



The debt problem is international and the solution to it on an international scale can lead to prosperity and development for all people

— Greek PM  
Alexis Tsipras



Twenty-five years on, we are facing great challenges with the issue of refugees. Now too, we Germans will not be able to solve the problem on our own

— German Chancellor  
Angela Merkel

■ Move follows subsidy cut

# KUWAIT TO INTRODUCE TAXES IN 2016: MINISTRY

DT News Network  
Manama

**A**mid plunging oil prices and growing deficit fears, Kuwait yesterday announced plans to gradually roll out a tax collection system, starting next year.

The move follows Kuwait's decision to stop diesel, kerosene and aviation fuel subsidies earlier this year. Oil Minister Ali al Omar told parliament three weeks ago that ending subsidies on diesel would save around \$1 billion a year.

The new tax system, currently in its planning phase, is being developed in collaboration with International Monetary Fund (IMF).

"The IMF will prepare a preliminary report on how to impose taxes on companies in Kuwait," Commerce and Industry Minister Abdulmohsen Al Mudej said after a meeting with IMF representatives, the official



Picture for representation

KUNA news agency reported.

The two sides discussed ways of introducing corporate taxes for Kuwaiti and foreign companies operating in the oil-rich Gulf state after the recent introduction of a new corporate law, the minister said.

Kuwait currently imposes no taxes on local companies, Kuwaiti citizens and

expatriates, but it requires foreign firms to pay 15 per cent tax on their profits.

Kuwait's finance ministry said in a statement that it is planning to introduce a modern taxation system for Kuwait, which includes the development of an organisational structure and training for staff members.

An awareness campaign will

also be rolled out as part of the move to educate people about the new system, the report said.

The IMF has in the past advised Kuwait to subject local companies to corporate tax as part of a series of measures aimed at boosting non-oil revenues and cutting spending.

Kuwait has posted a budget surplus in each of the past 15 fiscal years due to high oil prices but has also increased public spending from under \$13 billion (12.4bn euros) to more than \$77bn this fiscal year, mostly on wages and subsidies. Earlier this year, the emirate stopped diesel, kerosene and aviation fuel subsidies and the finance ministry is considering similar measures for petrol, electricity and water.

Oil income contributes around 94 per cent of Kuwait's public revenues but the sharp drop in prices is expected to substantially reduce its income. Kuwait's revenues in the first

10 months of the current fiscal year dropped 16pc to \$74.5bn compared to \$88.8bn last year, according to finance ministry figures. In the same period, oil income dived 17.3pc to \$68.3bn from \$82.5bn.

The state is however forecast to end this fiscal year with a surplus-albeit smaller than usual-for the 16th year in a row. The government has announced the 2015/2016 budget with a \$24bn deficit despite slashing spending by 17.8pc to \$65.1bn.

The oil-rich state currently spends about \$18bn annually on subsidies, with the cost of subsidies between 2005 and 2013 increasing more than fourfold, or about 23pc a year, the Finance Ministry said. There are about 1.25 million Kuwaitis in the country, in addition to 2.9m foreigners. It pumps about 2.8m barrels of oil per day. (AFP, arabianbusiness.com)

## Argentina to pay back \$6 billion in debt

Buenos Aires

**A**rgentina will repay \$5.9 billion of its debt on Monday in keeping with its repayment schedule, the country's economy minister said Friday.

"We will follow this deadline as we have done for years. It is the largest payment in one instalment in a decade," Economy Minister Axel Kicillof said.

The payment will be made by drawing on the country's foreign exchange reserves, which showed a balance of \$32.5 billion Friday.

"We will pay, all in good time, and Argentina will continue on the path of debt reduction."

A longstanding dispute over the debt with US hedge funds remains, however.

Since its economic collapse in 2001, Argentina, the third-largest Latin American economy, has renegotiated its debt with 93 per cent of its creditors, but a handful of US-based hedge funds have held out for full repayment and refused debt restructuring.

## Amazon pulling Chromecast, Apple TV from shelves

San Francisco

**A**mazon on Friday said it will stop selling Apple TV and Google Chromecast devices that compete with the online retail titan's own media-streaming hardware.

The reason given for the move was an intent to focus on devices that play well with Amazon Prime video service, which the Seattle-based company has been ramping up with original shows and content partnerships.



Representative picture

"Over the last three years, Prime Video has become an important part of (Amazon

subscription service) Prime," an Amazon spokesperson said in an email response to an inquiry.

Amazon will continue to sell Roku and the company's own Fire TV devices, along with Xbox and PlayStation consoles made by Microsoft and Sony respectively, according to the spokesperson, who referred to the selection as "excellent choices."

Chromecast and Apple TV are to be pulled from Amazon's virtual shelves as well as those of third-party shops at the end of this month, according to exchanges by resellers in online forums. The news came shortly after Google and Apple unveiled improved versions of their devices for channelling digital movies, television shows, and more from the Internet to television screens.

## BoJ to cut forecast for growth

Tokyo

**T**he Bank of Japan (BoJ) will this month cut its forecast for both economic growth and inflation amid a slowdown in the global economy and cheaper commodities, a leading newspaper said yesterday.

The central bank will unveil the downward revisions in its biannual outlook for economic activity and prices report due out October 30, the Nikkei business daily said.

BoJ policymakers will downgrade the forecast for economic growth to around One per cent from 1.7pc for the current fiscal year to March 2016, the daily said. It added that the following fiscal year's growth estimate would also be lowered from 1.5pc, but did not give details.

The Nihon Keizai Shimbun -- or Nikkei daily, which recently bought the Financial



Downgrade will be to 1pc from 1.7pc

Times for \$1.3 billion -- has a track record of financial scoops and is considered a must-read for executives.

With China and other emerging markets slowing, the global economy is seen expanding by only about three pc this year, with little hope of a quick improvement in 2016, it said. Japanese business investment, consumer

spending and other economic activity is holding up well in the Bank's view, but it forecasts that domestic growth may fall somewhat short of expectations, it added.

The central bank is also expected to trim its consumer price growth forecast, from its earlier estimate of 0.7pc to less than 0.5pc for the current fiscal year in the wake of a

slump in crude oil prices, the daily said. The Nikkei did not publish what the specific new forecast.

BoJ policymakers will consider pushing back the bank's expected timeframe for achieving its 2.0 inflation target, now described as around the first half of fiscal 2016 starting in April next year, according to Nikkei.

Central bank chief Haruhiko Kuroda remains upbeat on reaching the promised 2.0pc inflation -- a cornerstone of Japan's attempt to conquer years of deflation and revive the long-sluggish economy.

But Japanese consumer prices fell 0.1pc in August year-on-year, the first decline in over two years, official data showed late September, fuelling speculation that the central bank may unleash a fresh round of stimulus measures.