Orange boss gets suspended sentence over Tapie payout

Orange's board to decide Richard's future

PARIS: An appeal court yesterday handed the CEO of France's Orange telecoms giant Stephane Richard a one-year suspended sentence for complicity in misuse of public funds over a massive 2008 state payout to businessman Bernard Tapie.

Richard was chief of staff to then finance minister and current European Central Bank chief Christine Lagarde when she approved a 404-million-euro ($453-million) arbitration payment to Tapie to settle a long-running dispute over his stake in Adidas sports apparel company. The ruling overturned a lower court's not guilty verdict against Richard, 60, and three others in a case that ensnared a slew of senior officials, including former president Nicolas Sarkozy.

Tapie, a flamboyant tycoon and former minister who died last month, was himself acquitted of defrauding the state. Richard said he would appeal the ruling, which included a 50,000-euro ($56,000) fine. "The accusations of complicity in the embezzlement of public funds are without merit and are not based on any evidence. I reject them completely and will appeal," Richard said in a statement to AFP.

Orange's board of directors scheduled a meeting for later to decide Richard's future. His term is due to end in mid-2022. The economy ministry said the board will "draw conclusions" from the ruling. The French government holds a 23 percent stake in Orange. The scale of the damages paid to Tapie sent shockwaves through France and created suspicion that the arbitration panel appointed to settle his dispute with the state was biased in his favor.

Lagarde, Sarkozy under fire

The panel judged that Tapie had been the victim of fraud when he sold his stake in the Adidas sports apparel company in 1993 to state-run French bank Credit Lyonnais, which was found to have undervalued the sportswear brand. Lagarde came under fire for deciding not to appeal the amount of the award-a decision for which she was later found guilty of negligence by a court that rules on cases of ministerial misconduct.

Lagarde's handling of the case sparked suspicion that her former boss Sarkozy, whom Tapie had backed for president in 2007, was favorably disposed towards the businessman-allegations Sarkozy vehemently denied. In yesterday's ruling, Tapie's former lawyer Maurice Lantourne was handed a three-year sentence, including one year to serve in prison and two suspended.

Former magistrate Pierre Estoup was ordered to serve three years in prison. Jean-Francois Rocchi, the former head of an entity created by the state to settle with Credit Lyonnais creditors, was given a two-year suspended sentence. — AFP

Orange's board will decide the future of CEO Stephane Richard following his conviction. — AFP

ABK's Black Friday offer for its Emirates Visa cardholders

KUWAIT: Al-Ahli Bank of Kuwait (ABK) is presenting its ABK Emirates Visa credit cardholders with a 10 percent cashback on all local and International spends on the 26th & 27th November 2021. This offer is in addition to the existing discount offers.

All ABK Emirates Visa Infinite and Signature credit cardholders are eligible for the cashback during the Black Friday promotion. The cashback is capped at KD 50, which will be credited to the customer's eligible credit card. To benefit from this offer, ABK cardholders need to spend a minimum of KD 100 during the campaign period. All Point of Sale and e-Commerce transactions will be included in qualifying spends criteria. Alongside this offer, any spend on ABK Emirates Visa credit cards will automatically earn Skywards Miles as per the existing points structure.

Markets skeptical as Biden opens spigot on oil reserves

WASHINGTON: President Joe Biden is tapping the US strategic oil reserve in an effort to lower gasoline prices, but crude actually rose in Tuesday's trading while analysts warned that there is no guarantee the reserves will make a difference.

As his administration battles a surge in inflation amid the holiday season, Biden announced he would open the spigot on 50 million barrels from the Strategic Petroleum Reserve to cut prices at pumps across the world's largest economy.

An unusual coalition is joining the United States in releasing their stockpiles, including China, India, Japan, South Korea and Britain. One analyst said the grouping amounted to the "official emergence of an 'anti-OPEC+,'" referring to the bloc of global petroleum producers.

The announcement was not enough to stop energy prices from climbing. West Texas Intermediate oil futures closed New York trading 2.2 percent higher at $78.50.

Market watchers cautioned against making too much of Tuesday's rally in oil prices, noting that crude had already pulled back in anticipation of the administration's action. The gains in oil prices also reflect doubts about whether Biden's move will appreciably shift the supply-demand interplay in a global crude market that has tightened in recent months as the economic recovery has accelerated, analysts said. "It's symbolic because it's very difficult for the administration to do anything to lower gas prices unless you increase the supply in a meaningful way," said Andy Lipow of Lipow Oil Associates in Houston.

The OPEC unknown

Others members of the six countries involved in the release have not announced details, but they are expected to release far lower amounts than the United States. Analysts noted that the amount of oil involved-perhaps 70 million barrels in total-is relatively paltry in a global market that consumes close to 100 million barrels a day.

Another unknown is how the OPEC+ coalition of oil exporters led by Saudi Arabia will react to the statement. The group said earlier this month it planned to boost output by 400,000 barrels per-day in December. Biden's announcement "increases the probability that they will delay that," said James Williams of WTRG Economics, adding that the group could also scale back plans to lift oil production in January.

The coalition behind Tuesday's release differs from past alliances in some significant ways, analysts said. Releases from strategic stockpiles are normally coordinated by the International Energy Agency (IEA) in Paris, of which leading European nations are members. Of the six countries involved in the release of reserves, the United States, Japan, South Korea and Britain are all IEA members, while China and India are listed on the organization's website as "association countries."

The IEA acknowledged the Washington-led action, saying in a statement it recognized that higher oil prices have "added to inflationary pressures during a period when the economic recovery remains uneven and faces a range of risks." Mark Finley, a fellow at the Baker Institute at Rice University in Houston, said the IEA's apparent non-involvement was "striking" and suggests a break between the European Union and other consuming regions over energy. — AFP

Mazda CX-30 wins JD Power ALG Residual Value award

KUWAIT: JD Power announced that the 2022 model year Mazda CX-30 won its 2022 US ALG Residual Value award for the best residual value in the subcompact utility category. The JD Power US ALG Residual Value Awards recognize automakers' outstanding achievements for vehicles that are forecasted by ALG's proprietary model to hold the highest percentage of their Manufacturer's Suggested Retail Price (MSRP) after three years. Residual values are a key indicator of an automaker's success and help determine the overall desirability of automotive brands and their vehicles.

Award winners are determined through careful analysis of used vehicle performance of prior year models, brand outlook, and competitiveness. The forecast model uses a wide variety of macros, industry, segment, and vehicle factors to arrive at the most accurate prediction of a vehicle's future value.

Ashish Tandon, General Manager of KAICO (Kuwait Automotive Imports Co WLL - Alshaya & Alsagar) stated, "It is a great honor for us that the CX-30 earned the 2022 US ALG Residual Value award for subcompact utility vehicles. Mazda has a holistic approach to vehicle development that prioritizes safety, reliability, driving dynamics, and beautiful design."

Waleed Alqahtani, Mazda Brand Manager of KAICO stated, "The Mazda CX-30, is the perfect blend of sleek styling, driving dynamics and superior craftsmanship. Our customers can be rest assured that they're investing in a car that'll be their partner for a long time to come."

Mohamed Abouelaun, Sr. Manager - After Sales of KAICO stated, "Great residual values are derived from after sales care. We offer best in class services to delight our customers, from service packages, extended warranties, quick service, valet services and even opening on Friday."

African nations cling to fossil fuels despite climate call

ABIDJAN, Ivory Coast: African oil and gas producers are likely to pay little heed to the mounting clamor to scrap fossil fuels, the biggest driver of the world's climate crisis. Adding to the pressure, the UN climate summit in Glasgow this month called for greater efforts towards a "phase-down" of unhampered coal emissions and "inefficient fossil fuel subsidies."

The call was diluted after hours of tortuous debate, but even so was historic. It marked the first time that a UN text made specific reference to the energy sources driving global heating.

But African producer nations may well turn a deaf ear to appeals for early curtailment of fossils.

Compared to giant polluters, they are small contributors to the greenhouse-gas problem-and many argue that renouncing oil and gas at this point could cripple development and deepen poverty. "Limiting the development of fossil-fuel projects and, in particular, natural gas projects, would have a profoundly negative impact on Africa," Nigerian Vice President Yemi Osinbajo, whose country is Africa's major fossil-fuel producer, said recently.

Natural gas "is a crucial tool for lifting people out of poverty" in many African countries, he cautioned.

Osinbajo took up the well-versed argument that a global switchout from carbon-based fuels had to account for economic differences between countries. For poorer countries, "the transition must not come at the expense of affordable and reliable energy... (and) the right to sustainable development and poverty eradication," he said.

A gas pipeline is laid in Jacqueville, Ivory Coast, where locals say they have received no benefit from fossil fuel exploitation. —AFP

'Debt and corruption'

But his widely-shared idea that fossil-fuel development helps eradicate poverty comes up against some hard facts. In African countries that have had a bonanza from oil and gas production, little of the windfall has trickled down to the poorest, and suspicions of boundless corruption and sickening waste run deep. In Angola, sub-Saharan Africa's second largest crude producer, oil accounts for half of gross domestic product and 89 percent of exports.

Yet more than half of the 34 million population survive on less than $2 a day, and the unemployment rate is at 31 percent. President Joao Lourenco has launched an anti-corruption campaign aimed at netting billions of dollars he suspects were embezzled under his predecessor Jose Eduardo dos Santos.

"If one looks at the pattern of fossil fuels in Africa, it's very clear that it hasn't contributed" to development, said Mozambican environmental activist Daniel Ribeiro.

Instead, he said, "it increases debt, it increases corruption."

In his own country, the authorities have set down ambitious plans to exploit immense natural gas deposits off its northeastern coast. Ribeiro accused multinational fossil fuel companies of using tax havens, with the result that Mozambique's economy will get little revenue from the expected boom.

Instead, benefits flow to the "ruling elite" and the Frelimo party, in power since independence in 1975, he charged. That is why the Mozambican government are "really fighting against any kind of 'no to gas' movement," he said. —AFP

Eurozone stocks, euro down tracking COVID, German political deal

LONDON: Eurozone stock markets and the euro slid yesterday as traders tracked regional fallout from surging COVID cases and awaited confirmation that Germany had formed a new government. Investors were also awaiting minutes of the last Federal Reserve policy meeting.

Recent market movements suggest that the Fed could taper its bond-buying program quicker than first flagged and hike US interest rates next year as the economy recovers and inflation surges.

Turkey's lira meanwhile remained wedged close to all-time lows against the dollar after the country's President Recep Tayyip Erdogan dug in on his decision to pressure the central bank to cut interest rates even though inflation is soaring.

Oil prices retreated despite the United States and other countries releasing less stockpiled crude than expected. A recent surge in oil prices has added to concerns that inflation-already at multi-year highs-will continue to rise, putting further pressure on banks to scale back the easy money policies put in place at the start of the pandemic and crucial to an 18-month rally for stock markets.

The New Zealand central bank yesterday lifted its rates for a second successive month. "Rising COVID-19 cases in Europe and fears of an accelerated tapering program in the US are currently unsettling investors," noted Richard Hunter, head of markets at Interactive Investor. Several countries in Europe have introduced strict containment measures to fight a resurgence of COVID, with Austria returning to a partial lockdown and some fearing Germany, the continent's biggest economy, will follow suit.

A center-left-led alliance of parties was yesterday poised to announce a deal to form Germany's next government, putting the Social Democrats (SPD) in charge for the first time in 16 years. Christian Lindner, leader of the business-friendly Free Democrats, was expected to run the powerful finance ministry. Two months after the SPD beat Angela Merkel's conservative CDU-CSU coalition in a general election, its negotiators put the finishing touches on the deal with the Greens and Free Democrats that will install Finance Minister Olaf Scholz as chancellor. Meanwhile, the European Union health agency called yesterday on member states to "urgently" introduce anti-COVID measures to reduce the potentially "very high" burden the disease will have in December and January. —AFP