Gulf Bank adds Emirates Airline to its pioneering 'Easy Pay' program

Credit cardholders to enjoy stress-free travel experience

KUWAIT: Gulf Bank is proud to announce the addition of Emirates Airline as part of a growing list of over 100 shopping partners in its Easy Pay program. The program, which is the first of its kind in Kuwait, allows Gulf Bank credit cardholders to shop from a variety of different vendors and pay for their purchases in installments over the course of 12 months, with 0 percent interest.

With the addition of Emirates Airline as an Easy Pay partner, customers can now enjoy a more stress-free travel experience, and pay for airline tickets over an extended period of time with no additional processing or interest fees. Emirates is the world's largest international airline, and operates six daily flights to and from Kuwait, connecting travelers to over 150 destinations across 86 countries through Dubai. The airline operates the world's largest fleet of Airbus 380s and Boeing 777s, offering customers an unmatched travel experience through industry trendsetting products and services onboard. In June 2019, Emirates began operating its latest Boeing 777-300ER aircraft fitted with the "Game Changer" First Class suites, providing more choices for its customers in Kuwait to experience its latest onboard products.

Commenting on the announcement, Ahmad Al-Amir, Assistant General Manager of External Communications at Gulf Bank, said: "With the addition of Emirates Airline as an Easy Pay partner, traveling just got that much easier and more accessible for our Gulf Bank credit cardholders. With over 150 destinations to choose from, Gulf Bank customers can now enjoy an even more convenient way to plan their annual vacations, without worrying about additional processing or interest fees. At Gulf Bank, we are always on the look-out for new and innovative ways to treat our customers, and are constantly working to launch creative solutions that make our customers' lives that much easier." Tariq Al-Mutawa, Emirates Area Manager for Kuwait and Iraq, said: "Our new partnership with Gulf Bank will offer travelers from Kuwait an easier way to travel on Emirates. Combined with experiencing our world-class product and high-quality service, customers will be able to connect to the Emirates network and reach their destination in comfort and style."

Ahmad Al-Amir shakes hands with Tariq Al-Mutawa

With Easy Pay, Gulf Bank credit cardholders can pay for Emirates Airline tickets over the course of 12 months and with 0 percent interest when they make their bookings online at www.emirates.com/kw. The process of enrolling an Emirates Airline transaction into Easy Pay is seamless. When booking online, customers can simply tick the Easy Pay option after entering their Gulf Bank credit card details on the payment page. The transaction will be automatically converted into Easy Pay, and the ticket amount will be split into 12 equal monthly installments. For example, when converted into Easy Pay, a flight ticket of KD 240 from Kuwait to London will be converted into 12 monthly payments of KD 20. Customers can also avail multiple Easy Pay features on their credit cards at the same time, and are not required to submit any additional documents or call the bank.

KFIC Report on GCC, global markets

Kuwait's non-oil economic growth expected to reach 3.5% in 2020

KUWAIT: Kuwait Finance and Investment Company (KFIC) released its report for Q3 2019 which discusses the status of local and international markets.

GCC economic news

Kuwait's non-oil economic growth in 2020 is expected to reach +3.5 percent, according to report from IMF. Kuwait is trying to diversify its economy away from oil as it contributes to 90 percent of its GDP, especially with geopolitical tensions, OPEC oil cuts, and unsteady oil prices. Moreover, to boost economic growth outside the oil sector, Kuwait is investing heavily in its Northern Gulf Gateway (NGG) project which is predicted to attract up to $450 billion in foreign investment. The country's recent upgrade from frontier to emerging market by MSCI was an acknowledgment of Kuwait's reforms, direction, and vision. Saudi Arabia's economic growth will be less than forecasted in 2019 due to oil cuts led by OPEC and geopolitical tensions. The Kingdom's GDP is projected to increase by 1.9 percent, less than 2018's growth of 2.2 percent, according to the International Monetary Fund (IMF). However, non-oil GDP is expected to accelerate to +2.9 percent in 2019 due to Saudi Arabia's efforts in diversifying its economy away from oil by implementing its reform program that aimed at supporting the diversification of the economy, inclusive growth, and job creation. In the UAE, the government will increase its federal budget by 2 percent in 2020 from 2019's budget, the country's largest budget with zero deficit. The increase will bring the

Federal budget to AED 61.55bn from AED 60.3bn, the country's highest budget on record. The new budget will aim to support community development programs, upgrading the educational system, and develop the healthcare sector. In Qatar, the tourism sector witnessed +11 percent increase in the first 8 months of 2019, similar to the same period a year ago, according to Qatar National Tourism Council (QNTC). The tourism sector is undergoing rapid development, with milestone achievements in the sub sectors of cruise, business events and sports. Oman's GDP fell -1.6 percent year-on-year during the first quarter of 2019 to USD 18.4bn, according to the National Centre for Statistics and Information (NCSI). The Sultanate's oil GDP also fell by -0.5 percent year-on-year $6.28 billion due to lower oil prices. In Bahrain, the government sold $2 billion worth of international sukuk along with conventional bonds. The sukuk have a term tenor of 2027 with a yield of 4.5 percent, while traditional bonds are due in 2031 with a yield of 5.625 percent.

GCC equities review

GCC equities as measured by the MSCI GCC IMI index fell by -5.57 percent QTD, Saudi's Tadawul all share index was the worst performer during the quarter followed by Kuwait's all share index, while Dubai's DFM index was the best performer in the region. Saudi Arabia's Tadawul All Share index decreased by -8.27 percent where the worst performing sectors were Media -14.34 percent, Banks -13.35 percent, and Materials -10.07 percent. Kuwait's All Share index slipped by -2.61 percent with weak performances coming from Technology -16.96 percent and Basic Material -11.96 percent. Qatar's QE index dropped -1.44 percent mainly from a drop in Insurance -4.22 percent, followed by Industrials -3.97 percent, and Real Estate -3.87 percent. In the UAE, Dubai's DFM index gained +4.61 percent with positive contribution coming from Insurance +13.57 percent and Telecom +8.93 percent. In Abu Dhabi, the ADSM index increased by +1.55 percent mainly coming from Consumer Staples +100.13 percent followed by Real Estate 10.16 percent. In Oman, MSM 30 index added +3.42 percent mainly led by an increase in Banks +4.36 percent. In Bahrain, BSE index rose +3.09 percent with a strong performance from Banks +4.65 percent. International Economic Overview:

Global equity markets were mainly flat during the third quarter as indicated by the MSCI World index which gained +0.08 percent quarter to date (QTD). In developed markets, the highest performance came from the CAC 40 Index and Nikkei 225. In the United States, the S&P 500 rose +1.19 percent QTD despite further disruption in the US-China trade war saga which has led to global trade contracting in the first seven month of the year. However, the market received some relief from the Federal Reserve as it cut interest rates for the second time this year by 25 basis points. In Europe, France's CAC 40 index was the best performer increasing by +2.51 percent QTD, as the government introduced easing monetary policies by cutting taxes and lowering its interest rate which supported the index gains during the second quarter. In the UK, FTSE 100 fell by -0.23 percent QTD as political tensions increased between the government and Prime Minister Boris Johnson over the Brexit memorandum.

The UK is yet decide on whether to leave the EU by October 31st via a hard or soft Brexit, and the parliament could request for another timeline extension. In Japan, the Nikkei 225 was the second best performer, adding +2.26 percent QTD which was supported by blue-chip companies' gains during the quarter. In China, the Shanghai Composite slipped by -2.47 percent QTD as China's manufacturing sector shrank for a fifth month in September, amid the effects of the ongoing China-US trade war. The trade conflicts between China and the US had a notable impact on exports, production costs and confidence of enterprises as the United States introduced new tariffs and also increased current tariffs on Chinese imports. In commodities, WTI fell by -7.13 percent QTD to close at $54.1 bb/l and Brent dropped -7.13 percent to close at $59.3 bb/l. Crude prices were weighed down by geopolitical tensions, the ongoing trade war between the United States and China, and a slowing global economy.

— Sources: KFIC Research, Reuters, Bloomberg, CNBC, KUNA, IMF, BTEA.

Greece aims for strong economic growth, tax cuts in 2020

ATHENS: Greece hopes higher investment and tax cuts will help power economic growth next year as the country recovers from a decade-long debt crisis. Growth will pick up to at least 2.8 percent next year from 2 percent in 2019, according to a draft budget submitted to parliament by the conservative government yesterday.

"The draft budget ... signals the economic policy's radical turn to growth, employment and income increases," Deputy Finance Minister Thodoros Skylakakis said in an accompanying statement. Unemployment is forecast to drop to 15.6 percent next year from 17.4 percent in 2019, while Athens projects public debt will fall to 167.8 percent of GDP, or 331 billion euros, in 2020 from an expected 173.3 percent of GDP this year. Greece's national debt and its jobless rate are the highest in the euro zone. The country emerged from its third international bailout last year and fiscal progress is still being monitored by its euro zone lenders, who project that the economy will grow by 2.2 percent in 2020 — much less than in the draft budget. Greece has promised to deliver a primary budget surplus-which excludes debt servicing costs-of 3.5 percent of GDP in each year up to 2022. Athens projects a primary surplus of 3.56 percent of GDP next year, based on its draft 2020 budget. As well as broadening the tax base, the conservative government wants to cut taxes for businesses and increase social spending next year. The policies it plans are worth 1.2 billion euros, the budget said, and will help spur growth.

Those plans are feasible as long as Athens "improves tax efficiency and reins in public spending as it has promised", said economist Nikos Magginas at National Bank. If the planned measures are fully implemented, economic activity would accelerate, helping to bridge the gap with the European Commission's growth projection of 2.2 percent. The government, which came to power in July, has said it wants agreement from official lenders on lowering the 3.5 percent of GDP budget surplus target in 2021 and 2022. Athens has outperformed its fiscal targets in recent years, with the former leftist-led government finding fiscal space to distribute the extra funds to those hit hardest by the crisis. — Reuters

Harley struggles to fire up new gen of riders with e-bike debut

CHICAGO: Harley-Davidson Inc is betting on electric motorcycles to attract the next generation of younger and more environmentally conscious riders to reverse declining US sales. But as Harley ships its first "LiveWire" bikes - priced at $29,799 - to dealers, there is little evidence the 116-year-old brand is catching on with new young customers.

The problem lies mostly with this "super-premium" product's price. The bike costs nearly as much as a Tesla Model 3, and aims for a market that does not really exist: young, "green" and affluent first-time motorcyclists. The sleek sport bike has been available for preorder in the United States since January. However, the bulk of the orders are coming in from existing and old riders, according to interviews with 40 of the 150 dealerships nationwide that are carrying the bike this year.

The dealers Reuters spoke with account for little over a quarter of LiveWire dealerships and are spread across Wisconsin, Illinois, Indiana, Ohio, Michigan, California, Nevada, New Jersey and New York.

Harley has for years failed to increase sales in the United States, its top market accounting for more than half of its motorcycles sold. As its tattooed, baby-boomer base ages, the Milwaukee-based company is finding it challenging to woo new customers.In 2018, Harley posted the steepest sales decline in four years in the United States. US sales are tipped to fall again this year. The heavyweight motorcycle maker's stock price has declined by 42 percent in the past five years. By comparison, the S&P 500 Index has gained 47 percent.

Price barrier

When Chief Executive Officer Matt Levatich announced LiveWire's launch last year, his hope was the ease of riding motorcycles with no gears or clutch would help attract young and environmentally conscious urban riders. In an interview with Reuters in February 2018, Levatich said the bike would help address Harley's demographic problem.

"It is more about the next century than the last century," he said at the time. The preorders, thus far, have belied those hopes, according to the dealers. "It is appealing to a demographic that is already riding," said Gennaro Sepe, a sales manager at a Harley dealership in Chicago. His store has received four preorders for the bike. All of them are from existing riders. Harley declined to comment on LiveWire preorders. The motorcycle maker is not the only company investing in battery-powered transportation. Tougher emissions rules in Europe, China and the United States are forcing auto companies to switch to electrified models. A survey of US millennial motorcyclists, published in February by the Motorcycle Industry Council, found 69 percent of the riders interested in electric motorcycles.

Harley's dealers said they are getting inquiries from young customers, but are struggling to translate them into sales. A key reason: LiveWire's retail price. "Interest is very high," said a sales manager at a New Jersey-based dealership, who declined to be named because he was not authorized to speak to media. "But once you get to pricing, interest is thrown out of the window."

Over half of young college graduates in America, whom Harley is courting with battery-powered bikes, are saddled with student loans that entail average repayment of $200 to $300 per month.

CHICAGO: Harley ships its first "LiveWire" bikes - priced at $29,799 - to dealers, there is little evidence the 116-year-old brand is catching on with new young customers. — Reuters

Harley is not offering any discount or incentives to push the sales, either, the dealers said.

In an interview with CNBC television in May, Levatich called LiveWire "one of the best engineered products on the market" and said it was worth its price. Gary Jon Prough, general sales manager at a dealership in Countryside, Illinois, said the vast majority of millennials cannot afford the bike as LiveWire is targeted at young and affluent customers with incomes above $100,000 a year. To drive up sales, Prough and other dealers expect Harley to go Tesla Inc's way: launch more affordable battery-powered vehicles after creating a buzz with the premium model. Tesla's first electric car cost over $100,000, but prices came down with subsequent models. Its Model 3 now comes with a base price of $35,000 and was instrumental in lifting its vehicle deliveries to a record level in the latest quarter. — Reuters

US economists pessimistic, citing trade as major risk: Survey

WASHINGTON: Economists have become more concerned about US growth prospects, citing trade friction as the major worry, but recession risks have receded slightly, according to a survey released yesterday. Nearly half of the panel surveyed by the National Association for Business Economics expect a recession before the end of next year, down from 60 percent in the prior survey.

The panel expects the world's largest economy to slow, with growth falling below 2 percent for the first time since 2016, the survey showed. Recent data have shown the US labor market remains strong, but manufacturing is in recession while the larger services sector is slowing, giving rise to fears about the health of the US economy, especially amid President Donald Trump's grinding trade war with China and increasing tensions with Europe. The NABE panel "turned decidedly more pessimistic about the outlook over the summer, with 80 percent of participants viewing risks to the outlook as tilted to the downside," said Gregory Daco, the group's survey chair and chief US economist at Oxford Economics. "The rise in protectionism, pervasive trade policy uncertainty, and slower global growth are considered key downside risks to US economic activity," he said in a statement on the findings in the quarterly survey. Looking further out, 69 percent of the panel expects a recession by mid-2021. — AFP