

# business

## Cypriot low-cost carrier goes bust

Larnaca, Cyprus

Cypriot low-cost carrier Cobalt Air announced it was cancelling all flights from yesterday after just two years in operation, leaving passengers stranded and scrambling to get their money back.

The airline warned customers its offices would no longer be staffed and urged them to seek refunds through their travel agent or credit card company.

In a brief announcement issued on its website without prior warning late on Wednesday, the airline said it was cancelling all flights from 23:50 pm (2050 GMT) "due to indefinite suspension of Cobalt's operations".

"As a result, future flights or services provided by Cobalt will be cancelled and will no longer operate," it added without elaborating on the reasons.

The airline advised passengers who have tickets not to go to the Mediterranean holiday island's main airport at Larnaca on Thursday or attempt to contact its offices "as no Cobalt flights will operate and no Cobalt staff will be present".

## Tata Group to buy stake in Jet Airways

Reuters

Indian business conglomerate Tata Group has held preliminary discussions to buy a large stake in debt-laden Jet Airways (India) Ltd, the *Times of India* reported yesterday.

Tata has sought management control of Jet, seeking at least 26 per cent initially and another 26pc via an open offer later, the paper said.

Jet Airways has been facing a financial crunch amid rising oil prices and a depreciating rupee. In a bid to revive itself, Jet said in August it will inject funds and cut costs to turn around the business, without elaborating further.

## Reliance reports record profit

Reuters

India's Reliance Industries Ltd reported a record quarterly profit, driven by growth in its core petrochemicals business and helped by rising revenues at budding telecoms unit Jio.

Jio marked a fourth straight quarter of profit in June-September, of 6.81 billion rupees (\$93 million), compared with a loss in the same period last year.

Reliance said consolidated profit rose more than 17 per cent in June-September to 95.16 billion rupees.

# China not manipulating Yuan, lacks transparency

Washington has long argued Beijing keeps its currency low to make its exports more competitive

● The dollar this year is up 6.6 per cent against the RMB

● Trump in April 2017 dropped his campaign pledge to label Beijing a currency manipulator

Washington, United States

Washington on Wednesday again declined to call China a currency manipulator but said the yuan's fall and Beijing's exchange practices were of "particular concern."

In putting Beijing and five other US trading partners on notice, the US Treasury once more refrained from escalating a fight over China's currency as US President Donald Trump had once pledged to do on the campaign trail.

"Of particular concern are China's lack of currency transparency and the recent weakness in its currency," US Treasury Secretary Steven Mnuchin said in releasing a twice-yearly report to Congress on how coun-



US Secretary of the Treasury Steven Mnuchin speaks during a press conference in Buenos Aires at the end of the G20 Finance Ministers and Central Bank Governors meeting

tries manage exchange rates and trade.

"These pose major challenges to achieving fairer and more balanced trade and we will continue to monitor and review China's currency practices, including through ongoing discussions with the People's Bank of China."

In Wednesday's report, the Treasury also said Germany, India, Japan, South Korea and Switzerland remained on a "monitoring list" of countries

whose currency practices required "close attention."

Washington has long argued Beijing keeps its currency artificially low to make its exports more competitive.

In recent years, however, the yuan or renminbi (RMB) has strengthened and economists now say it is more in line with China's economic fundamentals.

Still, as US interest rates have risen, the US dollar has strengthened further, which makes American exports more

expensive. The dollar this year is up 6.6 percent against the RMB, which began to weaken substantially in June.

**PBOC 'effectively neutral' in 2018**

"Recent movements in China's currency have not been in a direction that will help reduce China's large trade surplus," the report released Wednesday said.

"Treasury staff estimate that China's direct intervention in the foreign exchange market to have been limited this year," it added, with net interventions by the People's Bank of China "effectively neutral."

During the World Bank-International Monetary Fund's annual meetings last week, Mnuchin said he had held constructive talks with PBOC Governor Yi Gang.

A growing US economy and falling unemployment have also whipped up demand among US consumers for imported goods, with 2017's record US-China trade deficit continuing to widen this year -- swelling 3.2 percent to \$390 billion in the 12 months ending in June.

Washington and Beijing are locked in battle over the yawning US-China trade deficit,

which Trump describes as a job killer.

Washington has slapped punishing tariffs on about half of all China's goods exports to the United States, with talks to resolve the matter at an apparent impasse.

Trump in April 2017 dropped his campaign pledge to label Beijing a currency manipulator, telling *The Wall Street Journal* that Beijing was not intervening to weaken its currency.

Labelling China a manipulator would be a fresh sign of confrontation from Washington but any actual repercussions would be gradual.

These include starting talks while limiting export finance for US-China trade, halting government purchases, blocking any potential trade agreement and directing the International Monetary Fund to carry out "additional rigorous surveillance."

In rewriting the North American trade pact this year, Washington, Ottawa and Mexico City agreed any member could withdraw from the new treaty if any other member moved to enter a trade agreement with a "non-market" economy, a thinly veiled reference to China.

## KFH-Bahrain names 'Libshara' winners

TDT | Manama

Kuwait Finance House - Bahrain (KFH-Bahrain) announced the 'Libshara' winners for September 2018 draw held at its headquarters in the Bahrain World Trade Centre.

The July winners included Abdulla Tareq Mubarak Mohamed who received the grand prize of USD 50,000; Mohamed Abdulhusain Al-Hubail and Sameya Fawzi Al-Banhwi who



Khalid Rafea

each won USD 10,000 in cash; while Bader Mohammed Al-Baalawy and Abdulrahman Mohamed A.Rahman both won USD 5,000 each. In addition, 80 winners also received various other cash prizes for other categories and segments.

Khalid Rafea, Executive Manager and Head of Retail Banking Group at KFH-Bahrain extended his congratulations to all the winners of the 'Libshara' draw."

## EU-Arab summit set for Feb 24-25 in Egypt

Brussels, Belgium

EU and Arab leaders will meet in Egypt in late February for their first summit as part of efforts to forge a new European-African alliance and fight migrant smuggling, EU officials said yesterday.

"The European Council welcomes the holding of the forthcoming first summit between the 28 EU Member States and the League of Arab States, hosted by Egypt on 24-25 Feb-

ruary 2019," the council of EU leaders said after a summit in Brussels.

The Cairo-based Arab League includes North African countries Egypt, Libya, Tunisia, Algeria and Morocco as well as those in the Middle East and Gulf.

EU officials said the summit was part of a broader push to build closer ties with Africa outlined by European Commission President Jean-Claude Juncker in September.

## Trump plans US exit from international postal

Washington, United States

The Trump administration announced Wednesday that it plans to withdraw from an international treaty on postal rates in another move aimed at pressuring China amid broader trade and political disputes.

The United States intends to exit the system of setting postal rates for smaller packages under the Universal Postal Union "as soon as practical" and no later than Jan. 1, 2020, said a statement released by the White



US President Donald Trump speaks during a meeting about cutting business regulations in the Oval Office of the White House in Washington

House press secretary.

The United States will also file notice formally withdrawing from the union, which dates to 1874, the statement added.

The UPU, which comprises 192 countries, sets lower prices for small packages coming from emerging and developing countries, a group that still includes China. The UPU, which is based in Berne, Switzerland, confirmed that it received official notice of the US plans.

UPU Director General Bishar Hussein "regrets" the decision

and will seek to meet with US representatives to "further discuss the matter," the UPU said in a press release.

"The UPU remains committed to attainment of the noble aims of international collaboration by working with all its 192 member countries to ensure that the treaty best serves everyone," Hussein said. The Trump administration's decision to exit the agreement was pushed by White House advisor Peter Navarro, according to *The New York Times*.