

Business

NBK receives 3 awards from Global Finance at GFM Awards in Dubai

Bank wins 'Most Innovative Digital Bank' award for real time payment tracker

KUWAIT: National Bank of Kuwait (NBK) was awarded "Best Consumer Digital Bank", the "Best in Mobile Banking" in Kuwait and the Most Innovative Digital Bank in Real Time End-To-End Payment Tracking on Customer Payment worldwide by Global Finance Magazine for 2019.

In an award ceremony held in Dubai, NBK received its awards and was recognized in the presence of NBK top executives including Dimitrios Kokosioulis Deputy Chief Executive Officer - IT & Operations Group, National Bank of Kuwait, Mohammed Al-Kharafi, General Manager - Group Head of Operations at NBK and Dhari Al-Quraishi, Deputy General Manager, IT & Operations Group.

Global Finance, headquartered in New York, was founded in 1987 and is one of the leading publications specialized in economic research and analysis. The magazine has a circulation of over 50,000 and readers in 188 countries. Winning banks were chosen among entries evaluated by a world-class panel of judges consisting of financial and technology sector leaders and under the supervision of Infosys, the global leader in consulting, technology and digital transformation, in collaboration with the magazine's staff. Global Finance Magazine uses a variety of subjective and objective criteria for choosing the winners, including: the strength of strategy for attracting and servicing digital customers, success in getting clients to use digital offerings, growth in numbers of digital customers, breadth of product offerings, evidence of tangible benefits gained from digital initiatives, and web/mobile site design and functionality.

Commenting on receiving those prestigious awards, Dimitrios Kokosioulis, Deputy Chief Executive Officer - IT & Operations Group said: "NBK always strives to maintain its leading position as a digital banking pioneer through

continuously offering new and innovative digital services and introducing digital transformation standards in traditional bank branches".

"NBK Mobile Banking and NBK Online Banking are among the key services offered by the Bank as it caters to the young population in Kuwait, with over 63 under the age of 30. Moreover, Kuwait has one of the highest internet and mobile penetration levels in the world." He added.

Kokosioulis highlighted that digital transformation is a main pillar of Consumer Banking Group's strategy that supports NBK Group's main objective by fulfilling customers' needs and requirements. In 2018, NBK achieved strong growth in mobile transactions, which increased by 40 Y-o-Y, thus confirming the success of its efforts aimed at encouraging customers to use digital banking channels.

NBK Mobile Banking is a safe and easy channel to manage accounts from anywhere and at any time. Customers can conveniently open a new account, view transactions made on accounts and credit cards, check their NBK Miles Points and NBK Rewards Program Points, pay outstanding credit cards balance, pay bills online, find the nearest branch, ATM or CDM in Kuwait, as well as submit an account statement request and order check-books, in addition to a wide array of services. NBK Mobile Banking is constantly evolving by adding new and innovative services and improving existing services. Some of the newest features include managing banking cards while traveling, increasing the monthly transfer limits and updating customers' contact information, making NBK Mobile Banking the greatest companion while travelling.

For the second consecutive year, NBK was named the "Best Digital Bank" and "Best Mobile Bank in Kuwait" for 2019 by Global Finance magazine.



Amazon bets big on India with mega-office

HYDERABAD: With 49 elevators moving a floor per second and zumba classes for its more than 15,000 employees, Amazon's new Indian headquarters, its biggest building globally, matches its ambitions in a vast but challenging market. The US retail giant launched its first site in the South Asian nation of 1.3 billion people in 2013 and is locked in a fierce battle with Walmart, which bought a 77-percent share in local e-commerce behemoth Flipkart for \$16 billion last year.

"For Amazon, India is a very important geography," the firm's human resources director for India and the Middle East, Deepti Varma, said at the gleaming new 86-metre (282-feet) tall office building in the southern tech hub of Hyderabad.

While the prospects of success in the vast nation are tantalizing, the risks are also high, with Amazon and Flipkart incurring big losses as they expand and attempt to tap into new markets in Asia's third-largest economy.

Both firms will also face fierce competi-



HYDERABAD: Amazon's new Indian headquarters in Hyderabad. — AFP

tion from Indian conglomerate Reliance Industries-helmed by Asia's richest man, Mukesh Ambani-which is preparing to go up against the two US companies with its own e-commerce platform. Bureaucratic hurdles present further challenges.

New e-commerce rules that came into

force in February banned companies like Amazon from selling products from firms in which they have a stake. They are also forbidden from entering into exclusive deals with sellers. The regulations were brought in after brick-and-mortar retailers complained the e-tailers were unfairly selling

products at discount prices. "Going forward, the challenges are more around regulation and how to navigate the policy and regulatory environment," Ankur Bisen of Delhi-based consulting firm Technopak said. "We have seen how some of the policy announcements have got them off-guard." Amazon has already earmarked \$5 billion in investment funds for India, where one in three people use the internet—a figure forecast to swell by 300 million by 2020 mainly due to growing smartphone use.

India's e-commerce sales are expected to triple between now and 2022, when they are likely to pass the \$100 billion mark, according to recent research by industry body NASSCOM and PricewaterhouseCoopers. Walmart, the world's biggest retailer, said in May after reporting its first-quarter earnings that despite losses at Flipkart, "we continue to believe in a very sound long-term investment in a compelling market".

India is also a major source of employment for Amazon's global operations with some 62,000 full-time staff and 155,000 contract employees. Bisen said the Hyderabad campus "is a signal to the government that we are increasing our base in India and we are making sure there is a lot of India that is built into Amazon's global story". —AFP

US producer prices rise; Fed rate cut still expected

WASHINGTON: US producer prices unexpectedly rose in August and underlying producer inflation rebounded, but the data yesterday did not change financial market expectations that the Federal Reserve will cut interest rates again next week to support a slowing economy.

Fed Chair Jerome Powell reiterated last week that the US central bank would continue to act "as appropriate" to keep the longest economic expansion in history on track. The Fed lowered borrowing costs in July for the first time since 2008. The Labor Department said its producer price index for final demand edged up 0.1 last month as a jump in the cost of services offset the largest drop in the price of goods in seven months. The PPI gained 0.2 in July. In the 12 months through August, the PPI advanced 1.8 after increasing 1.7 in July. Economists polled by Reuters had forecast the PPI would be unchanged in August and rise 1.7 on a year-on-year basis.

Excluding the volatile food, energy and trade services components, producer prices jumped 0.4 last month after dipping 0.1 in July, the first decline since October 2015. The so-called core PPI climbed 1.9 in the 12 months through August after increasing 1.7 in July. The Fed, which has a 2 annual inflation target, tracks the core personal consumption expenditures (PCE) price index for monetary policy. The core PCE price index rose 1.6 on a year-on-year basis in July and has undershot its target this year.

US Treasury yields rose and US stock index futures pared gains slightly after the release of the PPI data. The dollar was trading higher against a basket of currencies.

Rate cut in the bag

Financial markets have fully priced in a rate cut at the Fed's Sept. 17-18 policy meeting against the backdrop of simmering trade tensions between the United States and China that have soured business confidence and tipped both US and global manufacturing into recession. US tariffs on Chinese goods were this month broadened to include an array of consumer goods. There are fears the manufacturing downturn could spill over into the broader economy and derail the economic expansion now in its 11th year. The economy is being supported by robust consumer spending via a strong labor market.

In August, wholesale energy prices fell 2.5 after rebounding 2.3 in the prior month. They were weighed down by a 6.6 drop in gasoline prices, the most since January, which followed a 5.2 percent jump in July. Goods prices declined 0.5 last month, also the largest drop since January, after rising 0.4 in July.

Energy prices accounted for more than 80 of the drop in the cost of goods in August. Wholesale food prices fell 0.6 in August after gaining 0.2 in the prior month. Core goods prices were unchanged last month. They edged up 0.1 in July.

The cost of services increased 0.3 after decreasing 0.1 in July. Services were boosted by a 6.4 surge in the cost of guestroom accommodation such as hotels and motels, the largest gain since April 2009. The cost of healthcare services rose 0.2 last month after edging up 0.1 in July. Hospital inpatient care prices increased 0.4 and the cost of doctor visits shot up 0.5, reversing July's 0.5 decrease. But the cost of hospital outpatient care dipped 0.1.

Portfolio management fees increased 0.5 after rebounding 0.8 in July. Those fees and healthcare costs feed into the core PCE price index. — Reuters

Europe's carmakers tell governments they must help sell electric cars

FRANKFURT: Europe's carmakers are telling governments they must help build electric car charging points and provide consumer subsidies to boost sales of battery-powered vehicles and assist the industry in meeting stringent new emissions rules.

German carmakers are accelerating plans to launch electric vehicles, under pressure from a European Union mandate to deliver a 37.5 cut in carbon dioxide

emissions between 2021 and 2030, on top of a 40 cut in emissions between 2007 and 2021. Industry executives warned at this week's Frankfurt auto show that the EU rules could be disastrous for profits and jobs because mainstream customers were not buying electric vehicles. Instead, consumers are opting for larger sport utility vehicles.

"Our industry is eager to move as fast as possible towards zero-emission mobility. But this transition is a shared responsibility," said PSA Group Chief Executive Carlos Tavares, who is also president of European auto industry association ACEA. "It requires a 360 degrees approach."

"Governments across the EU need to match the increasing pace at which we are launching these cars by dramatically stepping up investments in infrastructure. Moreover, they also have to put in place sustainable purchase incentives that are consistent across the EU," Tavares said. — Reuters



S Africa tech giant Naspers' EU spinoff in stunning debut

THE HAGUE: South African media titan Naspers yesterday effectively created Europe's largest consumer tech company, called Prosus, with a stunning Amsterdam stock debut driven by interest in its stake in China's Tencent. Prosus' value instantly soared to around 123 billion euros (\$136 billion) according to the Bloomberg news agency, making the group the largest to trade on the Amsterdam stock exchange after Shell and Unilever.

The subsidiary groups all of Naspers' internet investments outside of its home market, with investors in particular interested in its 32 percent stake in Shenzhen-based internet giant Tencent. "The listing of Prosus is an exciting step forward for the group, giving global technology investors direct access to our unique and attractive portfolio of international consumer internet businesses," Bob van Dijk, Prosus and Naspers chief executive, said in a statement.

Prosus shares jumped by 29 percent above their referenced price of 58.70 euros shortly after trading opened, before slowing slightly by midmorning to go up 27 percent at 74.41 euros in Amsterdam.

The group also has a secondary listing in Johannesburg. Naspers retains a 73 percent stake in Prosus, it said. Founded in 1915 as Die Nasionale Pers (The National Press), Naspers initially published newspapers in Afrikaans, the language spoken by the descendants of Dutch immigrants in South Africa.

The Cape Town-based conglomerate has since become a huge global multimedia and e-commerce investor with an appetite for emerging markets. — AFP



FRANKFURT: A replica of a Mercedes Benz 300 SL Gullwing Roadster all made of teak wood is displayed at the Frankfurt motor show IAA 2019, in Frankfurt am Main Germany, yesterday. Frankfurt's biennial International Auto Show (IAA) opens its doors to the public today, but major foreign carmakers are staying away while climate demonstrators march outside — forming a microcosm of the under-pressure industry's woes. — AFP