

Business

Fortnite maker girds for epic court clash with Apple

Witnesses to include chief executives of both companies

SAN FRANCISCO: In a court clash with potentially huge repercussions for the world of mobile tech, Fortnite maker Epic Games takes on Apple starting today aiming to break the grip of the iPhone maker on its online marketplace. The case opening in federal court comes with Apple feeling pressure from a wide range of app makers over its tight control of the App Store, which critics say represents monopolistic behavior.

The two firms will be debating whether Apple has the right to set ground rules, control payment systems and kick out apps from its marketplace that fail to comply. Also at stake will be Apple's slice of revenue from iPhone apps, as much as 30 percent. Apple contends that its commission is the industry norm, and is fair compensation for giving developers a global storefront and keeping it secure.

Epic, which is seeking to return to the App Store without being forced to use Apple's payment scheme, is not alone in its criticism. The European Union on Friday formally accused Apple of unfairly squeezing out music streaming rivals based on a complaint brought by Sweden-based Spotify and others which claim the California group sets rules that favor its own Apple Music. A recently formed Coalition for App Fairness, which includes both Spotify and Epic, have called for Apple to open up its marketplace, claiming its commission is a "tax" on rivals.

Fitch affirms KIB's long-term IDR at A+ with negative outlook

KUWAIT: Fitch Ratings, one of the leading global credit ratings agencies, has affirmed Kuwait International Bank (KIB)'s Long-term Issuer Default Rating (IDR) at 'A+' and viability rating (VR) at 'bb-', with a negative outlook. This negative outlook on KIB's Long-term IDR reflects the outlook on the Kuwaiti sovereign rating (AA/Negative).

In its report issued on 29 April 2021, Fitch stated that KIB's Issuer Default Ratings (IDRs) reflect an extremely high probability of support from the Kuwaiti authorities, if needed. This considers Kuwait's strong ability to provide support to domestic banks, as reflected by its sovereign rating (AA/Negative) and strong willingness to do so irrespective of the banks' size, franchise, funding structure and the level of government ownership.

Fitch also added that key rating drivers include stable funding, nominal domestic franchise, higher risk appetite, asset quality and profitability under pressure, adequate capitalization and general stable funding and liquidity. KIB successfully issued a USD 300 million perpetual Tier 1 sukuk in June 2019 and a USD 300 million Tier 2 sukuk in November 2020 to underpin its growth. Fitch mentioned that the Central Bank of Kuwait operates a strict regime with good oversight, sound supervision and active monitoring ensuring compliance with prudential limits. These include Basel III capital, leverage and liquidity requirements, as well as financing caps and best practice corporate governance requirements.

In assessing KIB's ratings, Fitch considered important

Copper leads commodity price surge

WASHINGTON: Global prices for raw materials are soaring thanks to a boom in demand due to the recovery from the COVID-19 downturn, coupled with logistical bottlenecks. Copper in the past week hit a 10-year high. Bloomberg's agriculture Commodity Price Index has climbed 22 percent so far this year to its highest level since 2016, while crude oil has risen 30 percent in the past year. Lumber has tripled over the past 12 months, and the National Association of Homebuilders said that has added \$36,000 to the cost of a new house.

Tin, used in electronic circuits, automotive components and batteries, also hit its highest level since 2011, as the price doubled in the past year. The reasons for these increases are varied. For sugar, a shortage of shipping

Copper bonanza challenge for top producer Chile

SANTIAGO: Even as copper prices hit a ten-year high this week, political events in Chile - the world's main producer - have raised questions about whether the country will be able to continue meeting rising demand. A surge on infrastructure spending in industrialized countries, a weak dollar, and strong demand in China boosted the price of the metal to over \$10,000 per ton on Thursday.

As the global economy starts to shake off the impacts of the COVID-19 epidemic and makers of electric cars and renewable energy systems clamor for the red metal, Chile stands to gain handsomely. But political uncertainties in the South American nation have some worried. "In recent days there has been more international awareness and more concern" about what is happening in Chile, Juan Carlos Guajardo, director of mining consultancy Plusmining, told AFP. "There is a conjunction of elements that are making investors adopt a more cautious position," he added.

Just two years after massive civil unrest over

Off the platform
Apple booted Fortnite from its online mobile marketplace last year after Epic released an update that dodged revenue sharing with the iPhone maker. Apple does not allow users of its popular devices to download apps from anywhere but its App Store, and developers have to use Apple's payment system which takes its cut of up to 30 percent - a percentage which goes down after the first year and is waived for those with limited revenues. Due to the legal row, Fortnite fans using iPhones or other Apple devices no longer have access to the latest game updates.

Judge to hear case
After months of dueling legal filings, a trial before District Court Judge Yvonne Gonzalez Rogers is to begin with Epic laying out its case in opening remarks. Apple is to counter with its position before witness testimony begins. The companies agreed to leave the verdict up to the judge instead of a jury. Some analyst say Apple appears on firm ground in defending its turf. Wedbush Securities analyst Daniel Ives said, "The Street views the bark worse than the bite on this trial and when Apple wins we believe it will embolden the company's iron grip on its App Store and fee structure."

The trial is being held in a courtroom across the bay from San Francisco, and witnesses are to include the chief executives of Apple and Epic. Rogers has

tightly restricted access to the courtroom due to COVID-19 risks, allowing the public to listen to proceedings via a phone line or Zoom. The legal battle comes as Apple puts priority on selling digital content and subscription services to the one billion-plus people around the world using devices powered by its iOS mobile operating software.

"Who gets the money for Epic's games is what they are fighting for," said analyst Rob Enderle of Enderle Group. "I think Apple is in the wrong here when it comes to the good of the industry; you want to fund innovation not distribution."

Epic earlier this year lodged a complaint against Apple with EU antitrust authorities, deepening its bitter feud with the iPhone-maker over its app store. "We will not stand idly by and allow Apple to use its platform dominance to control what should be a level digital playing field," Epic Games CEO Tim Sweeney said in a statement when the complaint was filed.

The company said the complaint "complements" legal proceedings it has launched in the United States, Australia and Britain. Epic has said it is seeking decisions by authorities to force Apple to amend its practices for all developers.

Escalating feud
As the battle over App Store control rages, Apple has not backed down. And it has ignited further complaints by implementing a new privacy pol-

Fitch Ratings

differences between Islamic and conventional banks. These factors include closer analysis of regulatory oversight, disclosure, accounting standards and corporate governance. Islamic banks' ratings do not express an opinion on the bank's compliance with sharia. Fitch will assess noncompliance with sharia if it has credit implications. According to Fitch, a stronger franchise and better profitability, lower financing growth and concentrations, as well as a record of stable asset quality would be positive for the VR.

Commenting on the ratings, Sheikh Mohamed Jarrah Al-Sabah, Chairman of KIB, said: "This recently released credit rating reflects KIB's distinctive position and highlights our strong financial position, as well as our sound growth and investment strategy. This rating is also in line with Fitch's report on the Tier 2 Sukuk final 'A-' rating. Fitch has also assigned final A+/F1' long- and short-term ratings, respectively, to the program, which will apply only to senior unsecured certificates to be issued under the umbrella of this issuance program."

Al-Jarrah stressed that these distinct ratings help KIB achieve its strategic objectives. "In addition to consolidating its position as a leading Islamic Bank over the long term, Fitch's ratings help boost the trust of our customers and shareholders and enhance the Bank's reputation in the market, which unlocks many growth opportunities in the near future," he said.

For his part, Raed Jawad Bukhamseen, Vice Chairman and CEO of KIB, said: "The reality is that the global banking industry must evolve in a way that is compatible with the future. From our side, we are committed to

containers and bottlenecks at ports are pushing prices up, while corn, soybeans and wheat are also experiencing delivery problems.

For oil, global demand is accelerating with the reopening of economies following the pandemic shutdowns. The price of gasoline at the pump in the United States has risen to \$2.89 a gallon from \$1.77 a year ago, according to the AAA, an automobile association. Bart Melek of TD Securities said the price of Brent crude "appears unstoppable" as the market is expecting demand to increase massively and stocks to be further reduced in the second half of the year."

Dr Copper hits \$10,000
"US consumers are a major reason markets remain bullish," Bjornar Tonhaugen of Rystad Energy said in an analysis. The Chinese and US "locomotives" far outweigh the impact of the slowdown in India, which has been overwhelmed by a resurgence of COVID-19 infections, he said. "Dr Copper" - so called because its widespread use means it often offers an accurate diagnosis of the global economy - has grabbed headlines this week when it

income inequality triggered a project to rewrite Chile's constitution, the country has recently again seen widespread protests. This time, it was to force the government to allow people to make a partial withdrawal from pension funds to help them through pandemic-induced financial hardship. Santiago gave in - allowing the third withdrawal in nine months in a move that may alleviate short-term pain but observers say could threaten longer-term financial stability.

Port workers called a strike in support of the action with the backing of mining unions, raising supply fears which contributed to the price surge. Apart from social and labor unrest, investors are also concerned about a proposed new mining tax and possible regulatory changes in the process of drafting the new constitution. Chile's Congress is considering a leftist bill to impose an additional tax on mining to finance social plans.

If it passes "there would be two taxes (on mining), which would be a not insignificant burden" on investors, said Guajardo. "We would be entering difficult terrain for the mining industry." He added the pending constitutional change will "generate uncertainty, and will probably have an impact on investment" in Chile. Claudio Loser of the Centennial Group consultancy - a former boss of the IMF's Americas department - agreed the project to change Chile's founding law makes

"very difficult to know what will happen" to the future of copper production. Adding to the uncertain outlook, Chile's state-owned CODELCO - the world's largest copper-producing company - said Friday coronavirus infection control measures had slowed crucial structural expansion projects. Nineteen new public and private mining projects are scheduled to come online in Chile or begin construction in the coming two years, at a cost of some \$14 billion.

Not a boom
Copper accounts for about 10 percent of the country's GDP, half its exports, and employs eight percent of the workforce. Production for 2021 is forecast to rise to 5.9 million tons from last year's 5.7 million, and to six million by 2022, according to Mining and Energy Minister Juan Carlos Jobet. CODELCO on Friday reported its best first quarter results in a decade due to higher production and increased prices driven in part by supply fears over strike action. The price surge has prompted the government to adjust its GDP growth forecast for 2021 from five to six percent, and to raise projected tax collection. Elijah Oliveros-Rosen, a senior economist at Latin America S&P Global Ratings, said growing demand for green energy "could cause a rise in copper prices for some time," a strong incentive for keeping production problems to a minimum. —AFP



ARLINGTON, Virginia: This illustration picture shows the logo from Epic Games displayed on a laptop and an Apple logo on an iPhone on April 30, 2021. —AFP

icy which limits the ability of third-party apps to track users - a feature critics say also favors Apple's in-house services. Facebook CEO Mark Zuckerberg has accused Apple of imposing rules for outside developers that it does not apply to its own services. Apple CEO Tim Cook said the change is about "giving the user the ability to make a decision about whether they want to be tracked or not. And so, it's putting the user in the control. Not Apple, not another company." —AFP

Ooredoo collaborates with Nokia to boost home Internet service

KUWAIT: Ooredoo Telecom, the first to introduce innovative digital services in Kuwait, has announced its collaboration with Nokia, a trusted partner for critical networks, in which Nokia will be supplying Ooredoo Kuwait 5G Fixed Wireless Access (FWA) equipment for the operator's customer premises. An early pioneer of FWA, Ooredoo is now offering the Nokia FastMile 5G Gateway as a premium internet device for residential and business customers.

Ooredoo Kuwait is using FWA to extend the reach of its fiber network to premises not easily connected with direct fiber lines. This will support the company to significantly increase its fixed broadband customer base across the country.

Nokia's self-installable 5G FWA gateway incorporates Wi-Fi 6 with self-optimizing mesh technology to optimize performance in real time and includes advanced antenna designs with higher throughput and better coverage resulting in improved customer experience and a lower operational cost for Ooredoo.

Essa Haider, Director of Network Planning and Design, Ooredoo Kuwait, said: "5G Fixed Wireless Access is essential for Kuwait's economic growth and diversification, and we're delighted to be partnering with Nokia for this."

Rima Manna, Head of the Middle East Market Unit, Nokia MEA, said: "We are extremely proud to have been selected by Ooredoo to offer our FWA FastMile solution to customers who want a great experience and easy installation. With this significant deal, we strengthen our partnership with Ooredoo Kuwait and looking forward to working with the operator more closely to deliver compelling 5G experiences to its customers."



Sheikh Mohamed Jarrah Al-Sabah

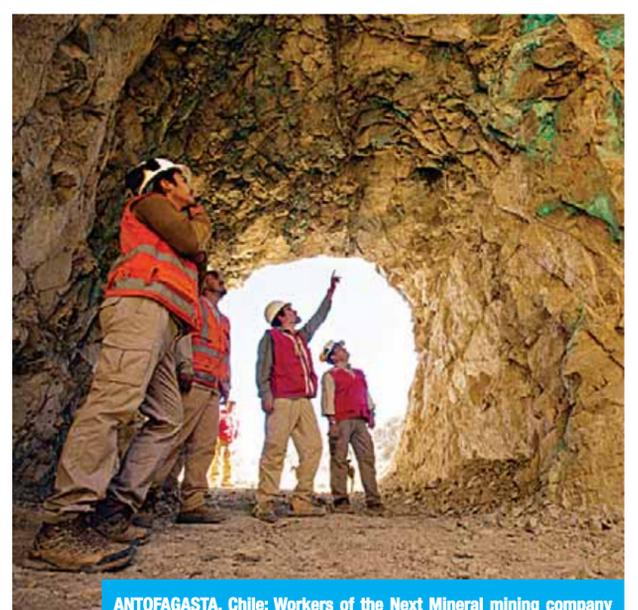
Raed Bukhamseen

stay ahead of the curve and keeping up with the rapid pace of change in our industry, which is why we made major investments in upgrading our IT infrastructure, streamlining systems and processes, and restructuring our operational model to provide customers with an enhanced digital experience. We believe that this will eventually contribute towards expanding our customer-base, thereby promoting the Bank's long-term growth and stability."

Bukhamseen further added: "We have always been proud of our success and notable industry track record, in addition to having garnered numerous regional and international awards. For example, in 2020, we were honored to be recognized as the "Fastest Growing Islamic Bank MENA" and the "Best Shari'a Complaint Bank MENA" by CFLCo, for the fourth and fifth years respectively. We are also proud to have recently picked up the "Most Secure Bank in Kuwait" Award and the "Best Islamic Bank" Award from World Finance, the latter being an award we have now received for the seventh consecutive time."

topped \$10,000 a ton. The gains have been driven by strong Chinese demand as well as labor protests in Chile, impacting mines and ports. The weak US dollar also means it takes more American greenbacks to buy the same amount of metal. The price of the red metal also benefits from a transition to clean energy technologies that use more copper, said Elijah Oliveros-Rosen of S&P Global Ratings.

"When you see strong expectations for growth, and that is driven by infrastructure and decarbonization, that's great for copper," he told AFP. Another factor is that investors see commodities futures contracts as an attractive alternative given the very low interest rates and modest profitability of Treasury bills, analysts say. "There is a lot of extra money floating around in the market place," said Michael Zuzolo of Global Commodity Analytics and Consulting. Meanwhile, the Federal Reserve has made a "historic shift" in policy, making it clear it will not raise interest rates and will "allow inflation to build," he said. "That has attracted the investors (to commodities) between the tight supplies, the issues with the supply chains and pent up demand with the pandemic." —AFP



ANTOFAGASTA, Chile: Workers of the Next Mineral mining company inspect the Comahue copper mine on March 1, 2021. —AFP