business

Japan's Suzuki in domestic recall of 2 mln vehicles

Keiichi Ishii

Tokyo, Japan

Japanese small car manufacturer Suzuki announced yesterday it was recalling two million vehicles shipped domestically, citing improper inspections and a series of other faults including false fuel efficiency data.

The recall affects vehicles running for four years or less that have not yet received a routine check-up.

Last week, Suzuki admitted that an internal review had uncovered a host of problems at its factories, including faulty brake checks, falsified fuel-efficiency data, and uncertified staff carrying out final inspections.

The recall is expected to cost the firm around 80 billion yen ($715 million) and also affects parts made by Suzuki for vehicles produced for Nissan, Mazda and Mitsubishi.

Transport minister Keiichi Ishii has said the company needs some "serious soul-searching" over the scandal.

The problem "raises doubts about the firm's regards for compliance and it is extremely regrettable," Ishii told reporters on Tuesday.

AUB Q1 net profit rises 10.4pc

TDT | Manama

Ahli United Bank (AUB) yesterday reported a 10.4 per cent increase in its 2019 first quarter net profit attributable to equity shareholders to US$192.9 million from net profit of US$ 174.7m in the year earlier quarter.

The Q1 profit also represents a 13.9pc improvement over the Q4/2018 trailing quarter reported profit of US$ 169.3m.

Operating income grew by 6.6pc to US$311.9m (Q1/2018: US$ 292.6m) mainly driven by an increase in net interest income by US$13.9m (+6.1pc) to US$243.3m (Q1/2018: US$229.3m) attributable to growth in loans and investments and to effective interest rate risk management.

> Strategic investments across multiple markets, robust risk management, intelligent cost control measures and ongoing focus on the sourcing of cross border business flows has helped achieve its net profit growth for Q1/2019, while maintaining solid asset quality parameters and tight cost discipline
>
> MESHAL AL-OTHMAN
> AUB CHAIRMAN

Basic Earnings per Share was US 2.2 cents (+10.0pc), compared to US 2.0 cents in year ago quarter.

Net operating income increased from US$279.4m in Q1/2018 to US$298.4m in Q1/2019 (+6.8pc).

Operating results continued to be supported by operational efficiencies resulting in an improved cost to income ratio of 25.6pc (Q1/2018: 25.9pc).

Despite challenging operating conditions, solid asset quality levels were sustained with a non-performing loans ratio of 1.8pc (31 December 2018: 1.9pc) while specific provision coverage ratio increased to 85.6pc (31 December 2018: 85.5pc).

The total provision coverage ratio, excluding the available significant asset collaterals, improved to 222.7pc as at 31 March 2019 (31 December 2018: 214.7pc).

Meshal Al-Othman, AUB Chairman, commented: "Our continued growth in Q1/2019 demonstrates AUB's resilience and ability to deliver sustainable core earnings on a consistent basis under its diversified well managed business model."

"AUB's strategic investments across multiple markets, robust risk management, intelligent cost control measures and ongoing focus on the sourcing of cross border business flows has helped achieve its net profit growth for Q1/2019, while maintaining solid asset quality parameters and tight cost discipline."

Russia says to limit oil exports to Ukraine

Moscow, Russia

Russia announced yesterday it would ban some oil exports to Ukraine and limit coal exports from June, in an announcement made just days before a runoff vote will determine the next Ukrainian president.

At a government meeting, Russian Prime Minister Dmitry Medvedev said the measure was taken in response of a recent decision by Ukraine to ban imports of several Russian-made products.

"A ban is being brought in on exporting Russian oil and oil products to Ukraine," Medvedev said.

Alhoty announces new branding

TDT | Manama

Alhoty Analytical Services (ALHOTY), an industry-leading analytical testing services provider in the Kingdom of Bahrain, has recently adopted strategic changes in its management and operations.

These measures will, Alhoty said, enable it to serve its clients proactively and protect Bahrain's growing infrastructure through its testing services.

To coincide with this transformation Alhoty has announced the release of its new brand and logo.

On the occasion of launching the company's new identity, Redha Fathalla, Managing Director of Alhoty, commented: "The new identity reflects the growing capabilities, expertise and comprehensive services of the company's conformity assessment business. With this move, we aim to further cement our position as the leading industrial analytical services provider in the Kingdom of Bahrain."

Alhoty has announced the release of its new brand and logo.

US imposes sanctions on Venezuela's central bank

Miami, United States

The United States on Wednesday announced sanctions against Venezuela's central bank in its latest effort to strangle President Nicolas Maduro's cash flow.

National Security Advisor John Bolton also unveiled measures against a third leftist government in Latin America, Nicaragua, with sanctions against President Daniel Ortega's son.

The United States said it would forbid all Americans' dealings and block any US assets of the Central Bank of Venezuela as well as its director, Iliana Josefa Ruzza Teran.

"Treasury is designating the Central Bank of Venezuela to prevent it from being used as a tool of the illegitimate Maduro regime, which continues to plunder Venezuelan assets and exploit government institutions to enrich corrupt insiders," Treasury Secretary Steven Mnuchin said.

Pakistan's FM steps down ahead of IMF deal

Islamabad, Pakistan

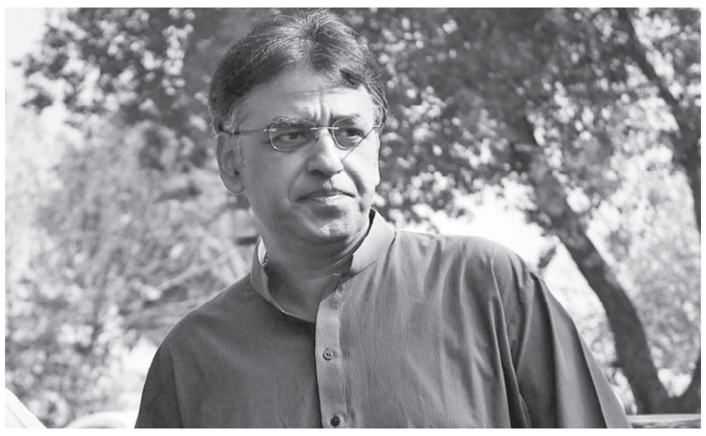
Pakistan's finance minister Asad Umar has stepped down from cabinet, he announced yesterday, ahead of securing a crucial bailout deal with the International Monetary Fund.

Umar, one of cricketer-turned-premier Imran Khan's most powerful ministers, had been entrusted with the task of negotiating the long-delayed bailout as Pakistan's cash-strapped economy faces a balance-of-payments crisis.

"As part of a cabinet reshuffle, PM desired that I take the energy minister portfolio instead of finance," Asad Umar tweeted.

"However, I have obtained his consent to not take any cabinet position. I strongly believe @ImranKhanPTI is the best hope for Pakistan and inshallah (God willing) will make a naya (new) pakistan," he wrote.

There was no immediate statement from Khan's office or confirmation of who would replace Umar, and it was not clear how Umar's absence would impact the deal.



Asad Umar

Pakistan has gone to the IMF repeatedly since the late 1980s, and last received an IMF bailout in 2013 to the tune of $6.6 billion.

Umar has said often that a deal is coming soon, and that it will be the last one.

Earlier this week Hammad Azhar, a state minister for revenue, tweeted that Umar had reached an "agreement in principle" on an IMF deal during a recent trip to Washington, with the agreement to be finalised later this month.

Experts have warned that any tough measures imposed by the IMF could impact Khan's grand plans for an Islamic welfare state in Pakistan.

The United Arab Emirates, Pakistan's largest trading partner in the Middle East and a major investment sources, recently offered $3 billion to support Pakistan's battered economy.

Islamabad also secured $6 billion in funding from Saudi Arabia and struck a 12-month deal for a cash lifeline during Khan's visit to the kingdom in October.

It has also received billions of dollars in Chinese loans to finance ambitious infrastructure projects.

YOU KNOW WHAT

Forecasts by the IMF and World Bank suggest the Pakistani economy is likely to grow between 4.0 and 4.5 per cent for the fiscal year ending June 2019, compared to 5.8 percent growth in the last fiscal year.

Jet Airways shares nosedive after flights grounded

Mumbai, India

Jet Airways shares plunged more than 32 per cent yesterday, hours after the Indian carrier's final flight landed following a decision to ground its entire fleet.

The Mumbai-based carrier is on the edge of bankruptcy and has failed to secure emergency funding from banks, forcing it to suspend all operations late Wednesday.

Jet's stock fell more than 32 percent to 162.15 rupees on the Bombay Stock Exchange Thursday. It was worth more than four times that a year ago.

The lenders that control the airline said Thursday they were focusing on finding a buyer for Jet, which was until recently India's second-biggest carrier by market share.