

business

IKEA closing only US furniture factory, cutting 300 jobs



Then-Virginia Gov. Tim Kaine (left) joins Ikea officials to saw a log in half as the Danville facility celebrated its opening on May 21, 2008. The center is set to close, leaving 300 to search for new jobs. (Courtesy of Roanoke Times)

Washington, United States

IKEA said it will close its only US factory at the end of the year, cutting 300 jobs, as it will be more cost effective to make the products in Europe and import them. The global big-box furniture store, known for its Swedish meatballs and sometimes incomprehensible assembly instructions, said raw material costs were too high compared to plants in Europe meaning prices at the plant in the southern Virginia town of Danville were "significantly higher." "We made every effort to improve and maintain the competitiveness of this plant, but unfortunately the right cost conditions are not in place to

continue production in Danville, VA for the long-term," Bert Eades, the company's site manager, said in a statement last week.

The factory, which opened in 2008 to produce wood shelves and storage units for the US and Canadian markets, will close in December. "We will do everything we can in the coming months to support our co-workers through this change as they look for new jobs and training opportunities," Eades said.

IKEA, which has production units at 24 sites in nine countries, with about 20,000 workers, said it will work with labor representatives and US agencies to provide job search assistance.

NBB Q2 net profit rises 14.6pc

● Q2 net interest income was up 12.6pc

● Quarterly operating profit increased 17.2pc

● H1 net profits rose 8.7pc

● Provisions more than doubled to BD4.7m

TDT | Manama

The National Bank of Bahrain (NBB) yesterday reported a 14.6 per cent increase in its second-quarter 2019 net profit driven by higher operating profit and interest income notwithstanding a rise in provisions.

The bank's quarterly net profit increased to BD19.6 million (US\$52.1m) from BD17.1m (US\$45.5m) in the same quarter a year ago.

Net interest income was up 12.6pc to BD24.2m (US\$64.4m) when compared with BD21.5m (US\$57.2m) in the prior-year-period.

NBB's operating profit increased 17.2pc to BD21.1m (US\$56.1m) while operating income rose 10.7pc to BD32.0m (US\$85.1m) from the same quarter a year ago.

Operating costs remained unchanged at BD10.9m (US\$29.0m).

Total comprehensive income rose to BD18.8m (US\$50.0m) compared with BD4.3m



Farouk Yousuf Khalil Almoayyed, Chairman



Jean-Christophe Durand, Chief Executive Officer

(US\$11.4m) in the year-earlier quarter.

The Bahrain-based lender's net income in the first half of the year rose 8.7pc to BD40.0 million (US\$ 106.4m) while operating profit recorded a 17.3pc increase to BD44.7m (US\$ 118.9m) in the same period a year ago. Earnings per share increased by 8.3pc to 26 fils (US\$ 69 cents) compared with 24 fils (US\$ 64 cents) in the prior-year period.

This was achieved despite provisions of BD4.7 million, which were more than double the provision amount in the corresponding period in 2018.

Net interest income increased by 16.8pc y-o-y to BD 48.0m (US\$127.7m) compared with BD 41.1m (US\$109.3m) in the prior-year period. Improvements were driven by prudent asset liabilities management and the

acquisition of new customers from various sectors across the Bank's business lines during the first half of the year.

Operating costs were up to BD21.5m (US\$ 57.2m) compared to BD 20.9m (US\$ 55.6m), an increase of 2.9pc which the bank said is in line with the ongoing investments in human capital and technology to support the Bank's transformation strategy.

Total comprehensive income for the period was BD44.5m (US\$118.4m) compared with BD14.4m (US\$38.3m) in the prior-year period.

Average loans and advances increased by 6.9pc to BD 1,230.5m (US\$3,272.6m) while average customer deposits remained steady at BD 2,108.8m (US\$5,608.5m).

Commenting on the results, Farouk Yousuf Khalil

Almoayyed, Chairman of NBB, said the bank's success in the first half "reflect the ongoing success of our strategy and the achievements made in transforming the bank."

"Continued expansion and income generation from our core banking activities drove strong gains in operating profit with another significant increase of 17.3pc reported for the first half of the year."

Jean-Christophe Durand, Chief Executive Officer of NBB, said, "Gains in operating income and profits during the period were the result of further business expansion and growth as well as the prudent management of costs."

The bank, he said, is working to create tailored solutions for SMEs and is also stepping up its debt capital market and advisory activities with a focus on large corporates and economy.

"We are now focused on taking a more leading role alongside other sizeable regional banks in the provision of financing and syndications and have already developed a strong track record."

Durand said NBB is planning expansions in Saudi Arabia and the UAE. "Over the past six months, we have continued building our team based in the Kingdom's capital and have recently received approval from the Central Bank of UAE for "reactivation" of our branch licence in Dubai, from where we will focus on growth in corporate and commercial banking operations."

AUB launches Next Gen Mobile Banking

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Ahli United Bank announced the launch of its next-generation mobile banking application.

In a statement, AUB said its mobile app has been enhanced with multiple additional functionalities to ease navigation and boost user experience that empowers customers to manage their banking transactions

anytime and anywhere.

The AUB mobile app enables first time users to register themselves, avoiding the need for branch visits.

Passwords are not required as the app enables facial recognition or fingerprint to access. Other services include that for transferring money, paying bills, a currency converter, or set up and management of their beneficiaries. The app can be

downloaded from the Apple App Store or Google Play Store.

Suvrat Saigal, Deputy Group CEO-Retail Banking, AUB, said: "As a customer-centric Bank, AUB is committed to delivering solutions that simplify our customers' Banking experience by giving them easy access to services where and when they require and providing integrated end-to-end banking solutions to our clients."

Dubai to organise Global Aviation Summit 2020

Duabi, United Arab Emirates

The General Civil Aviation Authority (GCAA) of UAE has announced that the second edition of Global Investment in Aviation Summit (GIAS) 2020, themed 'Enabling Global Aviation Growth through Fund Raising and Key Partnerships' will be held in Dubai from January 27-29.

Over 200 investors and 1,200 delegates, besides selected



Saif Mohammed Al Suwaidi

government officials, aviation organisations, finance & insurance firms, aviation asset owners, aircraft operators &

logistic service providers and legal consultants are expected to turn up at the event.

While disclosing the details of the summit Saif Mohammed Al Suwaidi, Director General of the GCAA, said, "The national agenda for 2021 aims for UAE to be the world first in the quality of the air transport infrastructure.

Registration is open on <http://www.gias.ae/>.



Bahrain Airport Company (BAC) hosted a group of Bahraini students for a tour of its headquarters and the existing airport terminal. The tours were also part of the Rotary Club of Adliya's Career Tasters programme, which exposes students from public and private schools to different industries and professions in the Kingdom. Following a welcome presentation, team members from BAC's Human Resources (HR) Department led Rotary Club of Adliya representative, Amal Al Kooheji and the students on a tour of different BAC departments, including HR, Health, Safety and Environment, Finance, ICT, Procurement, and Soft Services.