
New Zealand Dollar	0.185889 0.195389

  

America	
Canadian Dollar	0.223542 0.232042
US Dollars	0.298550 0.303050

US Dollars Mint	0.299050	0.303050
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Asia		
Bangladesh Taka	0.003425	0.004025
Chinese Yuan	0.046051	0.049551
Hong Kong Dollar	0.036961	0.039711
Indian rupee	0.004365	0.004755
Indonesian Rupiah	0.000017	0.000023
Japanese Yen	0.002439	0.002619
Kenyan Shilling	0.002858	0.002858
Korean Won	0.000247	0.000262
Malaysian Ringgit	0.068410	0.074410
Nepalese Rupee	0.002899	0.003069
Pakistan Rupee	0.002835	0.003115
Philippine Peso	0.006367	0.006647
Sierra Leone	0.000067	0.000073
Singapore Dollar	0.211575	0.217575
South African Rand	0.016593	0.025093
Sri Lankan Rupee	0.001859	0.002439
Taiwan	0.009192	0.009372
Thai Baht	0.008175	0.008725

Arab		
Bahraini Dinar	0.795579	0.803579
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	0.000921	0.001556
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