

The Business

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Oman rules out plan to issue sovereign bonds

MUSCAT: Oman may raise state expenditures this year if needed but the government does not plan to issue any sovereign bonds, Finance Minister Darwish Al Balushi said yesterday.

"If there is any need arising during the year, then of course we will (spend more)," he said on the sidelines of an Islamic finance and banking conference.

"As far as a sovereign bond is

concerned, we do not have any plan for tapping the market, whether it is Islamic or conventional," he said.

Al Balushi said earlier the sultanate planned to boost budget spending by 26 per cent to 54 billion rials (\$140bn) in its five-year plan, which ends in 2015, to create jobs and improve living standards in the country.

In November, the consultative Shura Council approved the 2012

budget draft, estimating expenditures of 10bn rials and revenue of 8.8bn.

In September, Al Balushi said that government spending should rise to 9.2bn rials in 2011 from the initially planned 8.1bn.

Oman, whose debt to gross domestic product is forecast by the International Monetary Fund to be the lowest in the Gulf at 3.2pc this year, has only issued small amounts of development bonds

in the past.

Al Balushi also said that inflation was forecast to reach 4pc this year, reiterating recent central bank comments, and that further worsening of tensions around Iran's nuclear programme could have severe impacts on the region's financial system and economy.

In the UAE, inflation was not a concern, the Opec member's central bank governor Sultan Nasser Al Suweidi

said at the same event.

"There are no reasons to worry about inflation at this point in time because the sources of inflation are under control," he said. "As long as the real estate sector is under pressure, it (inflation) is not likely to go up, hovering around 2pc in 2012."

Analysts expect inflation in the UAE and Oman in 2012 to reach 2.4pc and 3.6pc respectively.

Key jobs agreement set to help Bahrainis

MANAMA: Jobs4Bahrainis.com has signed an agreement with the Kempinski Grand & Ixir Hotel Bahrain City Centre, to promote the growing hospitality industry among nationals.

Under the terms of the one-year agreement, job opportunities at the Kempinski Group will be posted on www.jobs4bahrainis.com, the comprehensive employment services portal launched by Jobs4Bahrainis.com in 2010.

Jobs4Bahrainis.com is the first private sector initiative dedicated exclusively to improving the employment prospects of Bahrainis.

The agreement also aims to raise the profile of the hotel and hospitality sector, an increasingly important contributor to the kingdom's economy, as a viable and rewarding career choice for Bahrainis.

"We are delighted to sign this agreement with Kempinski as one of the



■ Mr Ali, right, and Mr Wierling, second from right, with Kempinski Hotel staff

most prestigious and recognisable hospitality brands in the kingdom, and I am confident we can convince Bahrainis of the excellent long-term career prospects in the hotel industry," said Jobs4Bahrainis.com business development executive Hussain Ali.

"This agreement is in line with the Kempinski commitment to developing the indigenous local workforce, and we look forward to sourcing and securing the services of talented, career-minded Bahrainis via the Jobs4Bahrainis.com portal," said Kempinski Grand & Ixir

Hotel Bahrain City Centre's people services director Michael Wierling.

Jobs4Bahrainis is a joint venture between Gulf Connexions, the kingdom's leading recruitment company and Al Hilal Group, a top regional publishing organisation.

India's growth outlook weak

MUMBAI: India's central bank said the growth outlook and business climate have weakened but warned of upward risks to inflation, a day before it is widely expected to keep interest rates on hold.

The Reserve Bank of India (RBI) also gave little indication that it might cut the cash reserve ratio, the share of deposits banks must maintain with the central bank, potentially disappointing growing market hopes it would do so.

The RBI left interest rates unchanged in December after raising them 13 times between March 2010 and October 2011.

"The critical factors in rate actions ahead will be core infla-

tion and exchange rate pass-through," the RBI said yesterday in its quarterly macroeconomic and monetary review.

Core inflation, which measures price changes in non-food manufactured products, has been at or above seven per cent for 11 straight months, compared with its long-term trend of about 4pc, the RBI said.

Adding to inflationary pressures, the rupee fell 16pc against the dollar in 2011, boosting the cost of critical imports such as oil.

Annual headline inflation, as measured by the wholesale price index, slowed to a two-year low of 7.47pc in December on a sharp decline in food inflation.



■ An A-Star car is unloaded from a container at a Maruti Suzuki stockyard on the outskirts of Jammu. India's biggest carmaker reported a bigger-than-expected 63.6 per cent fall in quarterly net profit as high interest rates and rising fuel costs hit demand for cars in Asia's third-largest economy.

ANY OTHER BUSINESS

● Sukuk is a success

MANAMA: The Central Bank of Bahrain has announced that the monthly issue of the Sukuk Al Salam Islamic securities for the BD18 million issue, which carries a maturity of 91 days, has been oversubscribed by 208 per cent. The expected return on the issue, which begins tomorrow and matures on April 25, is 1.25pc.

● Saudi push

DUBAI: The Saudi cabinet yesterday approved efforts towards developing oil and gas co-operation with China, the state news agency SPA reported, after a visit by Chinese Premier Wen Jiabao to the world's top oil exporter as Iran tensions were rising. "The cabinet mandated the oil minister ... to negotiate with China over an amended protocol agreement to co-operate in oil, gas and mining," said a cabinet statement.

● Profit rises

NEW YORK: Halliburton warned that its response to a deep slump in US natural gas prices would cause near-term disruptions that will pinch first-quarter earnings. The company's fourth-quarter profit rose to \$907 million, or 98 cents per share, from \$607m, or 67 cents per share, a year ago.

● Guests surge

ABU DHABI: Abu Dhabi's hotels posted a 6.5pc growth in guest arrivals and a 3pc revenue increase in 2011, helped by new hotels and more domestic tourists, the emirate's tourism body said yesterday. Hotel guests totalled 2.11m last year, exceeding the target of 2m, the Abu Dhabi Tourism Authority said.

● Slowdown set

DUBAI: Dubai's real economic growth is expected to slow to 4.1pc in the first quarter, due to the impact of lower economic activity in China, India and the European Union, according to a report from the Dubai Economic Council. This compares with a forecast 5pc growth in the previous quarter and a 10.5pc growth in the same quarter of 2011, said the report issued yesterday.