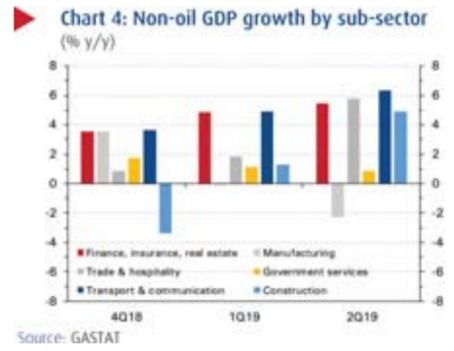
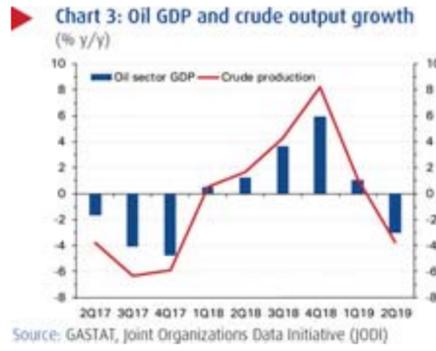
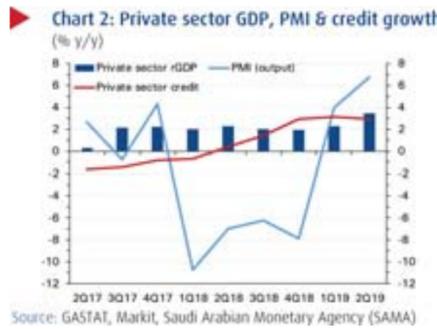
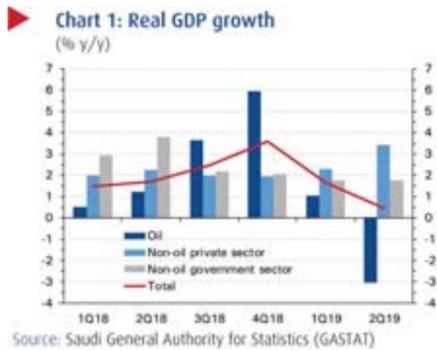


Business

NBK Economic Report

Saudi non-oil growth accelerates in Q2

Public and private sector activities boost growth in Q2 2019



KUWAIT: Recently released official data shows that in 2Q19 the Saudi non-oil economy expanded at the fastest rate (+2.9 percent y/y) since 2015, with growth driven by increased private (+3.4 percent y/y) and government sector activity (+1.8 percent y/y).

Private sector growth was in line with improvements in other, higher frequency indicators of non-oil activity such as the Purchasing Managers' Index (PMI) and private sector credit growth.

Headline growth, however, slowed considerably in 2Q19 (to 0.5 percent y/y from 1.7 percent in 1Q19) due to a contraction in oil sector output (-3.0 percent y/y), related to OPEC+ production cuts; Saudi Arabia has cut crude production far more aggressively than required. Real oil sector output fell by less than crude output (-3.7 percent y/y to an average of 9.75 mb/d) only due to the contribution of higher natural gas production.

At the sub-sector level, non-oil growth was led by

output gains in the financial services (+5.4 percent y/y), transport & communications (+6.4 percent y/y), trade (+5.8 percent y/y) and construction (+4.9 percent y/y) sectors. Manufacturing, which includes refining, contracted (-2.3 percent y/y). Growth in government services, the largest contributor to non-oil GDP (23.5 percent), was weak (+0.8 percent y/y).

Note that the improvement in non-oil growth in 2Q19 is also perhaps overstated, since 2Q18 was a softer than usual quarter, with wholesale and retail

trade, government services, construction and manufacturing all weak over those three months.

Looking ahead, real GDP growth for full year 2019 is expected to be flat, a marked slowdown from 2.3 percent in 2018 and a downward revision compared to our forecast in July of 1.0 percent. While the oil sector is expected to contract by 3.8 percent y/y (from 2.9 percent in 2018), the non-oil sector should grow by 2.5 percent y/y (vs. 2.3 percent in 2018), in line with our July forecast.

Clashes at protests in Ecuador over fuel price hike, oil facilities seized

MACHACHI: Protesters clashed with Ecuadoran forces yesterday as they marched toward the capital to demonstrate against soaring fuel prices, with the government announcing three oil facilities had been seized, slashing production by 12 percent. Riot police and the military used tear gas to try to disperse marchers in the town of Machachi on the outskirts of Quito after they blocked roads with burning tires and barricades ahead of a protest set for today.

"More than 20,000 indigenous people will be arriving in Quito," said Jaime Vargas, leader of the umbrella indigenous organization CONAIE. In 2000, CONAIE was key to driving then-president Jamil Mahuad from office during another economic crisis.

Other protesters attempted to force their way into the National Legislative Assembly in the capital, and committed "acts of vandalism in the vicinity," the body said in a statement.

The clashes came as Ecuador's Ministry of Energy announced that activities in three oil fields in the Amazon region—one operated by private firm Petrobrill and the others by state company Petroamazonas—had been suspended "due to the seizure of the facilities by groups of people outside the operation." The seizures affected 12 percent of the country's oil production, or 63,250 barrels of crude per day, the ministry said in a statement that did not identify the groups responsible.

In a radio and television address, President Lenin Moreno accused his predecessor and ex-ally Rafael Correa and Venezuelan President Nicolas Maduro of an "attempted coup d'etat" and of "using some indigenous groups, taking

advantage of their mobilization to plunder and destroy."

He added that government business had temporarily moved to the port city of Guayaquil.

Protesters from southern Andean provinces, some armed with sticks and whips, were travelling to the capital in pick-up trucks and on foot, according to CONAIE, while other indigenous groups were set to arrive from the north. The protests—the largest in a decade in Ecuador—are being led by transport unions but include students and others.

The country has been rocked by days of demonstrations after increases of up to 120 percent in fuel prices came into force on October 3. They have so far left one civilian dead and 77 people injured, the majority of them security forces, the government said. A total of 477 people have been detained. The US, "is monitoring recent developments in Ecuador carefully. We reject violence as a form of political protest," acting assistant secretary for the State Department's Bureau of Western Hemisphere Affairs Michael Kozak said in a tweet.

State of emergency

Moreno scrapped fuel subsidies as part of an agreement with the International Monetary Fund to obtain loans despite Ecuador's high public debt. On Sunday, the president had called for dialogue with the indigenous groups. Nelson Erazo, the leader of the Popular Front of workers and students, has said "the people's actions will not stop here if the government does not change its policy." The subsidies were costing the government \$1.3 billion a year.

The IMF agreement, signed in March, allowed Ecuador to borrow \$4.2 billion. Moreno—who blames the deterioration in the country's finances on Correa—declared a state of emergency tomorrow. It allows the government to restrict movement, to use the armed forces to maintain order and to censor the press. "This is a very difficult situation, that could lead us into less stable situations, to governments that fall," said Simon Pachano, a political scientist at Quito's FLACSO university. CONAIE warned that security forces entering indigenous areas would be captured and held. Indigenous leaders claimed they were holding several dozen soldiers since Sunday. —AFP

Samsung Galaxy Fold available for pre-order in Kuwait starting today

KUWAIT: Don't miss your chance to be among the first in Kuwait to own the highly anticipated Galaxy Fold, which is available for pre-order starting today, October 8 from major retailer stores and Samsung brand stores. Galaxy Fold is designed to inspire new experiences: When closed, users can access their essentials on the cover display comfortably with one hand, and when opened, you can explore new ways to multitask, watch videos, play games, and more, on its immersive 7.3-inch Infinity Flex Display.

"We are thrilled today to offer consumers a new form factor of mobile device that is our most innovative yet, allowing users to do things they couldn't do with an ordinary smartphone. Transforming mobile experiences worldwide, Samsung has refined the Galaxy Fold to offer a powerful new way to multitask, watch videos, play games, and more - bringing to life new experiences and possibilities," said Tarek Sabbagh, Head of IT and Mobile (IM) Division at Samsung Electronics Gulf.

Galaxy Fold boasts innovative new features for those that want to experience what a premium foldable device can do:

- **Do More:** To ensure everything runs smoothly, even when running three apps simultaneously, Samsung equipped Galaxy Fold with a high-powered, next-generation AP chipset and 12GB of RAM with PC-like performance. The sophisticated dual battery system was specifically engineered to keep up with you. Galaxy Fold is also capable of charging itself and a second device simultaneously via Wireless PowerShare, while connected to a regular charger so you can leave your second charger at home.
- **Ultimate Multimedia Experience:** The Galaxy Fold is designed for entertainment. Thanks to immersive visuals on the Dynamic AMOLED display and crisp, clear sound by AKG with the stereo speakers, your favorite movies and games come to life in rich sound and color.
- **Samsung's Most Versatile Camera Yet:** No matter which way you hold—or fold—the device, a camera will be ready to capture the scene, so you never miss the moment. With six lenses—three in the back, two on the inside and one on the cover—the Galaxy Fold camera system has flexibility built in. Galaxy Fold introduces a new level of multitasking, allowing you to use other apps during a video call.
- **Multi-Active Window:** The possibilities are virtually endless with Galaxy Fold - designed for the ultimate multitasker. You can open up to three active apps simultaneously on the main display so you can surf, text, work, watch and share without losing a beat.



- **App Continuity:** Make intuitive, seamless transitions between the cover and the main displays. As Galaxy Fold opens and closes, apps will automatically show up where you left off. When you're ready to take a photo, make in-depth edits, or have a closer look at the feed, open the display for a big screen and fuller canvas.
- **New Display Materials:** The internal screen does not merely bend. It folds. Folding is a more intuitive motion, and a more difficult innovation to deliver. Samsung invented a new polymer layer and created a display around 50 percent thinner than the typical smartphone display. The new material makes Galaxy Fold flexible and tough, built to last.
- **New Hinging Mechanism:** Galaxy Fold opens smoothly and naturally, like a book, and closes flat and compact with a satisfying click. To achieve this, Samsung engineered a sophisticated hinge with multiple interlocking gears. This system is housed in a hidden enclosure for a seamless and elegant look.
- **New Design Elements:** From the screen to the housing, to every element you can see and touch - Samsung left no stone unturned. The fingerprint scanner is found on the side where the thumb naturally rests, so the device unlocks easily. Two batteries and the components are evenly distributed so Galaxy Fold feels balanced in your hands.



QUITO: Demonstrators clash with riot police in Quito on Monday following days of protests against the sharp rise in fuel prices sparked by authorities' decision to scrap subsidies. —AFP

EXCHANGE RATES

Al-Muzaini Exchange Co.	
EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	304.650
Euro	336.180
Sterling Pound	376.400
Canadian dollar	230.100
Turkish lira	53.920
Swiss Franc	307.880
US Dollar Buying	297.250
ASIAN COUNTRIES	
Japanese Yen	2.837
Indian Rupees	4.295
Pakistani Rupees	1.961
Sri Lankan Rupees	1.681
Nepali Rupees	2.681
Singapore Dollar	221.720
Hongkong Dollar	38.849
Bangladesh Taka	3.593
Philippine Peso	5.892
Thai Baht	10.066
Malaysian ringgit	77.916
GCC COUNTRIES	
Saudi Riyal	81.294
Qatari Riyal	83.730
Omani Riyal	791.813
Bahraini Dinar	809.490
UAE Dirham	83.000
ARAB COUNTRIES	
Egyptian Pound - Cash	21.100

Egyptian Pound - Transfer	18.731
Yemen Riyal/for 1000	1.224
Tunisian Dinar	110.780
Jordanian Dinar	430.140
Lebanese Lira/for 1000	0.203
Syrian Lira	0.000
Morocco Dirham	32.341
Dollarco Exchange Co. Ltd	
Rate for Transfer	
US Dollar	304.740
Canadian Dollar	230.725
Sterling Pound	375.885
Euro	333.495
Swiss Frank	307.075
Bahrain Dinar	810.415
UAE Dirham	83.370
Qatari Riyals	84.610
Saudi Riyals	82.160
Jordanian Dinar	431.105
Egyptian Pound	18.729
Sri Lankan Rupees	1.672
Indian Rupees	4.308
Pakistani Rupees	1.949
Bangladesh Taka	3.609
Philippines Peso	5.872
Cyprus pound	18.130
Japanese Yen	3.815
Syrian Pound	1.595
Nepalese Rupees	2.697
Malaysian Ringgit	73.635

BAHRAIN EXCHANGE COMPANY WLL			
CURRENCY	BUY	SELL	
Europe			
British Pound	0.367267	0.381167	
Czech Korune	0.004948	0.014248	
Danish Krone	0.040670	0.045670	
Euro	0.326676	0.340376	
Georgian Lari	0.101997	0.101987	
Hungarian 0.000910	0.001100		
Norwegian Krone	0.029305	0.034505	
Romanian Leu	0.053427	0.070277	
Russian ruble	0.004679	0.004679	
Slovakia	0.009111	0.019111	
Slovenian Euro	0.026672	0.031672	
Swedish Krona	0.299493	0.310493	
Australasia			
Australian Dollar	0.197227	0.209227	
New Zealand Dollar	0.186066	0.195566	
America			
Canadian Dollar	0.223714	0.232714	
US Dollars	0.300550	0.305850	
US Dollars Mint	0.301050	0.305850	
Asia			
Bangladesh Taka	0.002919	0.003720	

Chinese Yuan	0.041250	0.044750
Hong Kong Dollar	0.036760	0.039500
Indian Rupee	0.003663	0.004435
Indonesian Rupiah	0.000017	0.000023
Japanese Yen	0.002750	0.002930
Korean Won	0.000244	0.000259
Malaysian Ringgit	0.069065	0.075065
Nepalese Rupee	0.002627	0.002967
Pakistan Rupee	0.001342	0.002112
Philippine Peso	0.005689	0.005989
Singapore Dollar	0.226230	0.225230
Sri Lankan Rupee	0.001320	0.001900
Taiwan	0.009761	0.009941
Thai Baht	0.009661	0.010211
Vietnamese Dong	0.000013	0.000013
Arab		
Bahraini Dinar	0.801938	0.809998
Egyptian Pound	0.018653	0.022013
Iranian Riyal	0.000084	0.000086
Iraqi Dinar	0.000214	0.000274
Jordanian Dinar	0.424785	0.433785
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000151	0.000251
Moroccan Dirhams	0.021219	0.045219
Omani Riyal	0.786168	0.704069
Qatar Riyal	0.083024	0.083858
Saudi Riyal	0.080153	0.081453
Syrian Pound	0.001292	0.001512
Tunisian Dinar	0.102593	0.110593
Turkish Lira	0.045678	0.055523
UAE Dirhams	0.082311	0.083139
Yemeni Riyal	0.000990	0.001070