# business

## UAE reshuffles central bank, governor to remain

**Dubai**

The president of the United Arab Emirates has ordered a reshuffle of the central bank's board of directors, the state news agency said on Sunday.

Central bank governor Mubarak Rashed Khamis Al Mansoori has been reappointed for the next four years, the agency said.

## Maldives seize $6.5 million from former president

**Colombo, Sri Lanka**

Former Maldives president Abdulla Yameen is under investigation for corruption, police said Sunday, after a court ordered accounts holding $6.5 million to be frozen.

Yameen, who was defeated in a September election, was interviewed by police on the honeymoon islands on Saturday.

He has been dogged by allegations that he received close to $1.5 million in illicit payments during his failed bid for re-election in the Indian Ocean archipelago nation.

The country's monetary authority has lodged a police complaint about the alleged donations made into a private account held by Yameen in two suspicious tranches, local media reported.

## Finland cuts debt for the first time in decade

**Reuters** | Helsinki

Finland has cancelled planned bond auctions for the remainder of the year and is on course to cut debt in 2018 for the first time in a decade, the finance ministry said yesterday.

Government debt was previously expected to increase by 1.3 billion euros (1.2 billion pounds) this year but according to an update by the state treasury it will come down by 0.9 billion euros to 104.9 billion euros.

"Finland will be able to reduce debt for the first time in 10 years... This temporary turn is a significant thing psychologically," Finance Minister Petteri Orpo said on his Twitter account.

"But the pace of reform in the economy must not slow down," he added.

The debt reduction is due to several things, including growth in output and employment, payments to the state from Finnish Export Credit Agency and sales of shares in state-owned companies, a ministry source said.

# Germany to tighten rules for takeovers

### Cabinet plans to approve the new change on Wednesday

- The update allows govt to review or bloc foreign purchases
- The rule would apply to security relevant companies
- EU have raised alarm over take over of Chinese companies

**AFP** | Berlin, Germany

Germany's Chancellor Angela Merkel

Germany plans to toughen rules on non-EU share purchases and acquisitions of its strategic companies, a report said yesterday, amid growing disquiet about takeovers by Chinese firms.

Chancellor Angela Merkel's cabinet plans to approve the law change on Wednesday and send it to parliament, the Handelsblatt business daily said, without citing its sources.

The update of the Foreign Trade Regulation would allow the German government to review or bloc foreign purchases of stakes as low as 10 percent in such companies, down from 25 percent now.

The rule would apply to "security relevant" companies that are crucial to Germany's defence or "critical infrastructure", including many high-tech and power companies but also large food producers.

Germany and other European Union member states have voiced growing concern in recent years as Chinese companies have bought up, or purchased controlling stakes in, airports, harbours and high-tech firms.

Chinese appliance giant Midea in mid-2016 took over German industrial robotics supplier Kuka, sparking alarm in Germany about valuable knowhow being transferred abroad.

In mid-2017 Germany tightened scrutiny on non-EU takeovers of strategic companies, allowing more time for reviews and including a wider range of sectors.

In February this year, Germany raised no objections when Chinese billionaire Li Shufu bought a near 10-percent stake in the Mercedes-Benz parent company Daimler.

However in July, the German government took a minority stake in electricity transmission firm 50Hertz, citing national security reasons, thwarting Chinese investors from buying into the company.

"On national security grounds, the federal government has a major interest in protecting critical energy infrastructure," the finance and economy ministries said in a joint statement at the time.

During a visit to Germany in July, Chinese Prime Minister Li Keqiang urged Berlin to grant Chinese companies the access that German firms enjoy in China.

"Our investments do not threaten your national security," he said. "Through joint projects, we want to learn from your experiences and technologies."

# *Saudi telecos agree annual royalty fees*

- Saudi Telecom Co, Etihad Etisalat (Mobily) and Zain Saudi Arabia ink deal
- The agreement will involve an annual royalty of 10 percent of net revenue

**Reuters** | Dubai

Representative picture (Courtesy of Arabian Business)

Telecommunications operators Saudi Telecom Co, Etihad Etisalat (Mobily) and Zain Saudi Arabia said yesterday that they had agreed with the government to a change in the calculation of their annual royalty fees.

The companies also said they had reached a deal with the government to settle disputed fees to be paid for previous years up to 2017. In return, the trio agreed to invest in upgrading their network infrastructure over the next three years.

The kingdom has set specific goals to boost high-speed broadband internet connectivity as part of its Vision 2030 plan to modernize the economy, including exceeding 90 per cent of housing coverage in densely populated cities and 66pc in other urban areas.

> **STC said the new calculation was compared to the previous fee of 15pc of net revenues from mobile services, 10pc of net revenues from fixed line services and 8pc of net**

The operators said the agreement will involve an annual royalty of 10 per cent of net revenue from telecommunications services starting from Jan. 1, 2018. Mobily said in addition it would also pay an annual license royalty equal to 1pc of its annual net telecommunication revenues.

STC said the new calculation was compared to the previous fee of 15pc of net revenues from mobile services, 10pc of net revenues from fixed line services and 8pc of net revenues from data services.

STC said the change would have a positive impact on its financial results during the fourth quarter of 2018, while Zain Saudi it would mean a drop in its payment for the period Jan. 1 to Sept. 30 by 220 million riyals ($58.7 million).

Mobily said that starting from 2019 onwards, the impact represents an additional cost estimated to be in the range of 450 to 600m riyals per year over the next few years.

Zain Saudi Arabia said the expected financial impact from the settlement of its disputed annual royalty fees for the period 2009 to 2017 is expected to reach 1.7 billion riyals.

Mobily said its agreement to invest over the next three years would enable it to boost the quality of its networks and to invest in the deployment of new technologies such as 5G.

## French budget deficit seen at 3.4pc of GDP next year

Richard Ferrand, speaker of the French National Assembly attends the questions to the government session at the National Assembly in Paris

**Reuters** | France

France's budget deficit is likely to overshoot the European Union's limit of 3 percent of GDP next year and reach 3.4 per cent, National Assembly president Richard Ferrand told Sunday newspaper Le Journal du Dimanche.

France is expected to break the deficit ceiling after President Emmanuel Macron made concessions to anti-government protesters earlier this month, blowing a 10 billion euro ($11 billion) hole in the budget.

"We take the responsibility of having a higher-than-expected deficit, probably at 3.4 percent of gross national product. But it will be a cyclical peak, not a structural trajectory," Ferrand was quoted as saying.

A spokesman with the French Economy ministry declined to comment.

Macron announced wage increases for the poorest workers and a tax cut for most pensioners on Monday, seeking to quell a near month-long revolt by protesters dubbed the "Yellow Vests" for the bright clothing they wear on demonstrations.

Before his announcements, France's deficit was expected to hit 2.8 percent in 2019.

## Indonesia, EFTA sign free trade deal

**Reuters** | Jakarta

Indonesia yesterday signed an economic agreement with the European Free Trade Association (EFTA) aimed at increasing trade and investment, concluding almost eight years of negotiations.

Under the deal, tariffs and non-tariff barriers would be eliminated for thousands of products traded between Indonesia and the EFTA countries - Switzerland, Liechtenstein, Norway and Iceland, according to government statements.

Among those products, Indonesian palm oil would get full market access in Iceland and Norway, with an exception of palm products for animal feed other than for fish.