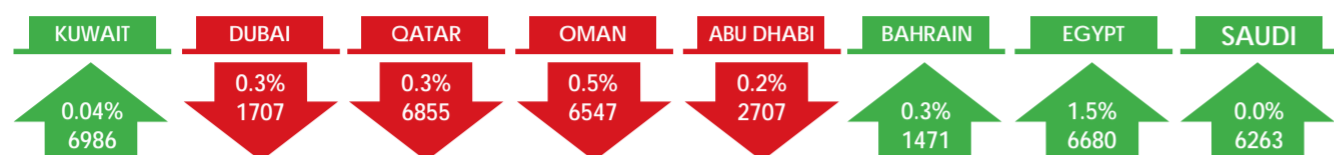


BAGHDAD: Iraq's Oil Ministry and a group led by Italian oil major Eni will sign a final deal for the development of the Zubair oilfield on Jan. 22, Iraqi Oil Minister Hussain Al-Shahristani said on Sunday. Eni and its partners won the right to develop the four billion barrel oilfield last year following the country's first auction of oilfield contracts since the 2003 US invasion. The field was not initially awarded in the auction in June, but a deal was reached in subsequent negotiations.

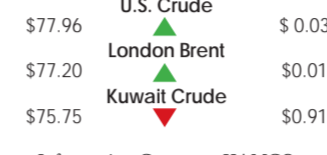


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## MARKET WATCH



## OIL MARKETS



## CURRENCIES

US Dollar	British Pound	Saudi Riyal	Qatari Riyal	Indian Rupee
Buy 0.2850	Buy 0.4636	Buy 0.0760	Buy 0.07888	Buy 0.006272
Sell 0.2872	Sell 0.4672	Sell 0.0766	Sell 0.07826	Sell 0.006223
Euro	Japanese Yen	UAE Dirham	Bahraini Dinar	Philippine Peso
Buy 0.4100	Buy 0.003139	Buy 0.07758	Buy 0.75590	Buy 0.006270
Sell 0.4132	Sell 0.003165	Sell 0.07818	Sell 0.76177	Sell 0.006196

Prices in Kuwaiti fils As of January 17, 2010 COURTESY: KAMCO

## CBK says all its board members resign

**KUWAIT:** Commercial Bank of Kuwait (CBK) said on Sunday that all its board members resigned last week but it did not give a reason for their departure.

The board resigned on Jan. 12, and elections for a new board will start on Jan. 17 and run to Jan. 31, CBK said in a statement on the Kuwaiti bourse website.

Meanwhile, annual inflation in Kuwait slowed to 5.7 percent in March 2009 from 5.9 percent

in the previous month, government data showed on Sunday. Kuwait's consumer price index stood at 135.6 points at the end of March 2009 compared with 128.3 points a year earlier, the data obtained by Reuters showed.

The Gulf country's central bank governor said last March inflation was expected to average no more than seven percent in 2009. Al-Mal said for \$1.2 billion Philippines project

Al-Mal Investment Co., said it has bid for a

tender to develop an airport in the Philippines, valued at about 1.2 billion US dollars.

"The firm notifies that it has bid for a tender to develop Clark airport with a cost close to \$1.2 billion," Al-Mal said in a statement on the Kuwaiti bourse website on Sunday.

The firm, which is controlled by the family-owned conglomerate Kharafi Group, said it was still in negotiations with the concerned authorities in the Philippines. -Reuters

## Economic prosperity and the 1000-mile road

**Kamel Al-Harami**  
Independent Energy Analyst  
Exclusive to Al Watan Daily

**KUWAIT:** After more than 20 years, our government has presented its five-year economic road plan to Parliament last week. It is worth 37 billion Kuwaiti dinars, which is going to be spread over the coming five years, covering all government ministries and the Kuwaiti oil sector. The Parliament approved on its first presentation unanimously after more than five hours of presentation and without any heated discussions. As all were just listening to see if anything was left in the government bag that wasn't being covered. Now it is the government turn to put its plan into concrete work. So are we now finally set to witness economic prosperity?

No doubt it is a long challenge, as it will not be an easy job to suddenly wake up and start implementing the previous countless years of our government's backlog. And since a quite long list is awaiting everyone, five years does not seem like a long period and we can wait that long to witness what new projects and new infrastructure will bring to our country. We can wait as long we can see the brightness at the end of the long dark tunnel Kuwait was in these past years, and why not. We are going to witness another bonanza year of surplus cash, close to six billion dinars by the end of March. Our treasury is filled with surplus and oil income, for the fifth year in a row.

Finally, what everybody in Kuwait was waiting for from the government is becoming a reality, for it must include such program every year in its annual budget. Including its five-year program in its annual budget only means we have to believe in the government genuine intention from now on.

Building the Jaber hospital, Bobyan Bridge, Al-Shadadiyah new university, and the gardening of most of our hospitals and schools and building 48,000 housing units and the minimizing of the waiting time are but a few of the projects that have government's priority. In addition, the oil sector projects, those alone are worth more than KD 25 billion over the next five years.

Now comes the real question as to whether we have the enough know-how, the technocrats and business planners to put all projects on the moving apparatus, and to organize them. Who will be the maestro to coordinate all those activities into smooth speedy action? Or what or is going to revive the private sector and when? As without it, sadly, we really cannot move much forward with our economic growth plan alone.

What we have in hand is a blue print for future government plans to move forward, with good intention, and this we have been asking for. We wanted a government program to follow and to measure. Perhaps it might be good to start with ongoing projects like the First Ring Road and to finish it before its actual time. As this could be the real tangible accomplishments that people can see and witness, for it is near the Sheraton roundabout and can be seen by everyone.

A one-thousand mile road to prosperity: this is how the government described its economic road map to the people in Parliament last week. The real test is in implementation on a year-by-year basis with an independent follow up team. The real test is the work itself, or as they say, "The proof is in the pudding." Well, we have nothing to lose and let's give it a long trial.

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Disclaimer: Please note that the views and opinions presented in the column are the company's own and do not necessarily represent those of AlWatan Daily and its staff.

## Al-Soor reveals its newest product

**KUWAIT:** Al-Soor Fuel Marketing Company on Sunday revealed its newest internationally-standardized and eco-friendly kerosene product to the local market.

The product, which also meets needs of Kuwaiti campers, comes to crown the company's efforts in protecting the environment, as the 18-liter canister will be dispersed to all Al-Soor stations throughout Kuwait, Al-Soor Managing Director Ahmad Hussein Taqi said in a statement.

Designed in the United States, the canister is certified by the American Petroleum Institute; the main US trade association for the oil and natural gas industry.

Al-Soor Fuel Marketing Company was established in 2005, with fixed capital of 30 million Kuwaiti dinars. It was declared finally incorporated in March 2006 and listed at the Kuwait Stock Exchange on June 30, 2008. -KUNA



A woman sports a SAAB-hairclip during a manifestation of some 1,500 SAAB cars driven by their owners in cortege to the SAAB factory in Trollhattan in Western Sweden Sunday Jan. 17 2010. SAAB owner General Motors is planning to shut down the manufacturing of SAAB. (AP)

## Educational Holding Group suffers from devaluations, losses

**Tareq Orabi**  
Staff Writer

**KUWAIT:** The Chairman and Managing Director of the Educational Holding Group, Abdulrahman Al-Muhailan said that as a direct impact by the financial crisis, the Educational Holding Group had suffered devaluation of sellable assets last year and a decrease in the value of owned assets invested by affiliated companies. The amount of total devaluation in assets reached 9.1 million Kuwaiti dinars.

During the general assembly meeting held Sunday morning with attendance percentage of 80.4 percent, Chairman Al-Muhailan said that the percentage of asset devaluation is around 52 percent of total realized losses (KD 17.9 million) shown in the final account statement for the fiscal year that ended on Aug. 31, 2009. The value of shares has decreased by 72.5 fils which include realized loss of KD 1.5 million resulted by selling financial assets and increasing the total direct losses to around 60 percent owed to devaluation of assets in the market, and 21 percent is realized losses.

On the opposite side, Chairman Al-Muhailan expressed optimism regarding the coming phase as the world's markets have already seen the worst. Things will get better regarding to recent

indications and concern by local and international companies including the World Bank, who will buy considerable shares in companies affiliated to the Educational Holding Group. He added that collected school tuition for last year had reached four million dinars and acted as a cushion that absorbed the impact of the financial crisis in addition to a decrease in affiliated companies' profits of around KD 3.2 million.

He confirmed that the company was capable of minimizing outstanding Murabahat loans by 48 percent of last year total amount of loans. The company had paid up KD 14.8 million out of the total amount of loans KD 30.8 million. Also, the Educational Holding Group has worked on re-evaluating and reconsidering its investment plans to deal with the market's new facts and advancements. This included the adopting of strict and firm financial policies to minimize expenses and overhead, which also required reconsidering many foreign employment contracts.

Chairman Al-Muhailan has confirmed that the company did not liquefy any of its profitable and promising investments in order to show tactical profits. Such tactical moves would not serve the goals of a giant educational company, who is capable of reaping big operational profits with a very small percentage of risk. Based on several operational indications, the group is optimistic

about this year's results and so sure being capable of winning shareholders' trust and to increase its market share.

The general assembly has produced the following decision:

- Approving the results of the past fiscal year that ended on Aug. 31, 2009.
- Approved the board's suggestion not to distribute dividends and not to award board members with bonus.
- Approved authorizing the board of directors to buy 10 percent of the capital shares within a period of 18 months.
- Agreed on electing a new board of directors for the three coming years, which should include representative from the Public Authority of Social Security, Al-Ma'ali for Educational Services, Al-Tafawouq for Educational Services, Al-Andalus for Educational Services, Watheeqha Holding Group and a standby member from Watheeqha Investment Company.
- Approved minimizing the number of board members from seven to five members.

The Educational Holding Group runs many subsidiaries, including Eyas for Higher & Technical Education, which was the first to establish a private university in Kuwait, Gulf University of Science and Technology (GUST).

## Economy to resume 3.3% growth rate in 2010: 'Markaz'

**KUWAIT:** Gulf Cooperation Council (GCC) stock markets significantly underperformed the emerging markets during 2009. As against a 74 percent increase in emerging markets during 2009, GCC market returned a pale 18 percent. Surprisingly oil prices remained strong throughout 2009 with a year-to-date increase of 85 percent.

A recent report released by Kuwait Financial Center "Markaz" points out that the financial crisis of 2009 laid bare the fragilities of the GCC stock markets. While market specific bad news was mainly responsible for the lackluster performance, lack of progress in regulatory structure (a key determining factor for attracting credible foreign money), and steep fall in liquidity (value traded) added to the woes.

Earnings destruction was significant to reoup within a short span of time. Asset qual-

ity impairment for banks revealed the overall economic weakness and corporate governance failures came to the fore.

The report notes that in the past a strong oil price was enough to lift the market to speculative heights. Money was easy to make in that environment with north being the only direction where the price of any stock could move. Transparency and research was never demanded (due to lack of institutional investors) and even when demanded, they were not heeded to. However, in the "new normal" world, oil price is not the only variable affecting the fortunes, hence, the relevance of the report's seven-force framework.

When looked at the markets with this prism, a bullish outlook is given for Saudi Arabia and Qatar while being neutral on all other GCC countries.

The authors revised their outlook on Ku-

wait from Positive (in September 2009) to Neutral for 2010. While the country's economic and corporate earnings outlook remain positive, the distress in the investment sector and lack of concrete positive triggers may hamper. Investor sentiment is low at the moment with lackluster trading.

Kuwait's economy is set to resume a growth rate of 3.3 percent in 2010, about half the historical average, while inflation is likely to remain under control. Healthy oil prices and low fiscal spending will produce healthy fiscal and current account balances in the coming year. On the corporate earnings side, Kuwait is expected to lead in terms of growth in 2009 due to a solid turnaround expected in investment companies. Overall earnings are expected to grow by almost five times during 2010 primarily due to extraordinary destruction in earnings during 2009.

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