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YEAR IN REVIEW

2018  
#WHAT CHANGED  
POLITICAL PARALYSIS HAS IMPACTED THE ALREADY-FRAGILE LEBANESE ECONOMY  
Page 3



OPINION

WINTER AT TANTORA, BUT A SPRING FOR SAUDI CULTURAL DIPLOMACY

By Faisal J. Abbas  
Editor in Chief  
Page 10



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SUNDAY, December 30, 2018  
Rabiul Thani 23, 1440  
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# ARAB NEWS

SINCE 1975

The Voice of a Changing Region

TERRORISM

## Egypt kills 40 militants in hunt for bus bombers

Series of raids in Giza, north Sinai

Arab News Cairo

**Egyptian security forces shot dead 40 militants in a series of raids on Saturday, hours after a roadside bomb killed three Vietnamese tourists and an Egyptian guide on their tour bus.**

Thirty terrorists were killed in raids in Giza governorate, the scene of Friday's deadly bombing, and 10 more in the north Sinai.

Egypt's Interior Ministry said it had received a tip-off that the militants were planning attacks "targeting state institutions, particularly economic ones, as well as tourism, armed forces, police and Christian places of worship."

Friday's attack in Al-Haram district near the Giza pyramids was the latest blow to Egypt's vital tourism industry. In addition to the four dead, 11 other tourists from Vietnam and an Egyptian bus driver were injured.

Saloon Tourist, the company that organized the trip, said the tourists were on their way to a restaurant for dinner when the bomb exploded. Company officials flew to Cairo on Saturday, where they are expected to be joined by relatives of the victims.

Among those who died in the bombing was Nguyen Thuy Quynh, 56. Her husband, Le Duc Minh, also 56, was injured. The couple were in the seafood business.

"We are all very shocked... my sister and her husband travel quite a lot and they are quite experienced in traveling abroad," Quynh's younger brother Vu said.

He has applied for a visa for Egypt

and hoped to travel on Saturday. "Our wish is that we could bring my sister back home."

Vietnam's Foreign Ministry spokeswoman Le Thi Thu Hang thanked Egyptians who were caring for the survivors. "Vietnam is very angry and strongly condemns the terrorist act that killed and injured many innocent Vietnamese. It has asked Egypt to open an investigation, chase and give harsh punishment to those who carried out these terrorist act," she said.

Before Friday's bombing security forces were already on high alert ahead of new year celebrations and

BACKGROUND

Friday's attack in Al-Haram district near the Giza pyramids was the latest blow to Egypt's vital tourism industry. In addition to the four dead, 11 other tourists from Vietnam and an Egyptian bus driver were injured.

the Coptic Christmas on January 7.

Pope Francis said he was "deeply saddened" by the attack on holiday-makers, in a message to the Egyptian presidency. "In deploring this senseless and brutal act, he prays for the victims and their families, for the injured and for the emergency personnel who generously came to their aid," the Vatican said.

The bombing and the police raids come as Egypt battles a persistent insurgency in the north Sinai by militants linked to Daesh. The army launched an operation called Sinai 2018 in February to rid the area of militants after an attack on a mosque killed more than 300 people.



The Houthis have taken advantage of their control of Hodeidah to place their fighters in both the navy and the coast guard, say government officials. Reuters

RESOLVING CONFLICT

## Houthi militias pull out of Hodeidah port, hand control to Yemen navy

Arab News Jeddah

Iran-backed Houthi militias withdrew on Saturday from the port of Hodeidah and handed control to Yemen's navy and coast guard under UN supervision.

The handover is the first in a series of confidence-building measures agreed to at talks in Sweden this month that the UN hopes will pave the way for a political settlement of the war in Yemen.

The Houthis are expected in the next few days to hand over control of two more ports north of Hodeidah — the oil terminal of Rass Issa and Salif, which has been used for incoming relief supplies — under the Sweden deal. Yemeni govern-

ment forces will pull back from eastern parts of the Red Sea city that they recaptured in an offensive launched in June with the backing of the Saudi-led coalition.

The UN Security Council last week unanimously approved a resolution authorizing the deployment of observers to oversee the truce agreed in Sweden.

Retired Dutch general Patrick Cammaert is heading a joint truce monitoring committee, which includes both government and Houthi representatives, and chaired its first meeting last week.

The committee addressed "the first phase of the implementation of the agreement... based on

HIGHLIGHT

The Houthis are expected in the next few days to hand over control of two more ports north of Hodeidah — the oil terminal of Rass Issa and Salif, which has been used for incoming relief supplies — under the Sweden deal.

cease-fire, confidence-building measures to deliver humanitarian assistance and redeployment," the UN said. It will meet again on Tuesday to discuss "detailed plans for full redeployment."

The UN also said a humanitarian convoy would leave Hodeidah port later on Saturday and travel

along the main road that links it to the Houthi-held capital, Sanaa.

"As a confidence-building measure, the parties have agreed to begin opening blocked humanitarian corridors, starting with the Hodeidah-Sanaa road, followed by other routes, in a phased manner," it said.

The two sides also agreed in Sweden to exchange about 15,000 prisoners of war. The implementation of that deal has yet to begin.

Government officials say the Houthis are denying the presence in their prisons of nearly 3,000 of a total of about 8,500 prisoners whose names were submitted to them.

Detailed coverage Page 7

### The Brief

JEDDAH CONCERT

A concert organized by the General Culture Authority on Friday in Jeddah turned out to be a big draw. An all-Saudi band took the audience on a journey through the history of classical Arab music. P4

SYRIA OPERATIONS

Russia and Turkey on Saturday agreed to coordinate ground operations in Syria after the shock announcement of a US military withdrawal. P6

DUBAI DUTY FREE

Annual sales clocked up by Dubai Duty Free hit 7.3 billion dirhams (\$2 billion) on Saturday, the emirate's airport retailer said in a statement. P11

MEDIATION ROLE

## Saudi Arabia to host next round of peace talks on Afghanistan

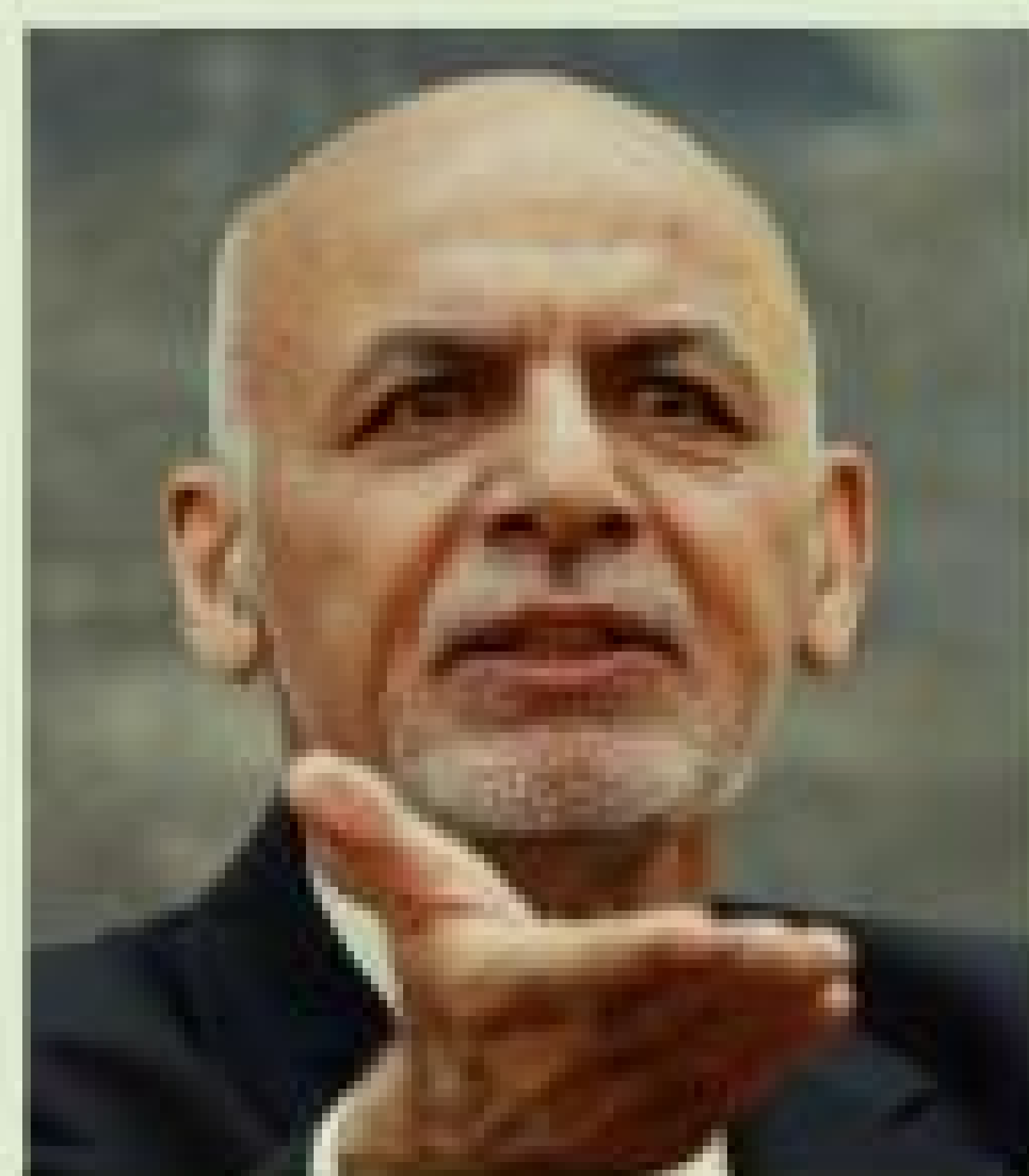
Byed Salahuddin Kabul

The next round of peace talks on Afghanistan will take place in Saudi Arabia, probably in January.

Saturday's confirmation of the Saudi role followed a telephone conversation on Thursday between King Salman and the Afghan President Ashraf Ghani.

Ghani praised the "prominent" Saudi role "in consolidation of peace and stability in Afghanistan," and said the next meeting in the Kingdom would be "a good step and start for subsequent processes."

He thanked the king for his support for an Afghan-led and Afghan-owned peace process, and the king promised to use his offices to consolidate



peace and stability in Afghanistan.

Last summer, Saudi Arabia hosted a global conference of Islamic scholars to discuss the Afghan war.

A spokesman for the Afghan

**Afghan President Ashraf Ghani praised the 'prominent' Saudi role 'in consolidation of peace and stability in Afghanistan,' and said the next meeting would be 'a good step and start for subsequent processes.'**

government-appointed High Peace Council said council members and government delegates are expected to take part in the January talks.

Taliban spokesman Zabihullah Mu-

jabid said discussions were continuing among the group's leadership about the meeting's venue and date.

Two weeks ago, American, Saudi, Pakistani and Emirati officials attended a meeting in Abu Dhabi to explore ways to end the Afghan war.

At that meeting, the Taliban said it would negotiate directly with the Afghan government only after the withdrawal of US-led troops from Afghanistan.

Since then, US President Donald Trump has surprised American allies by announcing that he intended to halve the number of US troops in Afghanistan, from 14,000 to about 7,000.

The 17-year conflict in Afghanistan is America's longest war, and Trump

has long campaigned on bringing US soldiers home. Nevertheless, in 2017 he added 4,000 troops to US forces there in an attempt to speed up the peace process.

Four reasons why Trump's troop withdrawal from Afghanistan is a mistake  
Harfed Al-Ghwell, Opinion, Page 10

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The Arab Parliament stands firmly with Egypt in its war against the forces of terrorism.  
**Dr. Mishaal bin Fahm Al-Salami**  
 Speaker of the Arab Parliament



# Radar

## KSA today



### Al-Ahsa Saudi history

The event aims to present different aspects of Saudi history, culture and art in a contemporary way. The cultural event is underway at Farij Al-Turathi from 4 p.m. to 11 p.m.



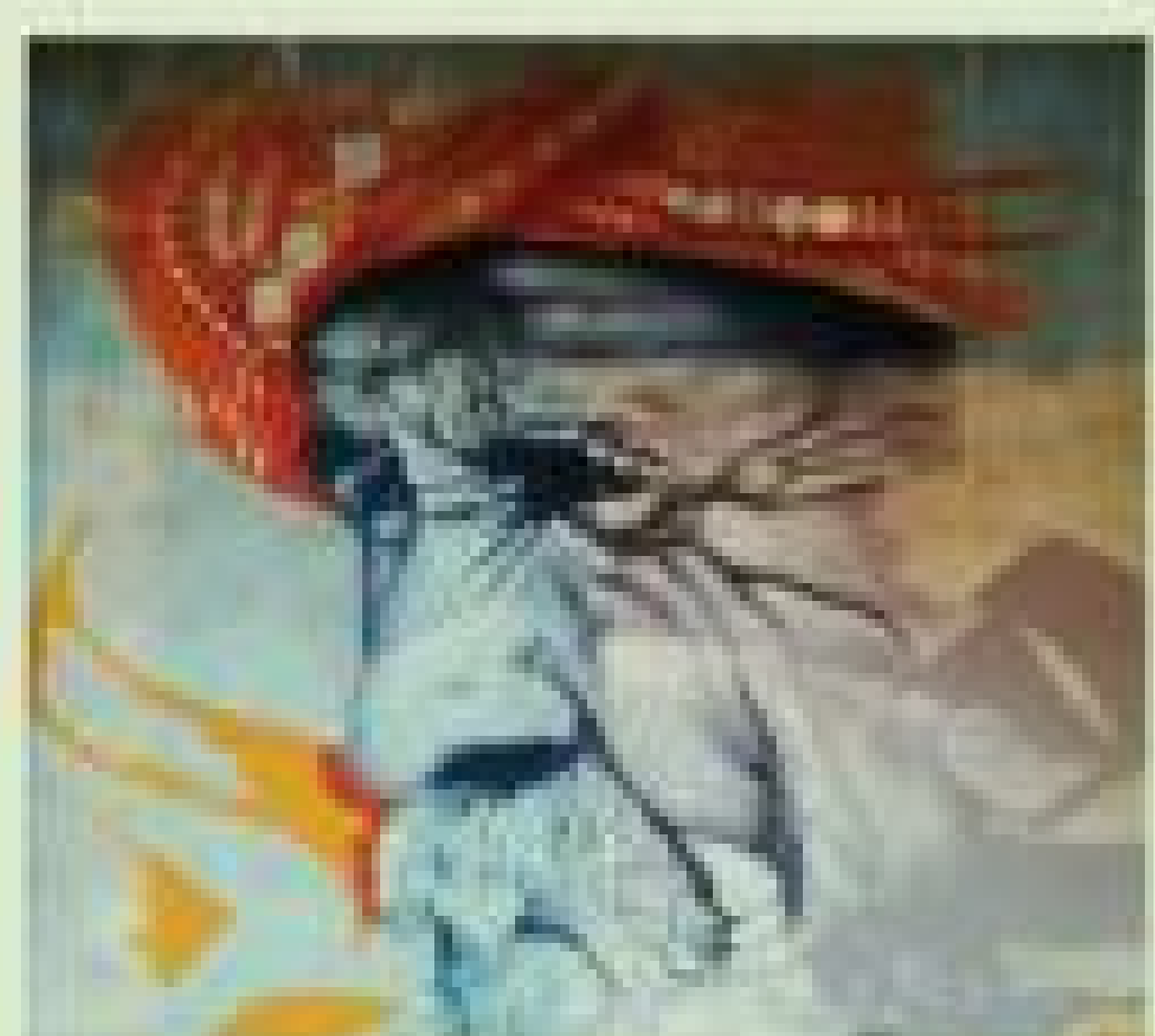
### Al-Harik Citrus fun

This is an agricultural festival with a particular focus on citrus fruit. It is a perfect opportunity for families and children to have an educational trip in a fun-filled environment. Many entertaining activities are also on offer. Today is the last day of the event, which is underway at Al-Harik from 4 p.m. to 11 p.m.



### Jazan Carnival

This is a carnival aimed at portraying the heritage and traditions of the region and to reflect the life and culture of the people of this particular area. The event will run through Jan. 1 from 4 p.m. to 11 p.m. daily at the North Corniche Park.



### Al-Ahsa Art street

This event will bring together the local talent and provide them a platform to showcase their skills in arts and music. Culinary and talent shows are being also organized at the event. People can visit between 4 p.m. and 11 p.m. at the Riyadh street walk.

## The Register

THE PICTURES THAT MARK THE DAY



The secretary-general of the Muslim World League, Dr. Mohammed bin Abdul Karim Al-Issa, with Sheikh Ahmed Hassan Al-Taha, president of Iraqi Jurisprudence Council, in Makkah. Photo/Supplied

A delegation of Islamic scholars from Iraq headed by the president of Iraqi Jurisprudence Council, Sheikh Ahmed Hassan Al-Taha, called on the secretary-general of the Muslim World League (MWL), Dr. Mohammed bin Abdul Karim Al-Issa, in Makkah.

The Iraqi scholars lauded the MWL for organizing the Islamic Unity Conference in Makkah.

They highlighted the importance of the conference and the role it played in discussing ways of tackling extremist tendencies, dangers of exclusion and promotion of national unity.

The recently concluded conference brought together more than 1,200 Islamic scholars and academics of different schools of thought from 127 countries.

The Iraqi delegation stressed the need to forge unity among the ranks of Muslims

and to respect differences of opinion and cooperate to achieve common goals.

They also said they would not allow any force to drive a wedge between Muslims or to harm the sovereignty of any nation state.

The Iraqi scholars look forward to convening a similar conference in Iraq to promote the true values of Islam. They also warned against the threats posed by extremist groups like Daesh.

## Today's Number

# 2m

As many as 2 million pilgrims have arrived in the Kingdom to perform Umrah since the beginning of the current Islamic year, the Saudi Press Agency reported.

## FaceOf



### Turki Al-Shabanah

In the wake of recent Cabinet reshuffle, Turki Al-Shabanah has been appointed the minister of media.

He is a media personality known for his association with Rotana, a popular TV network, as the chief executive officer.

The media group operates a network of 13 leading channels, several radio stations, and the world's largest Arabic movie and music libraries.

Variety magazine recently ranked Al-Shabanah one of the 500 most influential media personalities of the world.

He has held several key positions in the Arab media industry. In 1996, he was in charge of the MBC office in the US. He also served as assistant to the general supervisor of MBC in London before it moved to Dubai.

In 1999, he was appointed as MBC deputy program production director, a position he held until 2003. Al-Shabanah launched Khalijia channel in May 2005. It was initially a music channel broadcasting mainly music videos from the Gulf region.

In 2008, Khalijia became a general-viewing channel broadcasting Saudi and Gulf region art and heritage, and taking the lead among others targeting the Gulf audience. He also served an adviser to Prince Alwaleed bin Talal between 2003 and 2007.

He also served as the general supervisor of MBC FM radio station and supervised the production of a number of programs produced at its stations in Cairo, Beirut, Amman and Riyadh. He was also the director of Rotana and LBC TV channels. He also co-founded Charisma Productions Co. with Ayman Al-Zyoud.

Al-Shabanah holds a bachelor's degree in law from King Saud University in Riyadh, and a master's degree in international trade law from Washington University, US.

Before starting a career in the media, he started out as an attorney in the US.

## What's Trending

Today's hot topics explained by Deema Al-Khudair



TRAGEDY

### Mohammed Al-Sebae

Egyptian sports commentator Mohammed Al-Sebae was trending on Google following his death in a road accident on Saturday.

Local media reports confirmed that Al-Sebae died in the ambulance on his way to the hospital.

His official Facebook page wrote: "We belong to Allah and to Him we shall return. People, I am Tariq Al-Nebrawi, Mohammed Al-Sebae's friend. He died in a terrible accident. Please pray for him and we will inform you of the date of the funeral."

Al-Sebae began his career as a sports commentator in 1995.

Retired Egyptian footballer Eslam Al-Shater @eslamalshater tweeted: "We belong to Allah and to Him we shall return. My dear friend, the kindhearted Mohammed Al-Sebae died."

LEGEND

### #StanLee



Dec. 28 is the late Marvel creator Stan Lee's birth anniversary. People took to Twitter to pay tribute to the comic genius and remembered their true childhood hero.

Pointing to his cameo in Spiderman, @Raythrill tweeted: "I always get emotional when I see him in that one scene. Thank you for everything, happy birthday! Mr. Stan Lee! #SpiderVerse #StanLee"

@DrFayyad said: "Birthday today of comic book writer #StanLee, born Stanley Martin Lieber in New York City (1922-2018). He died just this past November, and would have turned 96 today. Rest in Peace, Man..."

@RicoJrCrea said: "The late #StanLee would have turned 96 today. Happy Birthday Stan!"

@Mar\_Tesseract said: "#StanLee"



would have been 96 years old today. His influence on pop culture and the lives of millions is immeasurable. #Excelsior."

@Bdcruz2 said: "Happy Birthday to the man, the myth, the legend. #StanLee."

@TreeHouseReal said: "Thank you #StanLee."

@jdminette626 said: "Happy Birthday Stan Lee. Thank you for all the memories. #StanLee#ThankYou #ForeverInOurHearts."

@TheBledVision said: "The year we lost #StanLee is the year he left us one of his best cameos. In this moment we were all #MilesMorales. Scared. Unsure of ourselves. But like he did so often in life, he inspired us one last time. Then made us laugh. Happy 96th Birthday, Stan."

## TheRegion

The Middle East Roundup

Arab News Dubai

• Israeli Prime Minister Benjamin Netanyahu is due to hold a press conference in Rio de Janeiro after meeting with Brazil's far-right President-elect Jair Bolsonaro.

• Novak Djokovic and Kevin Anderson will go head to head for the Mubadala World Tennis

Championship held in Abu Dhabi. Anderson is defending his title, but sports analysts are predicting Djokovic as this year's ultimate winner. The match starts at 7 p.m.

• Regional and international artists team up for the "Crude" exhibition at the Jamesel Arts Centre in Dubai. The contemporary exhibition explores

the role of oil in the region's economic, social, and cultural transformation.

• Evocative geometric patterns that explore themes of trauma and therapy — this is what defines Ibrahim Nubani's art pieces, displayed in a solo exhibition at the Zawyeh Gallery in Ramallah. The exhibition is up until Jan. 16.

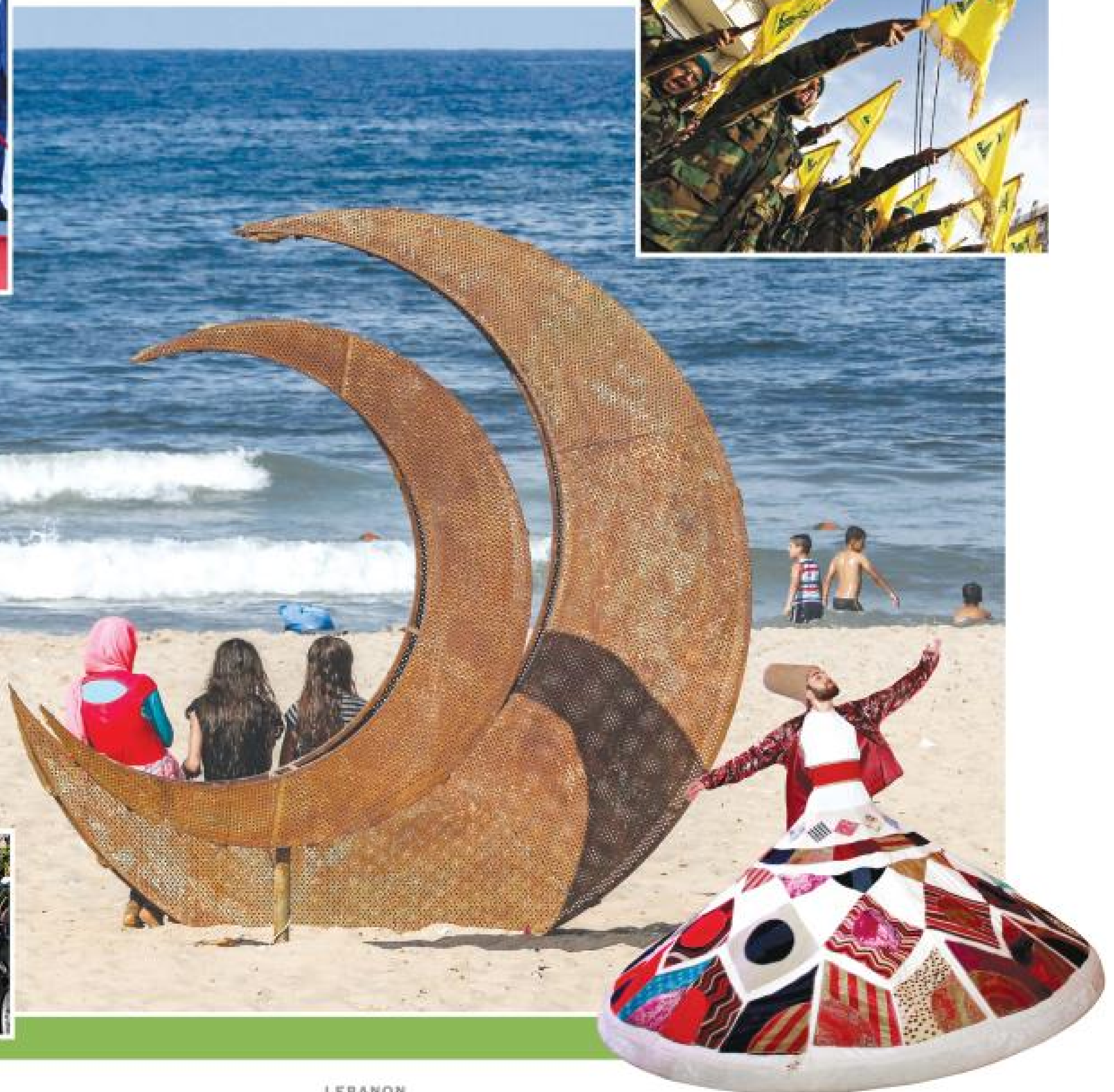
### Prayer Times in Saudi Arabia

Dec. 30	Fajr	Sunrise	Dhuhr	Asr	Maghreb	Isha
Makkah	5:37	6:57	12:24	3:28	5:49	7:19
Madinah	5:42	7:04	12:24	3:24	5:44	7:14
Riyadh	5:14	6:36	11:56	2:55	5:15	6:45
Abha	5:21	6:40	12:13	3:22	5:45	7:15
Dammam	5:03	6:26	11:43	2:38	4:58	6:28

# Year in Review



**TOMORROW**  
Our series looking back on 2018 continues with the region's most powerful news stories.



LEBANON

## A state of stalemate

Months-long political paralysis has impacted the already-fragile Lebanese economy

### 2018 #WHATCHANGED

Tarek Ali Ahmad Beirut

Over the course of 2018, Saudi Arabia opened cinemas for the first time in 35 years, Apple Inc. reached \$1 trillion on the stock market, and the US withdrew from the Iran nuclear deal.

Lebanon, on the other hand, continues to stumble around after a year that started out hopeful, only to end in frustration, exhaustion and confusion for its citizens.

The biggest event of the year was the parliamentary election, the first in nine years, which saw many familiar faces and names line up their candidacy, but also a rise in civil society movements that have challenged the status quo.

Voter turnout was just under 50 percent, with little change apart from a single parliamentary seat for civil society groups.

Hezbollah and its allies won more than half the seats, a result that the Iran-backed militant group's leader Hassan Nasrallah called a "political and moral victory."

The Future Movement of Prime Minister Saad Hariri lost a third of

its seats, the outcome of years of erosion to his March 14 coalition.

Now we reach the seventh month since he was handed the duty to form a government after the election, with the promise of a "holiday gift to the Lebanese people" in its formation.

Efforts to form the government have been obstructed by conflicting demands for Cabinet seats that must be handed out in line with a sectarian power-sharing system.

#### Political chess

Two main issues sit at the core of government-formation efforts: Syria and the case of six Sunni MPs.

As the Syrian conflict heads to its endgame, some Lebanese politicians are keen to normalize relations with Syrian President Bashar Assad, a move Hariri is not exactly fond of.

"It is impossible that I visit Syria, not now and not in the future... and if Lebanon's interest requires so, then you could find someone else" he said in August.

As for the second issue, six pro-Hezbollah Sunni MPs were elected this year at the expense of Hariri's tight grasp on the sect's seats.

The six demand representation in the Cabinet due to the electoral gains of Hezbollah and its allies. This would mean Hariri ceding his power as the Sunnis' main leader.

After deliberation and mediation by Lebanese President Michel Aoun, the six have agreed to give the name of a single MP to represent all their

#### THE YEAR IN NUMBERS

**7**  
months since Hariri was tasked with forming a government

**\$82bn**  
Lebanon's public debt

**20%**  
of shores in Lebanon deemed too polluted for swimming

interests.

A name was given and things appeared to be on the right track, with Hariri saying the government-formation announcement would come "within a few hours."

Citizens eased up ahead of the Christmas holidays, before the "few hours" turned into days after the six decided to reject the name that was nominated for their representation.

Lebanese rushed to Beirut's Martyrs' Square on Dec. 23, donning yellow vests with a cedar tree emblem, in protest at the continued delay.

"I came because I'm fed up," protester Youssef Al-Amine told Arab News, "I'm below the legal voting age, but I came because I

didn't want to just sit at home doing nothing."

As the days go by, Lebanon is looking increasingly likely to enter 2019 without a formed government, as Hariri and Hezbollah continue to squabble over seats and Sunni representation in the Cabinet.

#### Economic woes

Early in the third quarter of 2018, there were reports that Lebanon was teetering on the brink of economic collapse, with the lack of government formation accelerating its imminence.

Earlier this year, at a Paris conference dubbed CEDRE, Lebanon was granted up to \$11 billion in aid from Western countries to slow down or halt the impending economic crisis.

But the lack of government means the funds are inaccessible, leading France and other Western countries to issue statements of caution.

"The lack of a government in Lebanon means running the risk that this dynamic in the international community is lost," said France's ambassador to Lebanon, Bruno Foucher.

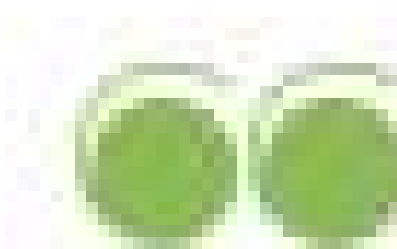
This summer, the global ratings agency Moody's gave Lebanon's economy a "low (-)" grading due to "the deterioration in the regional economic and political environment." This, and the fear of a real estate collapse, have placed citizens on edge.

"Since 2011, the lack of investment in infrastructure and the absence of

economic reforms have weakened the country's competitiveness, and would likely prevent Lebanon from returning to previously high real GDP (gross domestic product) growth, even if political risks were to subside," the Moody's report said.

Economic growth plummeted from a solid 9 percent since the start of the Syrian revolution in 2011, and has hovered around 1.1 percent for the past three years. Public debt stands at \$82 billion, equivalent to 150 percent of GDP.

"We're passing through



**We are in a huge slump. All the economic indicators point to a downturn in economic activity.**

challenging times," former Lebanese Finance Minister Raya Al-Hassan told Arab News.

"We're in a huge slump. All the economic indicators point to a downturn in economic activity. All the real economy sectors are suffering and witnessing a downturn."

Running in parallel with the economic slump is the country's weak demand for real estate, with megaprojects being halted.

A slump in oil prices from 2014 compounded this slowdown,

leaving thousands of apartments unsold across Beirut, and forcing some developers to freeze construction sites.

"Some 3,000 unsold apartments exist today in Beirut alone," said Guillaume Boudisseau, an expert at the Ramco real estate consultancy firm.

#### Rays of light

While Lebanon's economic and political woes have placed considerable strain on its citizens, the cultural sector thrived this year.

Lebanon was represented at the Academy Awards for the first time with Ziad Doueiri's "The Insult," which highlighted the sectarian strife still embedded in the country since its 14-year civil war ended in 1990.

Nadine Labaki's "Capernaum" is also in the running to represent the country at the 91st Academy Awards, after receiving the Jury Prize at the Cannes Film Festival, and being the first Lebanese film nominated for an Emmy Award for Best Foreign Film.

The country announced that it will reopen its national library to the public 40 years since it shut its doors during the civil war. The Beirut Museum of Art will open in 2023.

As 2018 comes to a close, Lebanon's future — as always — is part of a circus act, with the main show being Hariri juggling the country's economy, politics and citizens. It is only a matter of time before one — or all — of them come falling down.

# News Saudi Arabia



Saudi musicians perform in front of a packed house at Jeddah's Dar Al-Hekma University. AN photos by Huda Bashatah

CULTURE

## Enthusiasts treated to Arab classical music

Mohammed Al-Kinani Jeddah

**A concert organized by the General Culture Authority (GCA) at Dar Al-Hekma University on Friday attracted hundreds of visitors.**

An all-Saudi band headed by Dr. Mohammed Qari took the audience on a journey through the history of classical Arabic music by renowned composers such as Lebanon's Philemon Wehbe and Egypt's Mohammed Abdul Wahab. The band included oud player Rayan Al-Saqqaf, pianist Ali Khafaji and two rhythmists.

Qari told Arab News: "Without an encouraging response from the audience, a musician fails to do his best in such a concert."

He said there are many skilled Saudi musicians and singers, adding: "If we had a music institute, all these hidden treasures would come to the surface." He said he may set one up.

Qari's sister Zakia, who attended the concert, said her brother began playing music when he was six years old.

"The interaction of the crowd with my brother's performance made me want to go on stage to hug and kiss him. He has long made his family proud," she said.

Alhan BaFaqeh, who attended with her husband, told Arab News: "The music pieces performed were selected carefully to satisfy the audience's different tastes."

The musicians played classical pieces from different cultures in

### FASTFACTS

The concert was organized by the General Culture Authority.

An all-Saudi band headed by Dr. Mohammed Qari performed at the event.

The audience enjoyed music by renowned composers such as Lebanon's Philemon Wehbe and Egypt's Mohammed Abdul Wahab.

the region. They were delightful pieces."

Shaimaa Jailani, who attended with her friends, told Arab News: "I believe everything comes at its right time, and this is the perfect time for public music activities."

AWARENESS

## Finance Ministry showcases achievements at Janadriyah

Arab News Jeddah

The Finance Ministry has for the first time shared its most significant achievements over the years at an interactive pavilion set up at the 33rd Janadriyah Festival, held this month in Janadriyah Park near Riyadh.

Visitors were given a glimpse into how the state budget is allocated and implemented through an interactive presentation that includes how the ministry manages the Kingdom's most prominent projects, including the expansion works taking place in Makkah and Madinah, the establishment of Princess Nourah University and construction of the King Fahd Causeway, which connects Saudi Arabia to Bahrain.

The pavilion shares information about the ministry's history and its role in preserving state funds. An interactive chart also offers visitors a glimpse into the budget preparation process.

Residents, many of whom have



Visitors take a glimpse into how the state budget is allocated and implemented through an interactive presentation. SPA

enjoyed years of tax-free income in the oil-rich country, were briefed on how the new value-added taxation system would be implemented through the newly integrated General Authority of Zakat and Tax.

Tourists also embarked on a three-dimensional tour of an office adaptation of the Kingdom's first finance minister, Sheikh Abdullah Al-Hamdan. The office contains official documents, old paintings

of the cars used at the time and the first calendar ever to be published in Umm Al-Qura in Makkah.

Finally, the pavilion offered children an interactive theatrical performance titled "Money through the generations."

The ministry has actively promoted partnership with the private sector over the years and has represented the Kingdom in several international financial forums.

## Road to 2030

### Investment opportunities in the Saudi logistics sector

BASIL M.K. AL-GHALAYINI

This week, I will be ending the series of articles on Saudi Arabia's logistics sector by tackling the distribution pillar and how it has evolved through time.

In today's complex distribution channel structure, with sales coming through direct mail, inbound and outbound phone, websites, retailers and even apps, companies more than ever need a sophisticated approach to how they sell. Miss a channel and you could leave money on the table. In fact, more than 25 percent of middle market companies identify new channels and market customer acquisition as their top source of growth.

But there is a problem with running a multiple distribution channel structure: Conflicts. The tension between manufacturers and their wholesalers/retailers is growing.

These conflicts have radically escalated because of e-commerce. Suddenly, an internet-based infrastructure and order-processing system could allow companies to handle even small orders. Not only did conflict in B2B relationships grow, but manufacturers in a B2C space could sell directly, bypassing the long-established distribution and retail structures.

Every partner in the retail distribution channel — from manufacturer to distributor to retailer — has expectations about returns on investment. And while many players may hesitate to make a change from a legacy distribution model for fear of compromising the needs of other stakeholders, it is time to put those worries aside and develop a "win-win-win" distribution model.

Therefore, companies should accommodate the concerns and actions of distribution



channels while also promoting their own direct sales channels, by using pricing smartly and unique channel strategies.

Moreover, getting products to retailers faster is a key competitive advantage for top-line growth. Hence, companies find dual distribution channel strategies — direct and through chains of partners — to be a useful approach. The dual structure lets them bridge the gap between small operations that rely on third-party distribution, because they do not have resources to support extensive direct sales, and large organizations that have strong control over channels.

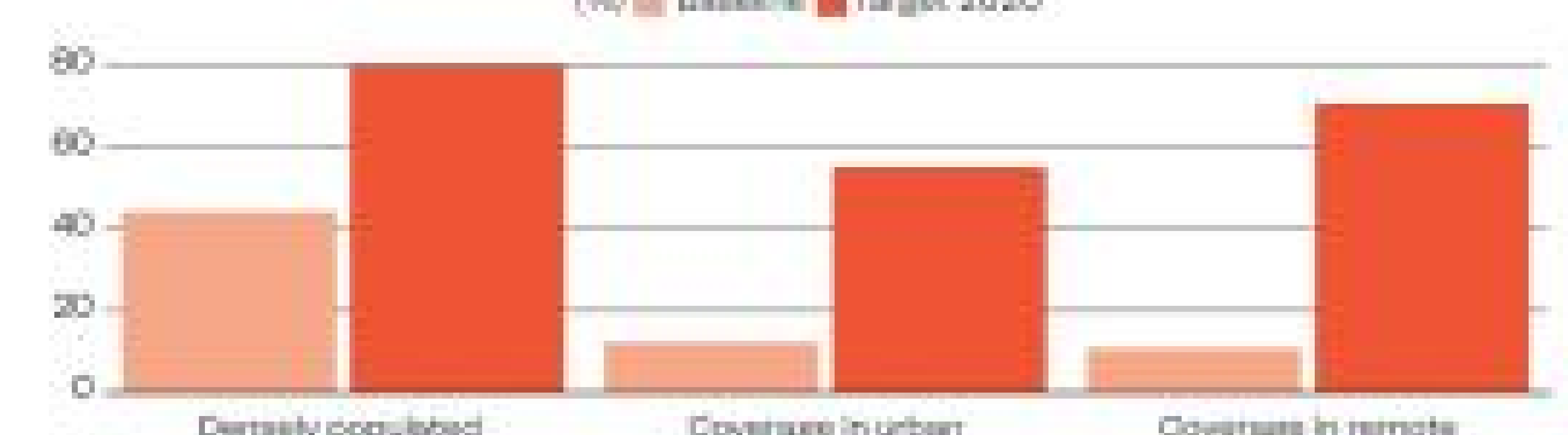
On the other hand, for an e-commerce seller becoming a "best fit" for local markets (by leveraging global expertise) and attaining a deeper understanding of market dynamics (by establishing a local presence) are the key success factors and competitive differentiators for e-commerce in Saudi Arabia. E-commerce players operating in the country have strong geographic expansion and financial growth plans; for instance, they are considering expanding their digital operations teams and complementing their capabilities by establishing partnerships with local distributors and logistics providers to ensure their products can be delivered efficiently.

I do believe that strong demand is anticipated for full-fledged integrated distribution centers in Saudi Arabia that include logistics facilities, different types of storage and supporting retail facilities.

Basil M.K. Al-Ghalayini is the Chairman and CEO of BMS Financial Group.

### The Day's FIGURES

#### EXPANSION OF BROADBAND SERVICES



Source: NTP 2020

## Briefs

THE BEST OF THE REST

#### Noble mission

### UNRWA lauds KSA's efforts to help humanity

The UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) on Saturday praised Saudi Arabia for its humanitarian assistance to Palestinian refugees.

The UN agency also described the Kingdom as an important and consistent partner of UNRWA.

In a statement issued on its website, it said Saudi Arabia donated more than \$160 million to UNRWA in 2018, making it one of the top donors to the agency.

UNRWA received a fresh donation amounting to \$50 million from the Kingdom in support of Palestinian refugees in their places of residence.

The organization had counted on a budget of \$1.2 billion for 2018 but faced a gap of \$446 million when the US announced it was cutting support.

UNRWA responded to its "unprecedented" financial pressures by seeking support across UN member-states and raised an additional \$382 million, bringing the shortfall for the year down to just \$64 million.

UNRWA was set up in 1950 to help Palestinian refugees who lost their homes because of the 1948 Middle East conflict. **AN Jeddah**

#### Helping hand

### KSRelief to assist Tajikistan in relief projects

The King Salman Humanitarian Aid and Relief Center (KSRelief) on Saturday signed agreements with Tajikistan's Emergency and Civil Defense Committee and the Land Reclamation and Irrigation Agency to support relief projects for people affected natural disasters.

KSRelief Assistant General Supervisor Ahmed bin Ali Al-Bayez signed the agreements on the center's behalf.

Under the agreement with the Emergency and Civil Defense Committee of Tajikistan, KSRelief will extend financial assistance for the purchase of necessary equipment and formation of rapid response teams.

The second deal aims at providing Tajik Land Reclamation and Irrigation Agency with funds to maintain its concrete fenders project on its rivers. The Kingdom's humanitarian tenders in accordance with the official Saudi Aid Platform in its current phase (2007-2017) has reached a total of \$32.83 billion.

The number of the Kingdom's humanitarian, development and philanthropic projects reached 1,084, with a total of \$31.90 billion for 78 benefiting countries.

**AN Jeddah**

#### Bilateral ties

### Azeri president hails ties with Kingdom

Saudi Ambassador Dr. Hamad bin Abdullah Khaidair on Saturday presented his credentials to Azerbaijan's President Ilham Aliyev in presence of the country's foreign minister.

The Azeri president hailed the ties between the two countries. He appreciated King Salman for paying attention to and supporting Azerbaijan on various political and economic issues.

Saudi Arabia was one of the first countries to provide active humanitarian assistance to Azerbaijan. From 1994-1999, Saudi Arabia repeatedly provided assistance to refugees and provided them with food, medicine and other necessities. Several disabled persons of the Karabakh war in 1999 were treated in Saudi Arabia.

In 2002, within the framework of projects for the construction of secondary schools in Baku, the "Saudi Fund for Development" extended a loan of SR357 million to Azerbaijan. In 2005, the Saudi government provided Azerbaijan financial assistance worth \$50,000 for demining operations and also for the rehabilitation of people in the liberated territories of the country. **AN Jeddah**



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We have the common desire to cleanse Syrian territory of any terrorist organization.

Mevlut Cavusoglu  
Turkish foreign minister



## News Middle East

US WITHDRAWAL AND AFTER

# Russia and Turkey to coordinate on Syria after US pullout

Turkish ministers met in Moscow to discuss northern Syria as US forces prepare to withdraw

AFP, AP Moscow

**Russia and Turkey on Saturday agreed to coordinate ground operations in Syria after the shock announcement of a US military withdrawal, Moscow's top diplomat said.**

Russian and Turkish foreign and defense ministers met in Moscow on Saturday to discuss northern Syria as US forces prepare to withdraw and Turkey threatens to launch a military operation against US-backed Kurdish forces controlling nearly a third of the country.

"Of course we paid special attention to new circumstances which appeared in connection with the announced US military pullout," Russian Foreign Minister Sergei Lavrov said after talks with Turkish counterpart Mevlut Cavusoglu.

Russian Defense Minister Sergei Shoigu said before the talks began that they would focus on the situation in and around Idlib, as well as "what can and should be done" when the US withdraws from Syria.

After the meeting, Lavrov told reporters that much of the discussion focused on the pending US withdrawal, and that Russia and Turkey managed to agree on coordinating their steps in Syria "to ultimately eradicate the terrorist threat."

Turkey's official Anadolu news agency said the meeting lasted an hour and a half. Turkish Foreign Minister Mevlut Cavusoglu said only that "we will continue our close cooperation with Russia and Iran on Syria and regional issues."

The Syrian military said it entered the Kurdish stronghold of Manbij on Friday as part of an apparent agreement between the two sides. The Kurds are looking



Kurdish fighters from the People's Protection Units (YPG) fire rifles at a drone operated by Daesh militants in Raqqa, Syria. Reuters

for new allies to protect against a threatened Turkish offensive as US forces prepare to leave.

With President Donald Trump's surprise decision to withdraw troops earlier this month, Turkey announced it will pause a threatened offensive against Kurdish militants. It has, however, continued amassing troops at the border as it monitors the situation.

### FASTFACT

**Much of the discussion focused on the pending US withdrawal ... Russia and Turkey managed to agree on coordinating their steps in Syria 'to ultimately eradicate the terrorist threat.'**

The movements follow days of equipment transfers across the border into a Turkish-held area of northern Syria near Manbij. Turkish-backed Syrian opposition fighters said they have started moving along with Turkish troops to front-line positions near the town as a show of readiness.

A statement released by the rebels said they are ready to

"begin military operations to liberate the city in response to calls by our people in the city of Manbij."

Turkish news agency IHA showed video of at least 50 tanks arriving at a command post in Sanliurfa province early Saturday. The province borders Kurdish-held areas east of the Euphrates River in Syria.

The Russian side was represented in Saturday's talks by Foreign Minister Sergei Lavrov, Defense Minister Shoigu, and Kremlin foreign affairs aide Yuri Ushakov. The Turkish delegation includes Foreign Minister Mevlut Cavusoglu, presidential spokesman Ibrahim Kalin, intelligence chief Hakan Fidan and Defense Minister Hulusi Akar.

RECOMMENDATION

## US commanders want Kurdish fighters in Syria to keep weapons

Reuters Washington

US commanders planning for the withdrawal of US troops from Syria are recommending that Kurdish fighters battling Daesh be allowed to keep US-supplied weapons, four US officials said, a move that would likely anger NATO ally Turkey.

Three of the officials, speaking on condition of anonymity, said the recommendations were part of discussions on a draft plan by the US military. It is unclear what the Pentagon will ultimately recommend to the White House.

Discussions are still at an early stage inside the Pentagon and no decision has yet been made, the officials said. The plan will then be presented to the White House in the coming days with US President Donald Trump making the final decision.

The Pentagon said it would be "inappropriate" and premature to comment on what will happen with the weapons.

"Planning is ongoing, and focused on executing a deliberate and controlled withdrawal of forces while taking all measures possible to ensure our troops' safety," said Commander Sean



A member of the Manbij military council stands guard the street in the northern Syrian town of Manbij on Saturday. AFP

### FASTFACT

**The recommendations are part of discussions on a draft plan by the US military. It is unclear what the Pentagon will ultimately recommend to the White House. Discussions are still at an early stage inside the Pentagon and no decision has yet been made.**

Robertson, a Pentagon spokesman. The White House did not comment. Trump last week abruptly ordered a complete withdrawal of US troops from Syria, drawing widespread criticism and prompting Defense Secretary Jim Mattis' resignation.

The US officials said Trump's announcement has upset US commanders, who view his decision as a betrayal of the Kurdish YPG militia, which has led the fight to eradicate Daesh from

northeastern Syria.

Ankara views the YPG as an extension of a Kurdish insurgency inside Turkey. Turkey has threatened to launch an offensive against the YPG, raising fears of a surge in violence that could harm hundreds of thousands of civilians. The US told the YPG that they would be armed by Washington until the fight against Daesh was completed, one of the US officials said.

"The fight isn't over. We can't simply start asking for the weapons back," said the official.

The proposal to leave US-supplied weapons with the YPG, which could include anti-tank missiles, armored vehicles and mortars, would reassure Kurdish allies that they were not being abandoned.

But Turkey wants the US to take the weapons back, so the commanders' recommendation, if confirmed, could complicate Trump's plan to allow Turkey to finish off the fight against Daesh inside Syria.

The Pentagon keeps records of the weapons it has supplied to the YPG and their chain of custody. But, the US officials said, it would be nearly impossible to locate all of the equipment.

CALL FOR CALM

## UN calls on Sudan to investigate protest deaths

AFP United Nations

UN Secretary-General Antonio Guterres on Friday called on authorities in Sudan to investigate deaths during violent protests in Khartoum and other cities.

At least 19 people have been killed since Dec. 19 during protests sparked by Khartoum's decision to hike the price of bread, according to the government.

Guterres "appeals for calm and restraint and calls on the authorities to conduct a thorough investigation into the deaths and violence," the UN spokesman said in a statement.

The UN chief is "following with concern" developments in Sudan and "emphasizes the need to safeguard freedom of expression and peaceful assembly."

Sudanese police fired tear gas at worshippers who staged demonstrations after Friday prayers in several cities, including Khartoum and its twin city of Omdurman on the west bank of the Nile, witnesses said.

Photographs posted by activists on social media showed thick plumes of smoke rising from neighborhoods in Khartoum as

protesters burned garbage and tires.

Opposition groups have called for more anti-government rallies to be held over the next few days.

The opposition Sudanese Congress Party said that a few hours after protests began on Friday its chief Omar El-Digeir was arrested by security agents.

"He has been taken to an unknown location," the party

### SPEEDREAD

**UN Secretary-General Antonio Guterres 'appeals for calm and restraint and calls on the authorities to conduct a thorough investigation into the deaths and violence.'**

said in a statement. The Sudanese Writers' Association said that well-known poet Mohamed Taha had also been arrested on Tuesday after he participated in a protest in Khartoum.

"We don't know his whereabouts," the association said. The Sudanese journalists network said that two journalists were detained.



For the love of God, tell me how many people would come out (for protests).

Fatih Portakal  
TV anchor

'SEDITION' CLAIMS

# Turkey investigates TV anchor over call for protests

AFP Istanbul

A Turkish prosecutor on Friday launched an investigation into a prominent TV news presenter less than two weeks after President Recep Tayyip Erdogan lambasted the journalist, local media reported.

The prosecutor's office said it was investigating Turkey's Fox Haber channel's Fatih Portakal for "openly inciting others to commit a crime" after the journalist speculated whether Turks could protest like those in the "Yellow Vest" movement in France, *Hurriyet* and *Milliyet* dailies said.

"Come on, let's have a peaceful protest, a protest against ... rising natural gas fees. Come on, let's do it. Would we be able to do it?" the journalist who has over 6 million followers on Twitter asked.

"For the love of God, tell me how many people would come out?" Portakal demanded as he speculated about the impact of Turks' fears of protesting in a news program on Dec. 10.

During anti-government protests in 2013, Erdogan was criticized for the police's heavy-handed crackdown against demonstrators.

Portakal's comments were

interpreted by Turkish officials as a call for protests as the country is suffering high inflation. Consumer prices reached over 25 percent in October before falling to 21.62 percent in November.

Portakal had made the comments during a news segment about France's "yellow vest" movement, which started as a demonstration against fuel price hikes in November but has since snowballed into broader anti-government opposition.

Erdogan has repeatedly criticized the journalist for his comments, saying in mid-December: "He is

## HIGHLIGHTS

The prosecutor's office said it was investigating Turkey's Fox Haber channel's Fatih Portakal for 'openly inciting others to commit a crime.'

Portakal's comments were interpreted by Turkish officials as a call for protests as the country is suffering high inflation.

calling people to get out on the street. Know your place! If you don't know your place, the people will teach you a lesson."

Earlier this week, Turkey's audiovisual authority RTUK fined Fox Haber Turkey for an undisclosed amount and said the channel had to suspend three future broadcasts of the primetime news show.

Fox Haber Turkey gives greater coverage to the opposition parties than other mainstream channels in an increasingly constricted media landscape in Turkey under the rule of Erdogan.

Fox Haber, which means Fox

News in Turkish, is not linked to the Fox News Channel in the US.

The investigation comes after two famous Turkish actors were accused of insulting Erdogan during a television program on Halk TV last week.

An Istanbul court on Monday released the two men on conditional bail after they were summoned to give statements to prosecutors.

Turkey's allies and human rights defenders have raised concerns over a clampdown on freedom of expression under Erdogan, with dozens of journalists and civil society activists imprisoned.

FINALLY

# Yemen militants begin to withdraw from port city

Houthis start the pullback under an agreement reached in Sweden

AFP Hodeidah

Yemeni militants have begun to withdraw from the port of Hodeidah, the country's key aid lifeline, under an agreement reached in Sweden earlier this month, a UN official said Saturday.

The official, who requested anonymity, said the Houthi militants began to pull back from the Red Sea port at midnight.

The militants' withdrawal from the port, which is the point of entry for food aid to some 14 million Yemenis UN agencies say are on the brink of famine, is a key part of a cease-fire that went into effect on Dec. 18.

Pro-government forces are also supposed to pull back from parts of the city they recaptured in an offensive they launched with the backing of an Arab coalition on June 13.

The Houthis began "the first phase of redeployment from the Hodeidah port," a militant official told the Houthi-run Saba news agency.

The militants held a ceremony to mark the occasion, an AFP correspondent reported.

The UN Security Council last week unanimously approved a resolution authorizing the deployment of observers to oversee a

hard-won truce for Hodeidah that was agreed by the Saudi-backed government and the militants in Sweden this month.

Retired Dutch general Patrick Cammaert is heading a joint truce monitoring committee, which includes both government and militant representatives, and chaired its first meeting this week.

The UN-led panel addressed "the first phase of the implementation of the agreement... based on cease-fire, confidence building measures to deliver humanitarian assistance and redeployment," a UN statement said.

It added that the panel would convene again on Jan. 1 to discuss "detailed plans for full redeployment."

The UN also said that a humanitarian convoy was expected later Saturday to leave Hodeidah port and travel along the main road that links it to the militant-held capital Sanaa. Its destination was not immediately clear.

"As a confidence-building measure, the parties have agreed to begin opening blocked humanitarian corridors, starting with the Hodeidah-Sanaa road, followed by other routes, in a phased manner," said the statement.

The truce has remained shaky, with the two sides accusing each other of violations.

A resident reached by telephone



Houthi militants ride on the back of a truck as they withdraw from the Red Sea city of Hodeidah, Yemen, on Saturday. Reuters

on Saturday told AFP pro-government and militant forces had exchanged fire briefly overnight.

The resident added that coalition jets were heard overhead on Saturday morning.

In addition to the withdrawal of fighters from Hodeidah, the agreement included a planned prisoner swap involving some 15,000 detainees. A "mutual understanding" was also reached to facilitate aid deliveries to Yemen's third city Taiz — under the control of

## FASTFACT

The militants' withdrawal from the port, which is the point of entry for food aid to some 14 million Yemenis UN agencies say are on the brink of famine, is a key part of a cease-fire that went into effect on Dec. 18.

loyalists but besieged by militants.

The two sides have agreed to meet again in late January for more talks to define the framework for negotiations on a comprehensive peace settlement.

Yemenis struggling to survive such conditions are also confronted with a collapsed economy, leaving civil servants and teachers without pay for months.

On Thursday, Hadi instructed the government to pay the salaries of civil servants in the militant-held

city of Hodeidah starting this month, a move that was welcomed by the UN.

"President Hadi's decision is an important step toward improving the economic situation, and alleviating the humanitarian suffering of the Yemeni people," the office of the UN special envoy to Yemen Martin Griffiths tweeted.

The war between the Houthi militants and troops loyal to President Abed Rabbo Mansour Hadi escalated in March 2015.

LIFE GOES ON...

## Yemenis' in-between moments amid civil war

AP Ibb, Yemen

A Yemeni farmer lounged on the ground by the side of the road, gazing at the beauty of the green mountain landscape, where the terraces were planted with corn, barbery figs and qat.

Absorbed in contemplation, he didn't move or react to any noise, a world away from the war tearing apart his country.

In travels across Yemen, these "in-between" moments are found everywhere — Yemenis fitting their normal lives in between the destruction wreaked by four years of civil war.

That destruction has been terrible, with starving children, families driven across the country to seek safety, homes, schools and hospitals flattened, rampant militias inflicting bloodshed and torture.

The country is split between a north held by militants known as Houthis and a south held by forces loyal to the government and the Arab coalition that supports it.

But on both sides of that divide, Yemenis deal with the chaos in very similar ways and press ahead with their lives. Amid the conflict, it is easy to forget that — and forget how stunningly beautiful



A woman walks through Ibb, Yemen. AP

the country is with its majestic mountain landscape.

In the south, the mountains are harsh, barren and dry. Crossing north, the landscape transforms. The temperature drops a few degrees. The mountains are steeper and are wet, lush and green, watered with monsoon rains.

Yemen's roads are arduous. A route that should take two hours can take 14 because of bad roads and the need to avoid battle zones and land mines. Along the highways are the tattered and abandoned remains of advertising billboards, a small reminder of the ruined economy.

In government-controlled Marib, an ice cream vendor circulated on a bicycle, playing a recording of a bell jingling to draw customers. There were no children around, but some militiamen — AK-47s slung over their shoulders — stopped him to buy some. The gunman sat in the bed of a pickup, slurped their ice cream and then smoked cigarettes. Elsewhere, local residents picnicked, swam and took selfies at the reservoir at Marib Dam.

The in-between moments can be very small. Like a man in the town of Ibb who drove a truck whose roof was crumpled in, nearly smashed on top of him.

Tanzania's President John Magufuli has earned respect by fighting graft, but his human rights record has upset donors.



# News International

40 PARTIES IN FRAY

## Security heightened as Bangladesh votes today

Shehab Sumon

**Bangladesh is set to hold general elections on Sunday amid heightened security throughout the country.**

More than 104 million people will vote to elect leaders in the country's almost 300 constituencies. A total of 1,860 candidates from almost 40 political parties are competing in the election.

According to local media reports, more than 1,000 supporters of the Bangladesh Nationalist Party (BNP) and Jatiya Oikya Front (JOF) have been injured in dozens of clashes over the past three weeks.

"Security measures have been beefed up through Bangladesh's Armed Forces, Border Guards Bangladesh and the country's Rapid Action Battalion," said Asdazzaman Miah, Dhaka police commissioner.

More than 50,000 soldiers from Bangladesh's army have been deployed throughout the country.

"We will collaborate with several law enforcement agencies to ensure voter safety and accuracy," said Aziz Ahmed, chief of army staff.

"I have learned from past experience that minority communities often fall victim to violence after election results have been announced, especially among voters whose leaders did not win the elections. At the end of the day, we hope for an inclusive voting process."

Several international human rights bodies have expressed concern over the transparency of the upcoming elections, questioning "the integrity and credibility of the upcoming election" considering "the prevalent conditions in the country."

In a statement issued Saturday, human rights officials from 16 organizations expressed concern over the "restrictive electoral environment."

"Ever since the election was announced, the government has embarked on a crackdown on civil society, the opposition and the



A policeman walks through polling material at a distribution center in Dhaka Saturday. AFP

media, undermining any semblance of a democratic process," read the statement.

"This places a severe strain on the waning health of democratic engagement in Bangladesh and compromises the integrity of the upcoming election. The credibility of an election is not defined solely on competitiveness and orderliness of the process, but most importantly, on the quality of the electoral environment. As the election draws near, independent civil society organizations and media have experienced restrictions on their operations."

Chief Election Commissioner K. M. Nurul Huda urged law enforcement agencies to remain impartial and vigilant.

"We hope those on duty will take an iron fist approach with anyone trying to wreak havoc at the polling states," he said. "Officers found to

### HIGHLIGHTS

**More than 104m people are slated to vote in upcoming polls.**

**Rights bodies have expressed concern over 'restrictive electoral environment.'**

have influenced polling through abuse of power will be held to book."

Kamal Hossain, JOF chief, also urged election officials to remain impartial on polling day.

"Where the public should be celebrating, residents are in a state of fear and apprehension," said Hossain.

"Vote tomorrow. Don't let them intimidate you. Evil forces will flee before you. They can't fight people's strength."

The Ruling Awami League (AL)

claims they will accept whatever election result prevails.

"AL came to power through the people's vote," said Abdul Rahman, AL general secretary, adding that more than 400 AL supporters recently came under attack by BNP and JOF supporters.

To curtail provocative fake content circulating on social media, all five of Bangladesh's mobile phone operators, including state-owned Teletalk, suspended their 3G and 4G services on Saturday.

"The Bangladesh Telecommunication Regulatory Commission (BTRC) has asked mobile operators to keep services suspended until Sunday at midnight," Mohammad Zakir Hossain Khan, senior assistant media director at BTRC, told Arab News.

According to the BTRC, the country has more than 90 million mobile data users.

### POLICY OUTLINED

## Middle East ties not at US expense: Pakistan Foreign Office

Aamir Shah Islamabad

Islamabad's ties with Middle Eastern states are "not at the cost of our bilateral relationship with any other country," including the US, Pakistan's Foreign Office spokesman told Arab News on Saturday.

"Pakistan is actively engaged with the US, and as a result Secretary of State Mike Pompeo visited

Islamabad and the US special envoy for Afghanistan Zalmay Khalilzad has visited Pakistan three times," said Dr. Mohammad Faisal.

"The (Pakistani) government believes in productive and proactive diplomacy, and this is what we've done in the last four months."

During its first four months in office, the government of Pakistani Prime Minister Imran Khan has focused on strengthening ties with



Dr. Mohammad Faisal

Middle Eastern countries, particularly Saudi Arabia and the UAE. Analysts say this is due to tensions between Pakistan and the US over the war in Afghanistan.

"Saudi Arabia and the UAE are time-tested and all-weather friends of Pakistan, and it's quite natural for Pakistan to warm up its relationship with these countries at a time of ever-deteriorating diplomatic relations with the US," said Tahir Malik, international affairs professor at NUML University in Islamabad.

It is imperative for Pakistan to forge close ties with Saudi Arabia and the UAE "to stay relevant in the international community," he added.

After being elected in August, Khan chose Saudi Arabia for his maiden foreign trip in September, where he held meetings with King Salman and Crown Prince

Mohammad bin Salman. Khan traveled to the UAE soon after.

Both trips bore dividends. Saudi Arabia agreed to give Pakistan \$3 billion in foreign currency support for a year, and a further loan worth up to \$3 billion in deferred payments for oil imports to help stave off a current account crisis. The UAE offered \$3 billion in aid.

"I don't think this clear appreciation of our close historic relationship with Saudi Arabia and the UAE was demonstrated by previous Pakistani governments," Rasal Bukhsh Rais, a professor of political science, told Arab News.

Khan returned from those two countries with "incredible support at a very difficult hour in Pakistan's history," marked by a new transition to democracy, a deteriorating economy, a new party (Pakistan Tehreek-e-Insaf) in power and a new prime minister, Rais said.

Pakistan needs to explore trade and investment opportunities in the Middle East, lure investors by offering incentives, and explore opportunities to increase agricultural exports, he added.

Former Pakistani diplomat Javed Hafeez said Khan's government has boosted relations with Saudi Arabia and the UAE.

Islamabad is committed to protecting Saudi sovereignty against any foreign aggression, Hafeez added.

## Briefs

THE BEST OF THE REST

### Undersea disturbance

#### Tsunami alert lifted after quake off Philippines

A powerful undersea earthquake struck off the southern Philippines on Saturday, prompting people to scramble out of shopping malls and buildings and authorities to warn villagers to stay away from beaches in case of a tsunami.

No casualties or damage were reported hours after the quake struck before noon, and the Pacific Tsunami Warning Center lifted its warning for a potential tsunami that it had said could hit coastal areas of the southern Philippines and Indonesia. The Philippine Institute of Volcanology and Seismology said the quake was detected at a depth of 59 km and a magnitude of 7.2 about 162 km off Davao province. **AP**

### Cold fact

#### Winter storms batter large swaths of US

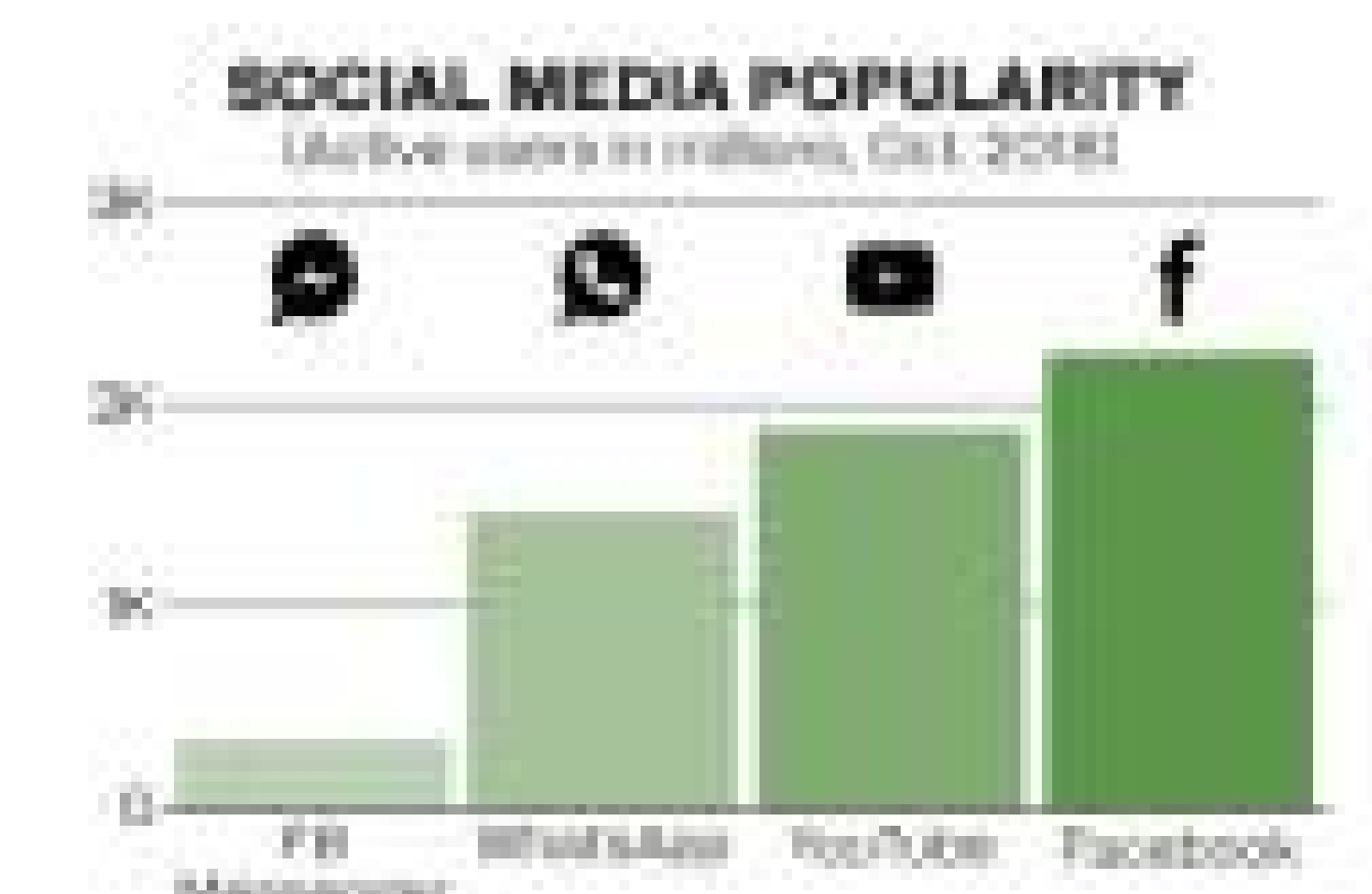
At least six deaths were attributed to severe weather in the US as heavy snow and high winds snarled air and ground transportation during a busy holiday travel period.

More than 500 flight cancellations and 5,700 delays were reported Friday as the winter storm blanketed areas from the north central plains and the Midwest with eight to 12 inches of snow.

As much snow, if not more, was forecast to fall in the coming days in the southwestern state of New Mexico, along with a deluge of rain in some southern and eastern states — ruining New Year travel plans for thousands of Americans. **AFP**

### The Day's FIGURES

Source: Statista



## What We Are Reading Today

FROM AROUND THE WEB & IN PRINT

### Village Atheists

LEIGH ERIC SCHMIDT

A much-maligned minority throughout American history, atheists have been cast as a threat to the nation's moral fabric, barred from holding public office, and branded as irreligious misfits.

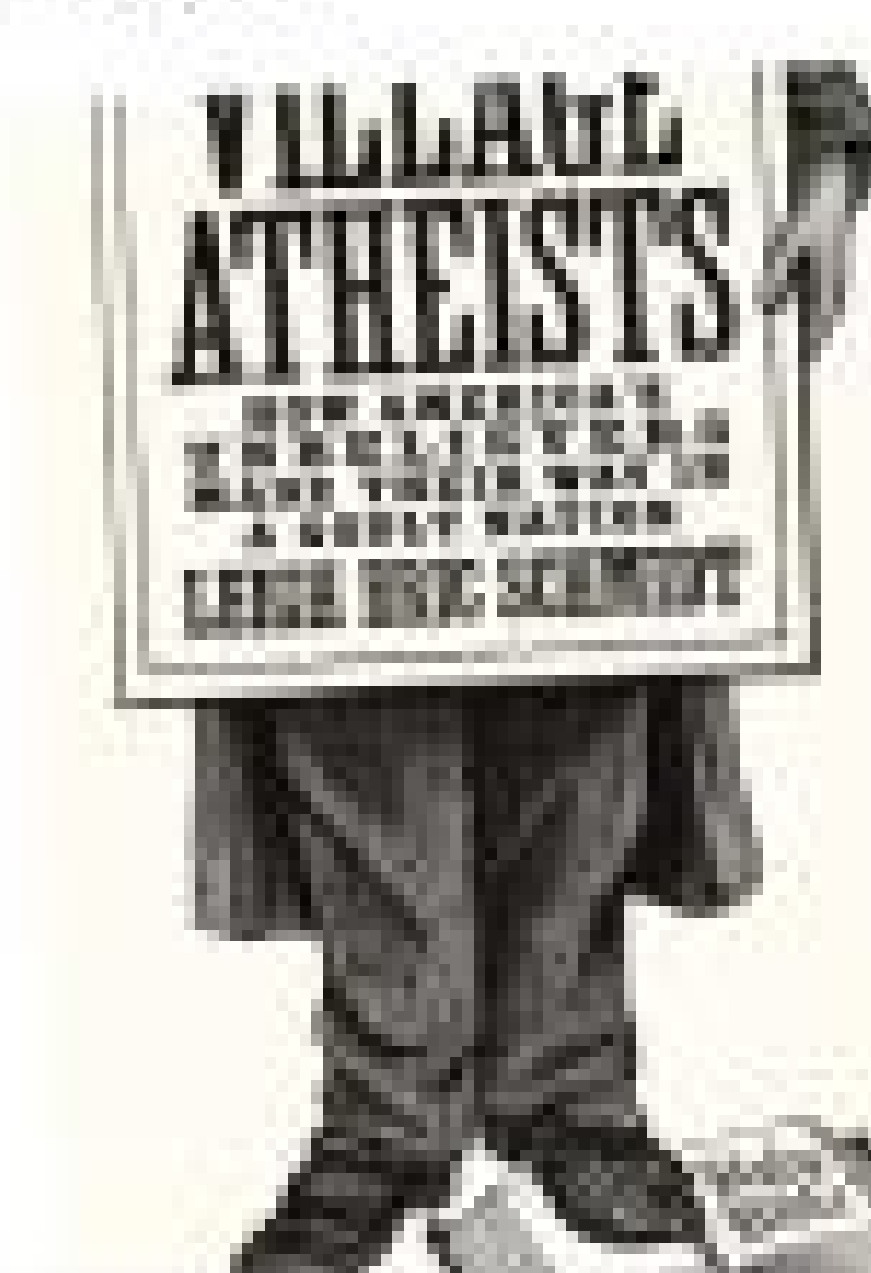
Yet, village atheists — as these godless freethinkers came to be known by the close of the 19th century — were also hailed for their gutsy dissent from stultifying pieties and for posing a necessary secularist challenge to majoritarian entanglements of church and state.

Village Atheists explores the complex cultural terrain that unbelievers have

long had to navigate in their fight to secure equal rights and liberties in American public life, says a review on the Princeton University Press website.

Leigh Eric Schmidt rebuilds the history of American secularism from the ground up, giving flesh and blood to these outspoken infidels, including itinerant lecturer Samuel Porter Putnam, rough-edged

cartoonist Watson Heston, convicted blasphemer Charles B. Reynolds, and reformer Elmira D. Slenker. He describes their everyday confrontations with devout neighbors.



### Chaos

#### Anti-India protests in Kashmir mark deadly year

Anti-India protests and clashes erupted in disputed Kashmir on Saturday after a gunbattle between militants and government forces killed four rebels, police and residents said.

The fighting comes as the region is already reeling under the deadliest bloodshed in a decade in which over 500 people have been killed. They include at least 269 militants, 158 members of Indian government forces and 156 civilians, rights groups say.

Indian troops early Saturday laid a siege around a village in Pulwama area on a tip that militants were hiding there, leading to an exchange of gunfire, police said. Four militants were killed, police said, adding that troops suffered no casualties. Residents said government forces blasted one civilian house with explosives during the fighting. **AP**

### Freak accidents

#### 4 dead as storm sweeps through Philippines

Four people were killed in landslides and thousands of others evacuated from their homes after a storm swept through the central Philippine islands on Saturday, officials said.

Three members of a family were buried in a landslide in Legazpi southeast of Manila while a woman was crushed by another landslide in Bulan town as heavy rains brought by the storm loosened the earth, the government's office of civil defense said.

Almost 12,000 people were also evacuated from their homes in the Bicol region after the low pressure area, locally named "Usman," hit the eastern side of the country on Saturday, the office said. The weather disturbance, packing maximum winds of 65 km per hour, was charted as moving west across the central islands. **AFP**

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**Hatimhatim050@gmail.com**



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*In your life, my son, there is a woman blessed  
with the most beautiful eyes, a mouth that is well  
drawn as if it was a bunch of grapes, and a laugh  
that is nothing but music and roses.*

**Nizar Qabbani**  
(Syrian poet and diplomat)

# Opinion



**TOMORROW**  
How 2018 was the year  
of the woman, by Aema I.  
Abdulmalik and Maria Hanif  
Al-Qassim



ILLUSTRATION: MICROCOSMIA FOR ARAB NEWS

## Free trade after a year of disruption

MICHAEL FROMAN



In 2018, trade, more than any other policy area, was “disrupted.” What used to be an archaic, technical, and — let’s face it — boring array of issues now dominates front-page headlines, magazine covers, and even John Oliver’s comedic documentaries on US television’s Last Week Tonight. Constituencies that have traditionally opposed free-trade agreements (FTAs) are now extolling their virtues, and countries not known for their free-trade sensibilities — including China, Russia, and France — are nominating themselves as the defenders of the global trade system.

Still, it is worth asking how much has actually been disrupted. President Donald Trump did pull the United States out of the 12-country Trans-Pacific Partnership (TPP), but the remaining 11 signatories have implemented the bulk of the agreement on their own, while leaving the door open for the US to rejoin in the future. And more countries have shown an interest in joining, suggesting that the TPP could eventually extend well beyond what was originally envisioned. Moreover, the updated North American Free Trade Agreement — now to be called the United States-Mexico-Canada Agreement — is largely based on the TPP template, which already included Canada and Mexico, with some noteworthy additions.

Meanwhile, the European Union is implementing FTAs with Canada, Singapore, Vietnam, and Japan, and pursuing deals with Australia, Mexico, New Zealand, the Association of Southeast Asian Nations, Mercosur, and others. The Pacific Alliance continues to expand trade and other partnerships in Latin America. The Regional Comprehensive Economic Partnership (RCEP) is proceeding apace in the Asia-Pacific region. And the African Union has made more progress toward implementing the Continental Free Trade Agreement (CFTA).

In short, the global trend toward deeper integration and higher standards in trade has continued. The Trump administration has certainly made a lot of noise by deploying trade remedies in unpredictable and unexpected ways, engaging in tit-for-tat tariffs, reintroducing import quotas, and seriously constraining the World Trade Organization’s dispute-settlement body. Yet, in the end, Trump’s revamping of NAFTA might actually help to broaden support for trade in the US, given that many of his most loyal supporters have traditionally been suspicious of trade agreements.

That, at any rate, is the glass-half-full interpretation. The alternative is that there has, in fact, been a significant historical rupture. By surrendering its global leadership role, the US has lost the trust of its closest allies and partners, and handed a gift to its adversaries. In this scenario, the EU or China might supplant the US as the global rule-maker, or there will be no rule-maker, and the international order will be governed by drift. In the latter case, other countries might well imitate the US by pursuing unilateral action and upholding their international obligations only when it suits them.

It is too early to say which scenario will play out. But one thing is clear: Nationalism, populism, nativism, and

protectionism are on the rise. Economic insecurities, as well as a growing sense of lost sovereignty, have contributed to an unprecedented degree of political polarization, and not just in the US. From European countries beset by growth in support for fringe parties to emerging economies mired in corruption, governments everywhere seem to be more inwardly focused and less capable than ever of demonstrating bold leadership — and precisely when it is most needed to address the disruptive effects of rapid technological and economic change.

With a leadership vacuum at the international level and paralysis at the national level, it has become all the more necessary for private-sector actors to step up, not out of the goodness of their hearts, but in defense of their own interests. As BlackRock chairman and CEO Larry Fink and others have pointed out, it is no longer enough for companies to be focused solely on short-term returns to shareholders. They also need to be thinking about the long term and about the economic and political environments in which they operate. Beyond corporate social responsibility and philanthropy, both of which are important, that means developing commercially sustainable business models that also “serve a social purpose.”

Doing well by doing good can’t be just a tagline. It must be a guiding business philosophy, backed by the recognition that the private sector needs a healthy political and economic environment to thrive and must take action to secure it. In recent decades, public trust in government, the press, corporations, and other leading institutions has declined sharply. If business leaders continue to ignore the health of their operating environment — or assume that fixing it is someone else’s problem — they are risking even more deglobalization, uncertainty, and instability in the years ahead.

Economic growth has been the defining feature of a historic global success story spanning the past 75 years. Even with its limitations, globalization has lifted more than 1 billion people out of poverty and delivered unprecedented improvements in virtually all areas of human development. But the job is not done. To prevent backsliding, the focus must shift from aggregate growth to inclusive growth. The gains from growth must accrue not just to those at the top, but to those at all income levels, and not just to global corporations, but to small- and medium-size businesses as well.

Nationalism, populism, nativism, and protectionism exploit people’s sense of being left behind and excluded from the system. That is why we need to focus on ensuring universal inclusion in the economic networks that allow individuals and families to achieve financial security and pursue opportunities for betterment. This imperative applies as much to a Kenyan farmer or an Egyptian garment worker as it does to an American now eking out a living in the gig economy.

It remains to be seen whether the current disruption in trade policy will be deep and long lasting, or superficial and temporary. We cannot yet know if we will see a return to the mean or whether Pandora’s box has been opened. But, in the absence of international and national leadership, businesses should not wait to find out.

**2018**  
#WHATCHANGED

Michael Froman, US trade representative during President Barack Obama’s administration, is vice chairman of Mastercard.  
©Project Syndicate, 2018

## Opinion

## A year Iran will not quickly forget

CAMELIA ENTEKHABIFARD

The year that is now drawing to a close was full of surprises for ordinary Iranians, and for the regime that rules over them.

It began with unprecedented national protests that swept the country from late December 2017 and continued into mid-January 2018. Most shocking, perhaps, were the slogans demanding regime change. For the first time since the revolution in 1979, the name of the ousted Pahlavi dynasty was chanted loudly by Iranians asking for the late monarch's son, Reza Pahlavi, to return and replace the mullahs.

US President Donald Trump kept his promise to withdraw from the Iranian nuclear deal negotiated by his predecessor Barack Obama and President Hassan Rouhani's team in 2015. In May 2018, after twice extending his deadline, Trump finally walked away from the deal.

The market reaction to Trump's decision, and the return of sanctions related to Iran's nuclear program, caused a fall in the value of the Iranian currency against the US dollar. Panicked Iranians formed long lines in front of currency exchange offices to convert their rials into dollars. This extreme public reaction was an expression of a loss of trust in state institutions, and uncertainty about the future.

Today the regime in Tehran is confronted with serious challenges. It will not halt the spread of corruption, or refund public wealth spent on exporting the regime's ideology in foreign military adventures. Politicians in Tehran face a crisis of legitimacy.

Regardless of what the regime may claim, poverty, unemployment and the living condition of millions of Iranians are a real issue. Scattered protests form



spontaneously around the country every day — sometimes teachers, sometimes laborers, sometimes people who have lost their savings in a bankrupt business.

Iran is a difficult nation to manage for rulers faced by such deep public anger against them and their supporters. At the same time, most Iranians do not know what the alternative would be if the regime changed.

The current circumstances will continue in 2019, as Iranians are squeezed financially and the sanctions implemented by President Trump have a greater impact on people's lives, with no indications of a change in behavior by the regime.

I believe the real danger confronting the regime is neither the political challenges nor the legitimacy crisis, but their age. The foundation stones of the revolution and guardians of the establishment are senior clerics who are passing away one by one. They don't even retire, since conservative replacements are hard to find. The most recent to depart was Ayatollah Mahmoud Hashemi Shahroudi, chairman of the Expediency Discernment Council. It was rumored that Hassan Rouhani was interested in that job when it became vacant in 2017, but Shahroudi was appointed instead. So even Rouhani, with his revolutionary credentials, was not considered sufficiently conservative for such a role.

And let us not forget that the supreme leader himself, Ayatollah Ali Khamenei, is 79 years old. His succession will be one of the biggest challenges facing the regime in 2019.

Camelia Entekhabifard is an Iranian-American journalist, political commentator and author of *Camelia Save Yourself By Telling the Truth* (Seven Stories Press, 2008).  
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## Winter at Tantora, but a spring for Saudi cultural diplomacy

FAISAL J. ABBAS

A year ago, Saudi-Lebanese ties were going through one of the toughest periods in the history of relations between the two countries. The debacle around the circumstances of Prime Minister Saad Hariri's sudden resignation in Riyadh had fueled doubts about the Kingdom's intentions for Lebanon.

It appeared to most analysts that two conflicting groups — hawks and doves — were offering advice and attempting to influence the royal court.

Hawks argued for a high-risk/high-reward strategy; they wanted a complete transformation, possibly with new faces to represent Saudi interests, and threatened complete disengagement otherwise. Doves, while acknowledging the increasing influence of Hezbollah as the war in Syria tilted in the Assad regime's favor, completely disagreed. They preferred an "if we can't completely fix it, let's not risk completely breaking it" approach.

Hawks were proved wrong. Their disengagement approach backfired and the Hariri debacle strengthened foes, weakened friends and pushed away those who were on the fence.

However, in the past 12 months I believe we have seen a shift in the Saudi approach. Doves such as Royal Court adviser Nizar Al-Alola and Ambassador Walid Bukhari worked tirelessly to implement new instructions relating to Lebanon.

Of course, Saudi Arabia had to move quickly, because every day lost was a day won by regional rivals who were — for the first time — beginning to appeal to some of Lebanon's Sunni population.

Worries increased again when President Donald Trump announced the withdrawal of US troops from Syria, just as several Arab countries re-opened their embassies in Damascus.

Yet losing Syria should not mean losing Lebanon as well; if anything was learned from Saudi Arabia's ill-advised disengagement from Iraq after the 2003 US-led invasion, it was that this "all or nothing" approach doesn't work. Indeed, over the past two years, Riyadh and Baghdad have enjoyed a rapprochement that



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included the influential Shiite cleric Muqtada Al-Sadr visiting the Kingdom for the first time.

I believe the same, if not more, is in the pipeline for Lebanon. We have just seen a pledge by Ambassador Bukhari to consider withdrawing the travel warning to Saudi citizens as soon as a government is formed in Lebanon. This will give Lebanese tourism a welcome boost.

There are also unconfirmed reports of further support that could be considered when a government is formed — perhaps the formation of a strategic council, probably led by Crown Prince Mohammad bin Salman himself. Riyadh could also support the Lebanese central bank with a much-needed deposit or loan.

Lebanon, in return, has much to offer Saudi Arabia and its reform program, but for now I believe the most important aim for Riyadh and all Arab friends of Lebanon is to restore stability to the Switzerland of the Middle East.

We should remind the Lebanese that Saudi support means hope, prosperity and diversity for all of Lebanon — just as it was under the late Prime Minister Rafiq Hariri. What a contrast that would be with Iran, which through its Hezbollah agents has hijacked the country, manipulated its demographics and waged proxy wars on behalf of Tehran.

Indeed, while Iranian agents dig tunnels to wage such wars, Saudi Arabia builds bridges of culture. This was illustrated when nearly 100 Lebanese visitors descended on Al-Ula for the Winter at Tantora festival, at which the Lebanese soprano Majida El Roumi performed in the Kingdom for the first time.

Among those who attended were former presidents and prime ministers, officials, members of the Hariri family, representatives of all sects (including Shiites), beauty queens, singers and prominent journalists and intellectuals, all guests of the Kingdom's recently appointed Minister of Culture, Prince Badr Al-Farhan.

This was cultural diplomacy at its best — not only were last year's mishaps forgotten, but between the superb Saudi scenery and Majida's magical voice, both Saudi and Lebanese guests witnessed at first hand how beautiful it is when two cultures come together.

## Four reasons Trump's withdrawal is an error

HAFED AL-GHWELL

Shifting tides in global geopolitics come with a number of developments that can be frustrating to keep track of, let alone account for their implications. It remains unclear whether sudden policy shifts such as the US decision to withdraw from Syria and pull some troops out of Afghanistan have strategic aims.

Far from winning hearts and minds, US policy in Afghanistan has abdicated leadership in favor of warlords and ethnic groups. As a result, potential stability became plagued by corruption and kleptocracy reaching the highest levels of power in Kabul. Unfortunately for ordinary Afghans, the US presence became synonymous with hardship and atrocities typical of an alienated citizenry — a boon for a weakened Taliban itching to regain its strength and vie for power in the face of increasing US disinterest.

The US has spent a staggering \$1.6 trillion in the Afghan war effort and reconstruction — in perspective, more than twice the size of Saudi Arabia's economy.

Even Daesh has managed to maintain a presence in Afghanistan and instigated terrorist attacks despite the presence of about 14,000 US troops. It is now estimated the Taliban is controlling more territory in Afghanistan than it did before the US invasion.

Thus, President Trump's decision to suddenly start withdrawing 7,000 US troops is worrying, for Afghans and the Middle East. Despite the staggering human and financial cost of the war and the calls at home to draw down US military involvement in far-off countries, unusual influences may have driven Trump's desire to pull US troops from the region.

In Syria's case, withdrawing troops will go a long way to appease NATO ally Turkey, which has consistently objected to the US arming and training Syrian Kurdish forces which are tied to the outlawed PKK. In Afghanistan, US officials have met and held talks with Taliban representatives twice this year in a bid to arrive at a peace agreement. Unfortunately, the Taliban declines to speak to the Kabul government.



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Some US politicians, Democrats included, have welcomed Trump's decision. Others, Republicans included, have been less amenable. Defense Secretary Jim Mattis went so far as to resign in protest.

There are some catastrophic implications of a sudden, swift drawdown of US forces in Afghanistan, Syria and even Iraq. First, Washington is likely to have little influence in the countries it withdraws from, making it impossible to control inevitable developments in the power vacuums left in their absence. Complete drawdowns in Afghanistan, Syria and Iraq will probably lead to a resurgence of nefarious actors such as Daesh, the Taliban and Al-Qaeda, turning already unstable countries into hotbeds for cross-border insurgency and terror attacks.

Second, a reduction in the US presence in the region will further entrench the conclusion that for all its wealth and military might, US power and influence is on the decline. This will feed into a potentially damaging narrative that the US will no longer be willing or able to deploy its military in order to secure its interests and those of its allies — a welcome development for the West's adversaries and potentially troubling for US allies.

Third, it is likely that a swift drawdown will be interpreted as a victory for adversaries intent on driving the US out of these countries. As a result, it could increase regional instability.

Finally, US withdrawal will confirm the narrative of a global superpower in decline, and will make it more likely that allies and other states even beyond the MENA region seek new security arrangements.

In the meantime, the region can only wait to see whether the Trump administration will amend the policy or opt for an alternative solution that involves Russia, China, Europe and regional partners. This way, even if US troops are withdrawn, there would still be a formidable coalition that can impede the growth or resurgence of the elements that prompted US involvement in the first place.



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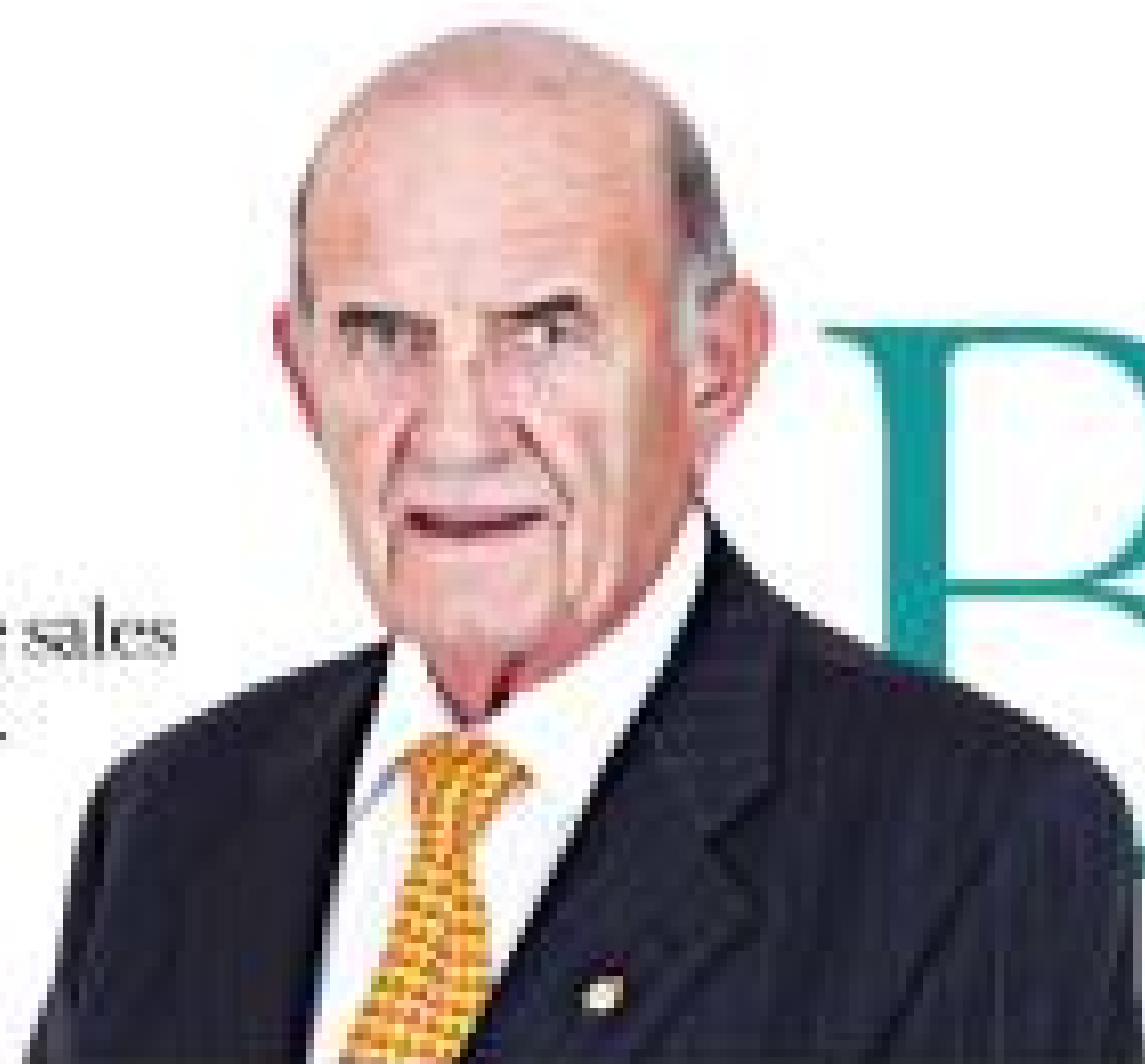
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ARAB NEWS

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We have been tracking the sales figures hour by hour.

**Colm McLoughlin**  
CEO of Dubai Duty Free



# Business

TRADE

## Trump touts 'big progress'

US president makes claim following 'long and very good call' with his Chinese counterpart

AFP Washington

**The US President Donald Trump on Saturday touted "big progress" following a phone call with his Chinese counterpart, President Xi Jinping, on trade, after the tariff war between the world's two biggest economies helped rattle markets.**

"Just had a long and very good call with President Xi of China," Trump said on Twitter.

"Deal is moving along very well. If made, it will be very comprehensive, covering all subjects, areas and points of dispute. Big progress being made!"

Washington and Beijing imposed tit-for-tat tariffs on more than \$300 billion worth of goods in total two-way trade earlier this year, locking them in a conflict that has begun to eat into profits and contributed to stock market plunges.

But relations have thawed since Chinese President Xi Jinping and Trump agreed to a 90-day truce in early December.



President Donald Trump meets his Chinese counterpart Xi Jinping in November, 2017. Reuters

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RETAIL

## Dubai Duty Free sales soar above \$2bn

Arab News London

Annual sales clocked up by Dubai Duty Free (DDF) hit 7.3 billion dirhams (\$2 billion) on Saturday morning, the emirate's airport retailer said in a statement.

The sales figure marks a record for DDF, which reported 7.05 billion dirhams in sales in 2017, although the rate of growth has slowed. The retailer reported sales worth 6.6 billion dirhams in 2016.

"2018 has been a good year for Dubai Duty Free, and we have been building up toward the \$2 billion sales figure all year," said Colm McLoughlin, CEO of Dubai Duty Free.

"We have been tracking the sales figures hour by hour over the past couple of days and it is fantastic to have achieved this figure before the end of the year."

A Danish couple, purchasing a 1,999 dirham camera, pushed DDF through the \$2 billion barrier — and were presented with a \$2,000 gift card.

Dubai Airports CEO Paul Griffiths said last month that he expected more than 90 million passengers to use Dubai International Airport this year.

## Five factors fueling the oil market in 2018

FAISAL MRZA



It was a rollercoaster-ride of a year for the oil markets, with Brent prices soaring to a high of \$86 in October, before a dramatic crash to as low as \$50 earlier this month.

With a few blips along the way, the first three quarters saw prices move upward, with strong trading activity in the physical markets, healthy demand and refining margins.

The bearish horizon that clearly weighed on market sentiment in 2016 and the uncertainties of 2017 all but vanished in the first nine months of this year, when stability returned to the market.

Yet all that was undone in the final quarter, when the massive equities selloff in the US, as well as interest rate rises, coincided with oil prices nosediving.

Here are some of the key factors that fueled the oil market this year:

### 1. Stock, oil markets moving together

The global equities collapse in the fourth quarter — exacerbated by the US Federal Reserve's signals that it plans to keep increasing interest rates — coincided with a steep drop in oil prices. That followed a similar scenario in early February, when oil prices and US stocks fell sharply in parallel. Analysts see this link persisting in the immediate future. "For the time being, the stock market and the oil market will echo each other," Ahn Yea-Ha of Kiwoom Securities in Seoul told Reuters. "Global economic slowdown worries have been weighing on stock market movements, and oil prices are not free from those concerns."

### 2. OPEC+ success in stabilizing markets

This year proved that the historic OPEC+ agreement — in which the producer group and several others, led by Russia, agreed to slash oil output — could have success in helping to balance the market. Oil price movements have taken a gradual upward trend since the beginning of

2017, when OPEC+ began its output cut of 1.8 million barrels per day (bpd). While prices retreated in the last quarter of this year, compliance with a new agreement to cut by 1.2 million bpd, which starts in January, will be of vital importance to the market in 2019. Yet it is premature to judge how effective the output-cuts strategy will be before it kicks in.

### 3. IEA injects dose of pessimism

Throughout much of 2018, the Paris-based International Energy Agency (IEA) neglected the largely bullish sentiment in the physical oil market — and instead put out pessimistic forecasts. For example, the IEA started to insinuate that the global oil market is firmly in the shale era, and that output growth from the US will offset OPEC+ cuts in 2019. Yet all the evidence shows that the IEA's goal is to push down oil prices. On top of that, contradictions emerge when the IEA's oil market reports and one-off announcements are scrutinized, leading to questions about the IEA's reading of market fundamentals.

### 4. Higher demand means there's room for shale

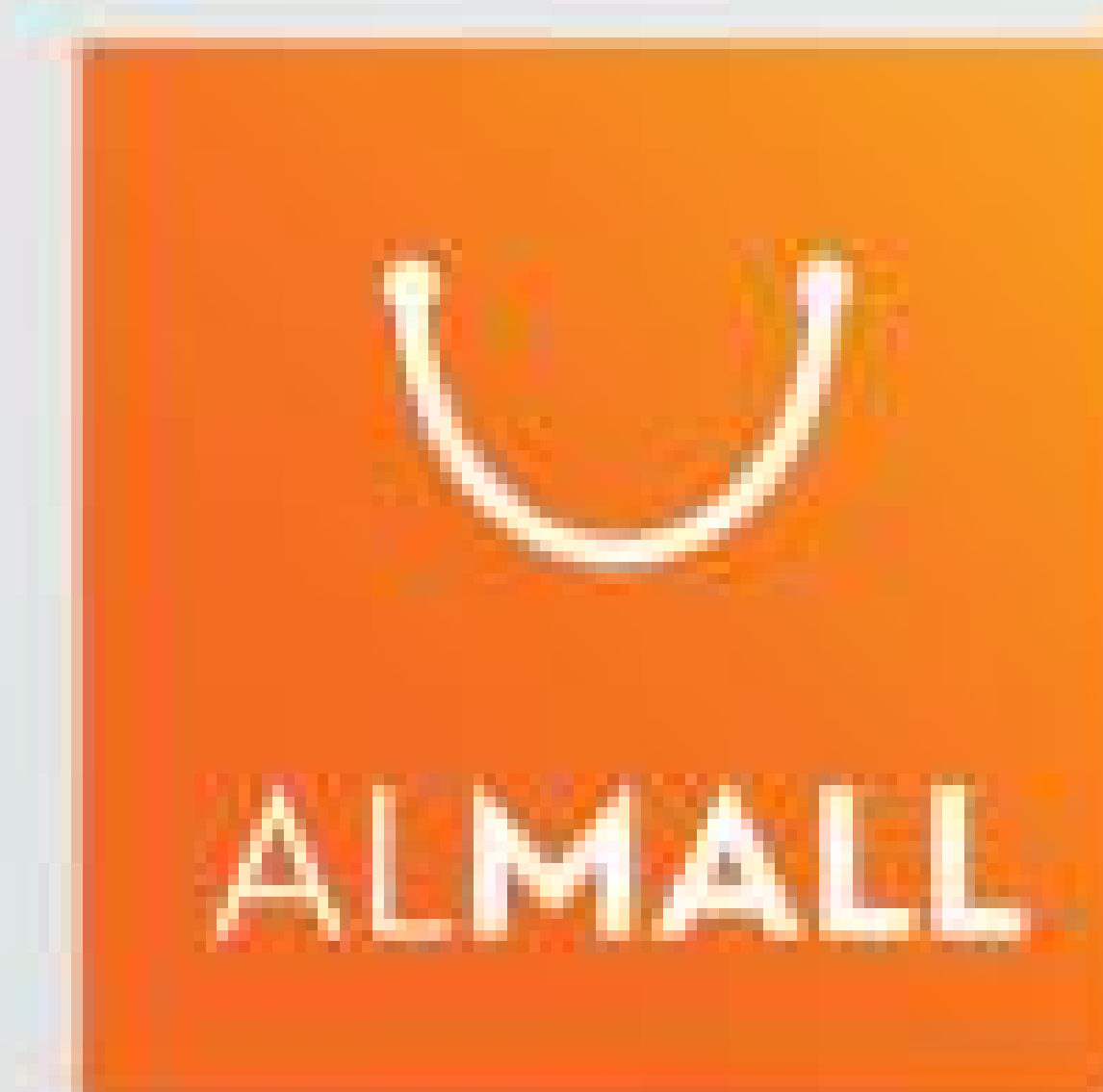
Global oil demand recently passed the 100 million bpd mark. And as demand grows, there will be room in the market for shale from the US. The growing oil demand welcomes any new supplies that help the oil market fulfil its need, be it shale or conventional oil outputs.

### 5. US' sudden waivers on Iran sanctions

Earlier this year, OPEC producers readied themselves to offset any supply shortages caused by US sanctions on Iranian oil exports, but the US surprised the market with waivers to eight of the major importers. That saw oil prices nosedive amid concerns over a surge in supplies. Yet OPEC+ reacted effectively to this sudden change in US sanctions, through its deal to cut outputs by 1.2 million bpd.

Faissal Mrza is an energy and oil marketing adviser. He was formerly with the OPEC and Saudi Aramco.  
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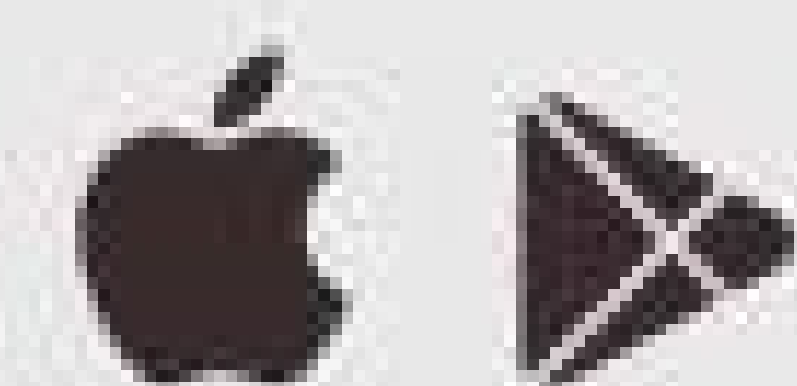


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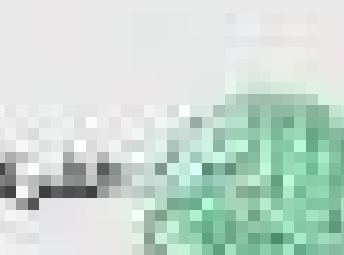
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## Business News



## THE LIST

Increases by sector since the March 2009 market bottom:



The S&P 500 index has fallen 9.9 percent in December while the Dow has lost 9.7 percent. Reuters

WALL STREET

# Defensive stocks are 2019 top picks as investors told to play it safe

Reuters New York

**Perceived safe havens such as utilities and consumer staples, often an afterthought in Wall Street's cascade of year-ahead investment recommendations each December, are emerging as top picks as stocks limp into 2019.**

Growth-oriented sectors such as tech or communications services have typically dominated year-end roundups of investment ideas. But an uncertain economic outlook and concerns the bull market's roar is morphing into a bear's growl have led to more Wall Street banks telling investors to play it safe.

A Reuters analysis of 2019 outlooks from 10 major financial institutions found eight, including Morgan Stanley, Goldman Sachs

and Barclays, with "overweight" ratings on at least one defensive sector for 2019. That marks a big change from last year, when just two of those banks favored any defensive sectors.

Bank of America Merrill Lynch, for instance, has moved its rating on utilities to "overweight" from "underweight."

"Utilities offering 6 to 8 percent total return with a lower level of risk might actually be a good place to be in an environment where volatility is rearing its head," Savita Subramanian, the bank's head of US equity and quantitative strategy, said during a recent outlook call.

The lack of analyst love for defensive sectors over the years is understandable.

Appreciated more for their rich dividend yields than share price gains, the utilities and consumer staples sectors have turned in rela-

tively yawn-worthy performances during the long bull run since the March 2009 market bottom.

Utilities and staples are up 135 percent and 160 percent, respectively, versus the S&P 500's 268 percent gain. The tech sector has jumped 441 percent and consumer discretionary has soared 513 percent.

But defensive sectors have held up reasonably well for the past three months while the market has crashed around them.

Nasdaq is now in a bear market, having recently slid more than 20 percent from its record high in late August, and the S&P 500 earlier this week was just a stone's throw from bear territory.

In recommending defensive sectors, including the health sector in some instances, many strategists cited decelerating US and global economic growth and the potential

for higher market volatility.

Geopolitical issues such as US-China trade tensions and Britain's exit from the EU could also continue to weigh on US equities in 2019, investors said.

Defensive sectors may also ben-

**Issues such as US-China trade tensions and Britain's exit from the EU could still weigh on equities in 2019.**

efit from an expected slowdown in the pace of Federal Reserve interest rate increases in 2019.

Because of their higher dividend yields, defensive stocks are seen as bond proxies and do poorly when interest rates and bond yields are on

the rise, as they were through much of this year.

But the Fed is now seen throttling back on rate hikes, and benchmark 10-year Treasury yields have retreated to around 2.75 percent, down by roughly half a percentage point from an early November high.

Robert Phipps, director at Per Stirling Capital Management in Austin, Texas, recently added a utilities position to his stock holdings, the majority of which are in growth sectors.

"There's the income component, and it is actually among the few sectors that still has upside momentum," he said.

Cyclical and growth sectors are not entirely out of the mix. For instance, RBC Capital Markets has "overweight" ratings on consumer staples and health care but also on financials and energy.

Some investors argue it is too early to jump into defensive sec-

tors with economic and earnings growth expected to continue, albeit at a slower pace. Safe havens are also looking pricey relative to growth stocks.

Forward price-to-earnings ratios for the S&P 500 consumer staples and utilities sectors are now higher than for the technology sector, according to Refinitiv data. Utilities are the priciest they have been relative to tech stocks in 2-1/2 years.

Still, even some of the more optimistic strategists say a sector allocation shift is warranted. Jonathan Golub, chief US investment strategist at Credit Suisse Securities in New York, recently upgraded his rating on health care to "overweight."

"The economy is going to move forward, and I think the market is going to move forward, but they're not going to be led by things that are as cyclical," Golub said.

TECHNOLOGY

## Chinese firms in show of support for Huawei

Firms encourage employees to buy Huawei products in patriotic display

AFP Shanghai

Chinese firms are encouraging staff to buy Huawei smartphones following Canada's arrest of a top executive on a US extradition request, which has triggered an outpouring of nationalist support.

Several companies are offering employees subsidies for Huawei phone purchases, while others have even warned staff against buying Apple products.

In eastern China, Fuchun Technology said "nearly 60" out of its 200 employees have taken advantage of 100 to 500 yuan (\$15 to \$29) Huawei phone subsidies as of Saturday.

Another tech firm, Chengdu RYD Information Technology, has offered 15 percent subsidies,

though it declined to disclose how many employees have taken advantage of the benefits.

"We are supportive of good China-made brands," a spokeswoman told AFP, adding that the subsidies are part of employee benefits and were not "guided by the government."

One company has even threatened to fine employees who buy iPhones, charging them 100 percent of the smartphone's market price.

"Stop buying US brands for company equipment," Shenzhen-based Menpad said in an internal notice, confirmed by AFP.

The surge of patriotism began after Meng Wanzhou, Huawei's chief financial officer, was de-

### SPEEDREAD

In a show of patriotism, several firms in China are offering subsidies to employees who buy a Huawei phone. Fuchun Technology, for example, said about 60 employees have taken advantage of a \$15 to \$29 subsidy. One company even threatened to fine employees who buy iPhones, charging them 100 percent of the smartphone's market price.

tained in Canada on Dec. 1 on a US extradition request linked to sanctions-breaking business dealings with Iran.

She has since been released on

bail pending her US extradition hearing, and is now living under electronic surveillance in a luxury home in Vancouver.

Ottawa has repeatedly said Meng's arrest was not political but rather part of a judicial process in keeping with an extradition treaty with Washington.

But some in China see Meng's arrest as part of a broader conspiracy to suppress China's high-tech enterprises, with nationalist tabloid Global Times accusing Washington of "resorting to a despicable rogue's approach" because it cannot stop Huawei's progress in the 5G market.

The internal notices announcing the Huawei subsidies started circulating on China's Twitter-like Weibo earlier this

month, and have split Chinese Internet opinion.

Some users were in favor of buying phones in the name of patriotism, while others questioned whether Chinese firms were simply leveraging Huawei's case as a marketing strategy.

"Those companies are conscientious for standing by Huawei's side," praised one Weibo user. "The government should also publish an official document to support domestic brands."

But another user, who said they supported Huawei, criticized the practice of punishing staff who purchase Apple products. To win respect, domestic tech brands should "keep fighting despite setbacks and adopt an attitude of not accepting defeat," they said.

MEDIA

## China restarts video game approvals

Reuters Shanghai

China on Saturday approved the release of 80 online video games after a freeze on such approvals for most of the year.

However, the approved titles, listed on the website of the State Administration of Press, Publication, Radio, Film and Television, did not include games from industry leader Tencent, the Chinese video game giant.

China, the world's biggest gaming market, stopped approving new video games in March amid a regulatory overhaul triggered by growing criticism of video games for being violent and allegations that they were causing myopia as well as addiction among young users.

## Business News

US-CHINA ROW

# Trade war costs billions of dollars for both sides

Reuters Chicago

**The US-China trade war resulted in billions of dollars of losses for both sides in 2018, hitting industries including autos, technology — and above all, agriculture.**

Broad pain from trade tariffs outlined by several economists shows that, while specialized industries, such as US soybean crushing, benefited from the dispute, it had an overall detrimental impact on both of the world's two largest economies.

The losses may give US President Donald Trump and his Chinese counterpart, Xi Jinping, motivation to resolve their trade differences before a March 2 deadline.

The US and Chinese economies each lose about \$2.9 billion annually due to Beijing's tariffs on soybeans, corn, wheat and sorghum alone, said Purdue University agricultural economist Wally Tyner.

Disrupted agricultural trade hurt



**It's something that is crying out for a resolution. It's a lose-lose for both the United States and China.**

both sides particularly hard because China is the world's biggest soybean importer and last year relied on the US for \$12 billion worth of the oilseed.

China has mostly been buying soy from Brazil since imposing a 25 percent tariff on American soybeans in July in retaliation for US tariffs on Chinese goods. The surge in demand pushed Brazilian soy premiums to a record over US soy futures in Chicago, in an example of the trade war reducing sales for US exporters and raising costs for Chinese importers.

"It's something that's crying out for a resolution," Tyner said. "It's a lose-lose for both the United States and China."

Total US agricultural export shipments to China for the first 10 months of 2018 fell by 42 percent from a year earlier to about \$8.3 billion, according to the US Department of Agriculture.

The most actively traded soybean

futures contract averaged \$8.75 per bushel from July to December 2018, down from an average of \$9.76 during the same period a year earlier. As of Dec. 28, futures in the last month of the year were averaging \$8.95-1/2 a bushel. That was down from \$9.61-3/4 for all of December last year.

To compensate suffering farmers, the US government has allocated about \$11 billion to direct payments and buying agricultural goods for government food programs.

In North Dakota, which exports crops to China through ports in the Pacific Northwest, soy farmers face at least \$280 million in losses because of Beijing's tariffs, said Mark Watne, president of the North Dakota Farmers Union.

"You could almost put another \$100 million on top of this because all commodity prices are down and that affects North Dakota farmers indirectly," Watne said.

China's tariffs improved margins

**Big US automakers have said higher tariffs will result in a hit to profits of about \$1 billion this year.** Reuters

for US soy crushers such as Archer Daniels Midland Co, by leaving plentiful supplies of cheap soybeans on the domestic market.

Chinese soybean mills, on the other hand, front-loaded soy purchases ahead of the tariffs. This led to an oversupply that reduced Chinese processing margins and led factories this summer to make the biggest cuts in years to the production of soy meal used to feed livestock.

China resumed purchases of US soybeans in early December following a trade truce agreed to by leaders from the two countries during G20 summit in Argentina. But Beijing kept its 25 percent tariffs on the oilseed from America, which effectively curbed commercial Chinese buying.

"With the tariffs, the beans can't

go into the commercial system," said a manager at a Chinese feed producer, speaking on condition of anonymity. "The buying will have a very limited impact on the market."

China also suffered as products such as phone batteries were hit by US tariffs, and customers began looking to buy elsewhere.

A study commissioned by the Consumer Technology Association showed US tariffs on imported Chinese products cost the technology industry an additional \$1 billion per month.

The conflict also squeezed US retail, manufacturing and construction companies that had to pay more for metal and other goods.

The Big Three Detroit automakers — General Motors Co, Ford Motor Co, and Fiat Chrysler Automobiles — have each said higher tariff costs will result in a hit to profits of about \$1 billion this year. Ford and Fiat expect a similar hit in 2019.

TRADE

## China allows first US rice imports ahead of talks

Reuters Beijing

China has opened the door to imports of rice from the US for the first time in what analysts took to signal a warming of relations between the world's two biggest economies after a frosty year marked by tensions and tit-for-tat tariffs.

The green light from Chinese customs, indicated in a statement posted on the customs authority's website, comes in the run-up to talks between the countries in January after US President Donald Trump and Chinese President Xi Jinping agreed to a moratorium on higher tariffs that would affect trade worth hundreds of billions of dollars.

It was not immediately clear how much rice China, which imports rice from within Asia, might seek to buy from the US. But the move, which comes after years of talks on the matter, follows pledges from China's Commerce Ministry earlier this week of further US trade openings.

"I wouldn't be surprised to see importers trying to move rice into



China opened its rice market when it joined the World Trade Organization in 2001. Reuters

estimated at 5 million tons. Rice makes up only a small portion of US agricultural exports, which are dominated by shipments of soybeans, grain, tree nuts and meat.

"The permission for US rice suggests an improving US and China relationship," said Cherry Zhang, an agriculture analyst with consultancy JCI. Zhang said she expected any imports would likely be ordered by state-owned companies.

Officials at a government-affiliated think tank in Beijing said the price of US rice was not competitive, compared with imports from South Asia, and said the move to formally permit imports from the US should be interpreted as a goodwill gesture.

China opened its rice market when it joined the World Trade Organization in 2001, but a lack of phytosanitary protocol between China and the US effectively banned imports, according to trade group USA Rice.

Nonetheless, in July China formally imposed additional tariffs of 25 percent on US rice, even though imports were not permitted at the time.

### HIGHLIGHTS

- China permits US rice imports after years of talks
- Move comes ahead of key January talks on easing trade dispute
- Not clear how much US rice, seen as expensive, might be bought
- Change 'suggests improving US-China relationship'

## BizBriefs

THE BEST OF THE REST

US satellite service

**OneWeb 'has not offered stake to Russia'**

The US startup OneWeb, which plans to create a worldwide Internet network using satellites, has said it had not offered the Russian government a stake in the project.

Sources had told Reuters that OneWeb had offered to sell a 12.5 percent stake to Russia, to allay Moscow's concerns about the company's plan.

Russia's Federal Security Service said in October it was against the OneWeb's project to bring Internet access to remote parts of the country because the agency said it could be used to damage national security.

"OneWeb has not offered to sell any stake in OneWeb to the Russian Government," the startup said.

According to Russia's state news agency TASS the government says it has not discussed such a deal with OneWeb.

Reuters

Media

**Spiegel suspends editors after fake news scandal**

Influential German news weekly Der Spiegel, shaken by a scandal over a reporter who admitted faking stories, said it has suspended two senior editors.

The contracts of Ullrich Fichtner, an editor in chief, and Matthias Geyer, a chief editor, have been "suspended until the (magazine's) internal commission has completed its investigation into the affair," the editor in chief Steffen Klusmann said in an internal letter.

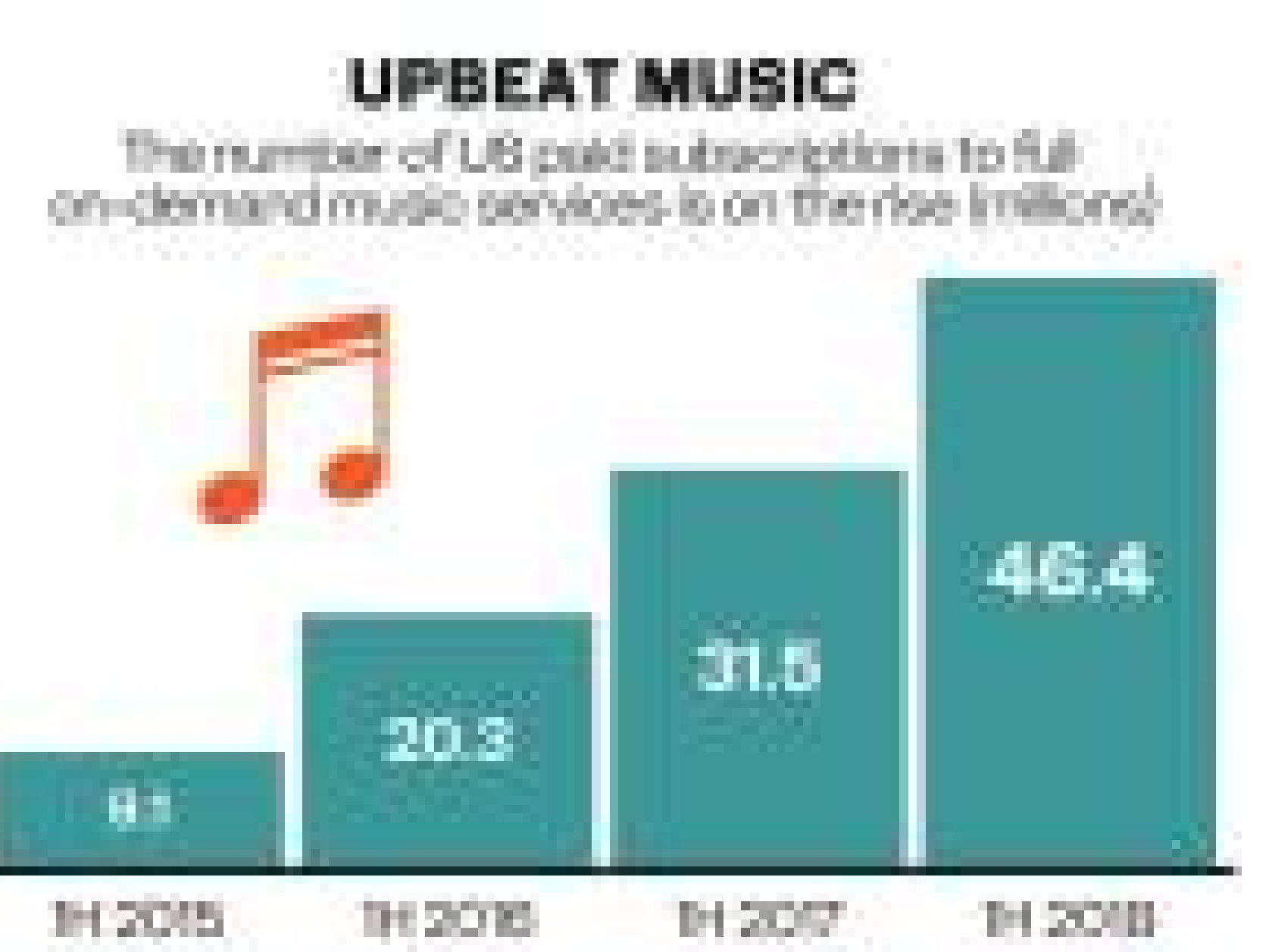
On Dec. 19, Der Spiegel stunned the media world by revealing that one of its award-winning reporters had for years falsified stories. Claas Relotius, 33, resigned after admitting he had made up stories and invented protagonists.

Relotius denied additional accusations that he may also have embezzled donations intended for Syrian street children.

AFP

### Chart of THE DAY

US subscriptions to music services grew 48 percent in the first half of 2018, while CD sales plummeted — a factor cited in the recent decline of UK retailer HMV. Source: RIAA



## What We're Listening To

FOR THE TRAIN OR ON THE PLANE

### Rogue Startups

There's no shortage of podcasts devoted to startups out there, but this long-running series stands out from the crowd. Rogue Startups — presented by Dave Rodenbaugh and Craig Hewitt — features tips for budding entrepreneurs, through interviews with experts in the fields of sales, marketing, and product development.



Electric cars

**Tesla names Musk friend Larry Ellison to board**

Tesla on Friday named Oracle co-founder Larry Ellison, a shareholder and self-described close friend of Chief Executive Elon Musk, to its board to provide the independent oversight demanded by US regulators after months of turbulence.

The move aims to usher Tesla past the disruption caused by Musk's Aug. 7 tweet that he was considering taking the company private and had secured funding. The fallout, which included the US Securities and Exchange Commission filing fraud charges against Musk for what it said were his "false and misleading" tweets, led some investors to call for stronger board oversight of Musk.

The inclusion of Ellison puts one of the world's richest people with experience of building a startup into a successful company on Tesla's board.

Reuters

Weak demand

**Citi cuts iPhone production estimates**

Citi Research has reduced its first-quarter production estimates for Apple's iPhones and nearly halved expectations on the costliest iPhone XS Max, joining other brokerages in lowering forecasts amid reports of weak demand.

"The material cut in our forecasts is driven by our view that 2018 iPhone is entering a de-stocking phase, which does not bode well for the supply chain," analyst William Yang wrote in a client note.

Citi said it expects the company to make 45 million iPhones for the quarter, down from 50 million it forecast earlier. The cut was mainly due to weak outlook for the iPhone XS Max, Yang said. The brokerage lowered its forecast for the number of units produced in the first quarter of iPhone XS Max by 48 percent.

Reuters

The Kingdom is clearly awash with artistic talent.

**Mike Song**  
Head of Hyundai Middle East and Africa



# Corporate

PRESS RELEASES AND ANNOUNCEMENTS FROM THE WORLD OF BUSINESS AND COMMERCE

CREATIVITY

## Saudi women win new Hyundai Kona SUVs

Three talented women have won brand-new cars in a contest held by Hyundai to celebrate Saudi Arabia's female motorists.

The Kona Color Drive competition invited women to create customized exterior designs for the stylish sub-compact SUV.

"To celebrate the recent ruling that permits women in the Kingdom to drive, Hyundai decided to work with its official distributors in Dammam, Jeddah, and Riyadh to give away a brand-new car," said Mike Song, head of Hyundai Middle East and Africa.

"We received many wonderful entries and wish to thank everyone who took the time to produce them, plus the distributors whose support helped to make this promotion such a remarkable success. The Kingdom is clearly awash with artistic talent."

The Hyundai Kona is a stylish premium sub-compact SUV that was launched in the Saudi market earlier this year. For their chance to win one, women logged into a campaign microsite equipped with digital "paint" and graphic design tools. After viewing a short video highlighting the Kona's key features, entrants were tasked with flexing their creative muscles to come up with a colorful bodywork look by selecting shades, special effects, and various pen, brush, and spray tools. Entries were shortlisted by Hyundai product design experts, who deferred to the marque's three official distributors to make the final decision. They looked for designs that were creative and well balanced, and their adaptability to the 3D Kona bodywork.



Salma Ahmad Mahmoud, the overall winner, was handed keys to her new Kona in a ceremony at Park Hyatt Jeddah's Lazurde Ballroom.

Salma Ahmad Mahmoud, the overall winner, was handed keys to her new Kona. The Saudi national, who lives in Jeddah, impressed the judges with her red and black design, its boldness softened with a white floral pattern. The first runner-up was fellow Saudi national Sara Ahmed, from Dammam. Her entry featured an ombre-effect background of pinks and purples adorned with geo-

NUMBER

6,134

women from across the Kingdom submitted artwork to the Kona Color Drive competition, which ran from Sept. 23 to Nov. 25.

metric patterns. Also opting for a girly theme, this time rose and white, was Riyadh resident Hajer Al-Hanini.

Ahmed and Al-Hanini received 25 and 10 percent respectively off the price of a new Kona, or equivalent-value discount off a different Hyundai model of their choice. All three winners were honored on Dec. 23 in a ceremony at Park Hyatt Jeddah's Lazurde Ballroom.

Each finalist's work is also on display at her respective region's showroom and was exhibited at the Saudi International Motor Show, which ran from Dec. 16 to 20 at Jeddah Center for Forums and Events.

The campaign ran from Sept. 23 to Nov. 25. More than 230,000 people visited the competition web pages and 6,134 from across the Kingdom submitted artwork.

RETAIL

## LuLu Hypermarket opens in Al-Kharj

UAE-based LuLu Group has launched its newest hypermarket in Saudi Arabia's Al-Kharj city. It is LuLu's 15th hypermarket in the Kingdom and 158th globally. The store was officially inaugurated by Musaed Abdullah Al-Madhi, governor of Al-Kharj, in the presence of several dignitaries.

Strategically located in the heart of Al-Kharj, the new hypermarket covers a total built-up area of over 161,000-square-feet.

Yusuf Ali M. A., chairman of LuLu Group, said: "We are proud to reach out to another potential market in Saudi Arabia, where we come closer and give a conducive shopping environment to shoppers based in distant locations and I am sure the shoppers here will be pleased by the new retail experience we have created here. Through our internationally sourced quality products and enthusiastic staff, LuLu has been the most preferred destination for (people of) different nationalities and we will continue to preserve this identity with our new store."

Elaborating on the group's expansion plans, Ali said: "We are upbeat about the vast investment opportunities laid open in the Kingdom, thanks to the Kingdom's Vision 2030."

"We have already announced that as part of our expansion plans, 15 new hypermarkets will be opened in the Kingdom by 2020 at



The store was officially inaugurated by Musaed Abdullah Al-Madhi, governor of Al-Kharj, in the presence of several dignitaries.

an investment of \$1 billion (\$266 million). Under this plan, three hypermarkets have already been opened and another two hypermarkets are in line to be opened in Dammam and North Riyadh within the next three months."

"This is apart from the \$1 billion that we have already invested in the Kingdom till now," he added.

LuLu recently signed an agreement with the Saudi Arabian Na-

tional Guard to open two shopping centers and seven supermarkets in Dammam and Al-Ahsa. Work is in full swing to open three stores in the National Guard campus before the end of 2019.

"Investors need to support the economic reforms that are being introduced to boost the Kingdom's economy and have to play an active role in the efforts to generate more jobs for the citizens," said Ali.

AVIATION

## Jet Airways announces 9-day festive offer

The Indian airline Jet Airways on Monday commenced its nine-day festive offer, for guests planning their travel beginning 2019. With year-end festive season witnessing a strong demand for air travel, the airline is offering discounts of up to 30 percent to enable guests to enjoy substantial savings.

The fare sale will be available across all booking channels of the airline till Jan. 1, 2019 and will be valid for single and return international travel commencing from Jan. 7, 2019 onwards. Similarly, for guests traveling on Jet Airways' domestic network, travel validity commences from Jan. 1 and 8, 2019 onwards for premiere and economy, respectively. Guests from POS can choose to travel to India and beyond to Bangkok, Colombo, Dhaka, Katmandu, Hong Kong and Singapore.

Jet Airways will be offering the discounted fares on the prevailing lowest base fare. With the sale applicable for travel in premiere and economy, guests will be able to realize attractive savings on popular sectors across the airline's domestic and international destinations.

Shakir Kantawala, vice president — Gulf, Middle East and Africa, Jet Airways, said: "Jet Airways uses every opportunity to create memorable experiences for its guests. The fare sale is our way of thanking our guests for their patronage and giving us opportunities to create special moments for them.

### HIGHLIGHT

The fare sale will be available across all booking channels of the airline till Jan. 1, 2019 and will be valid for single and return international travel commencing from Jan. 7, 2019 onwards.



With this offer, guests can make considerable savings when planning their trips to explore and create everlasting memories at exotic destinations. We are confident that the promotion will be popular with our guests across the Gulf."

Earlier this month, Jet Airways signed a codeshare agreement with Saudi Arabia's budget airline Flynas, which will improve the connectivity between major Indian and Saudi Arabian cities.

Under the agreement, travelers will be able to use either airline for their trips between the two countries and on some domestic connections.

## Corporate Briefs

THE BEST OF THE BEST

### Conservation

#### Ford awards environmental grants to 9 groups

Ford Motor Company has announced the latest recipients of its Conservation and Environmental Grants, with a total of \$101,500 awarded to nine successful entries. Winners in 2018 hailed from five different countries — Egypt, Iraq, Jordan, Lebanon and Morocco — with projects focused on three main areas: Environmental Education, Protection of the Natural Environment and Conservation Engineering.

It was a close contest between the top two projects in the Environmental Education category, where both the Halgard-Sakran Park Project by Waterkeepers Iraq, and Rehabilitation of Al-Nakheel Island in El-Mina by Andre Nahhas School in Lebanon, each walked away with a \$15,000 bursary from Ford's Conservation and Environmental Grants.

### Appreciation Event

#### Hyatt hotels in Makkah region host annual party

Park Hyatt Jeddah, Hyatt Regency Makkah, and Hyatt House Jeddah hosted a corporate event to express its gratitude to the media and its top clients in making 2018 a successful year. Members of the media, officials from consulates, and corporate and government representatives were invited to attend the recent reception at Evania Spa.

Acting General Manager of Park Hyatt Jeddah Emad Yousef, General Manager of Jabal Omar Hyatt Regency Makkah Asif Raza and General Manager of Hyatt House Jeddah Bhatti Zulkifl delivered speeches to thank the attendees for their continuous support.

The management announced the opening of Hyatt House Jeddah by the end of December. It is the brand's first hotel in the Middle East region and will be located on Jeddah's Sari Street.

The evening concluded with a dinner featuring live cooking stations at Evania Spa, which overlooks the Red Sea and King Fahd's Fountain. Gifts were distributed to all the invitees.

### Launch

#### Aramex launches crowdshipping solution in KSA

Aramex, a global provider of comprehensive logistics and transportation solutions, has announced the launch of "Aramex Fleet." It is a crowd-based delivery platform that connects Saudi nationals to flexible last-mile delivery work to leverage on Saudi Arabia's sharing economy and support the strong demand for Aramex services in the Kingdom.

Aramex is the first among major international logistics and transportation providers to integrate this service in the MENA region, with plans to introduce the platform to at least 10 more countries over the next 12 months.

Saudi nationals are invited to join the Aramex Fleet platform through the official website: fleet.aramex.com

Abdulaziz bin Abdullah Al-Nowaiser, general manager of Aramex in Saudi Arabia, said: "We are excited to announce the launch of 'Aramex Fleet' in Saudi Arabia — Aramex's largest market in the Middle East and a country which is leading the growth of the sharing economy in the region."

## Sport



My message to all is to enjoy the tournament, we deserve to take part ... we are ambitious to show an outstanding level in this event.

Juan Antonio Pizzi

Saudi Arabia coach on the Green Falcons' Asian Cup chances



The Green Falcons last won the Asian Cup in 1996, which was also the last time it was held in the UAE. Can history repeat itself?

Main: Saudi Arabia's fans will have a big role to play at the 2019 Asian Cup if the Green Falcons are to leave the UAE victorious. Top left: New Zealand are hot favorites for the Rugby World Cup. Below inset, Australia will be hoping to repeat their victory in the last Cricket World Cup in 2015 under the leadership of Michael Clarke. AFP

2019 PREVIEW

# A sporting year to savor

From a fascinating Champions League to the intrigue of the Ashes, sport fans around the globe are in for a treat in 2019

Arab News London

This year is now all but over and it is fair to say that on a sporting level, both regionally and globally, we have been spoiled rotten. For the first time we saw four Arab nations pit their wits against the best footballing countries at last summer's World Cup and later on in the year Saudi Arabia won its first Olympic gold at any level as Mohammed Al-Assiri grabbed karate glory in Buenos Aires at the Youth Games. But ever the kind of people that look forward rather than get misty-eyed dwelling on the past, we are going to move on from 2018's fantastic feats and predict what might happen over the next 12 months in the sporting world.

## AFC ASIAN CUP

The year gets off to an epic start with the Asian Cup.

Taking place in the UAE, there is considerable Arab interest with 10 Arab nations taking part. A last year's World Cup success was always going to be difficult for the four Arab nations — Egypt, Morocco, Saudi Arabia and Tunisia — but in the UAE there are at least three Arab sides who can approach the big kick-off with designs on winning the tournament.

The Green Falcons' time in Russia last summer swung from the sorry — an opening-day 5-0 thrashing at the hands of the hosts — to the sublime, with a first win at the showpieces (2-1 over Egypt) since 1994. They head into the Asian Cup as one of the favorites. Juan Antonio Pizzi's men last lifted the trophy in 1996 which, as luck would have it, was also the last time the tournament was held in the UAE. Can history repeat itself?

The coach certainly thinks it can and is looking for his players to carry on the momentum gained at the World Cup.

"We believe we have selected the best players for the squad and the focus now is on making sure we are ready. In terms of preparation, the squad is exactly where we wanted them to be at this stage," Pizzi said earlier this week.

"I think these players are in their best technical and physical form at the moment. We are determined to show an outstanding level and we having had a good preparation process, I am sure we can do well at the AFC Asian Cup."

If the Green Falcons are to have their wings clipped before achieving glory next year then another Arab nation that may well fancy their chances are the hosts.

The UAE failed to qualify for the World Cup and while they have the considerable help of home advantage, The Whites will likely struggle to make an impression. They are without their talisman, Omar Abdulrahman out injured, and their record heading into the tournament is not one to inspire much confidence. In 16 matches under coach Alberto Zaccheroni the UAE have won just four times, losing five and drawing seven.

A Syrian triumph would be a surprise but after their heartbreak at not making the World Cup — a play-off defeat to Australia putting paid to their hopes of an appearance in Russia — few would begrudge Omar Khrabin and Co. a decent run next month.

But as well as teams looking for ultimate glory, there are those for whom just being there is triumph in itself. Lebanon have qualified for their first ever Asian Cup, as have Yemen. Palestine are about to play their second Asian Cup having exited at the group stage four years ago. Lumped in a group with Syria and Australia they could find it tough to make it to the second round.

Of the favorites South Korea will be buoyed by the brilliant form of Son Heung-min for Tottenham, and Australia, Iran and Japan will all fancy their chances.

**ARAB NEWS PREDICTS:**  
South Korea to win whole thing. Saudi Arabia to make the semis.

## CHAMPIONS LEAGUE

Just one look at the second-round match-ups is enough to thrill anyone with a passing interest in football. Manchester United vs. PSG, Liverpool vs. Bayern Munich, Ajax vs. Real Madrid just three of eight mouth-watering ties. The past three years have seen Real lift the trophy. What was significant about two of those titles was that Real were far from impressive domestically — the Champions League has become a competition more suited to Cup sides rather than those dominant over a season. That may not bode well for Liverpool who are unbeaten in the Premier League and look in dominant form. The Reds only just scraped into the last 16 and may find

that their focus on capturing their first English top-flight title since 1990 gets in the way of European glory. Barcelona are looking good in La Liga but their brittle defense will put paid to any chances of a sixth European Cup.

This is as open a Champions League as we can remember. There are at least nine sides that have a reasonable chance of ultimate glory. We cannot wait for it all to kick off.

**ARAB NEWS PREDICTS:**  
Juventus to claim a third title with the last four consisting of Manchester City, Liverpool and Borussia Dortmund.

## CRICKET WORLD CUP

While we might be purists here at Arab News and prefer the longer, more challenging form of cricket — the Test arena — even we are

looking forward to six weeks of swashbuckling batting and electric bowling in next year's one-day bonanza in England and Wales. Reigning champions Australia will believe they can put a terrible 2018 behind them and take a fifth world title on the home turf of their nemesis England, while South Africa will be hoping to claim a maiden World Cup victory. Meanwhile, Virat Kohli and his India side have been in very impressive form over the past 12 months, and will be confident of winning back the trophy they won in 2011, which would be their third title.

Hot favorites and current world No. 1 team England — hosting the tournament for a sixth time since the inaugural event in 1975 — have everything going for them to finally land the tournament that has always eluded them, with home support and the final being held at Lord's. Watch out, though, for dark-horses New Zealand and Pakistan. Kane Williamson's charges will hope to avenge 2015's final defeat to Australia while Sarfaraz Ahmed will want to channel the spirit of Imran Khan and the victorious team of 1992.

**ARAB NEWS PREDICTS:**  
England to beat India at the "Home of Cricket" in the final after both sides vanquish Australia and Pakistan in the semifinals.

## THE ASHES

With all due respect to India and Pakistan's epic battles, the most hotly anticipated series in Test cricket returns next summer as Australia travel to England to defend the Urn they won so convincingly in 2018. With the series following immediately after the World Cup, it is going to be a fantastic summer for cricket fans. Ashes series rarely need anything to stoke the rivalry between the two sides, but given the ball-tampering scandal that rocked Australian cricket this year, expect England players and fans to give their eternal enemies some stick on and off the

pitch. It will be a hard series to call, and with no Alastair Cook at the top of England's order getting the batting line-up sorted will be key for Joe Root. Meanwhile, Australia have been woeful in English conditions in recent series, and have not won the Ashes on English soil since 2001, so they will be hoping their new tougher, more resilient brand of cricket will be enough to rise above the cauldron of abuse and keep their hands on the most famous trophy in cricket.

**ARAB NEWS PREDICTS:**  
A drawn series in the fifth and final Test at The Oval, meaning Australia retain the Ashes.

## RUGBY WORLD CUP

Rugby union's showpiece tournament is back next year after 2015's thrilling edition, and will be held in Asia for the first time as Japan take on the mantle of hosts. Since their shock, history-making win over South Africa in Brighton at the last tournament, rugby has exploded in popularity in the country and visitors to the host cities are in for a warm welcome and a carnival atmosphere. On the pitch, once again New Zealand will be the team to beat. The All Blacks are seeking their third straight title and a fourth overall. Many challengers from both the northern and southern hemispheres will want to knock them off their perch, but Ireland appear to be the team most likely to do so having beaten Steve Hansen's side in Dublin earlier this year. Of course, Australia, South Africa, England, Wales and France will have something to say about that. It promises to be something new for the sport of rugby and an enthralling watch for the fans around the world.

**ARAB NEWS PREDICTS:**  
If they can avoid each other in the quarterfinals, expect a rematch between New Zealand and Ireland in the final, with the Boys in Green edging a classic for their first world title.



Christian Ronaldo, right, helped Real Madrid to Champions League glory this year, above, but in 2019 he hopes to win it with Juventus. Australia are seeking a first Ashes win in England since 2001, left. AFP



The Queen of Soul Aretha Franklin will get a royal tribute from Alicia Keys, Patti LaBelle, Kolly Clarkson and more next month.



# & Finally

## The Six

### Bella of the ball

With the Hadid sisters taking 2018 by storm, it is only right that we take a look at some of younger sister Bella's crowning fashion moments this year.



### Razzle dazzle

Hadid oozed old Hollywood glamor as she arrived for the screening "BlacKkKlansman" at the Cannes Film Festival in May wearing a silver Elie Saab gown.



### Glamorous in black

The US-Palestinian model wore a daring sequined ensemble for the Fashion For Relief Cannes 2018 event on the sidelines of the Cannes Film Festival.



### Fit for a princess

It seems Hadid's stylists pulled out all the stops at the Cannes Film Festival this year, as our third look is the princess-worthy Dior ballgown she wore to the premiere of "Ash is Purest White (Jiang hu er nv)."



### Gothic chic

She arrived at this year's Met Gala in a supremely dramatic black outfit by LA-based rocker-chic brand Chrome Hearts, complete with fingerless gloves and an oversized habit.



### Effortless chic

In January, Hadid wore a chic burgundy leather coat dress to celebrate her mother's birthday and the premiere of her show, "Making A Model With Yolanda Hadid."



### Wild card

Hadid didn't hold back this Halloween and attended Heidi Klum's 19th Annual Halloween Party in a brilliant "Beetlejuice" costume.

CLOSE UP

## Model Shanina Shaik to ring in the new year in Bali

Arab News Jeddah

**Victoria's Secret model Shanina Shaik will be ringing in the new year in Bali with husband DJ Rulus and friends.**

The Pakistani-Lithuanian-Australian model, whose father is Pakistani-Saudi, jetted off to the Indonesian island after celebrating Christmas with her family in Melbourne.

Since landing in Bali, Shaik has been giving fans glimpses of her holiday on Instagram. She shared her relaxed holiday look in a makeup-free selfie, dressed in pink pants and a white crop top.

"I worked out this morning (thank heavens! It's better to have all your friends on a trip to motivate you)," she wrote alongside the photo. "Now all I want to do is eat some good authentic Indonesian food."

The model later posted short videos of a restaurant where she said she ate fresh seafood. She also shared a clip of herself with her friends, photographer Jennifer Cooper, hairstylist Jennifer Yopez, and American entrepreneur and Def Jam records founder Russell Simmons. "The team is here in Bali," Shaik wrote.

In another photo posted on Friday, the brunette beauty wore fresh flowers in her hair, in a nod to the traditional culture of Balinese women. "Balinese vibes ... the beginning of my 2019 will be here," Shaik wrote as a caption to the photo.

The 27-year-old has had quite a successful 2018 personally and

professionally, the highlights of which she shared on her Instagram stories on Saturday.

Shaik starred in one of the biggest fashion shows of its kind — Victoria's Secret — in November, along with other top models with Middle Eastern roots, including Melie Tiaoh, a French-born model of Lebanese heritage, and the US-Palestinian Hadid sisters.

Shaik shot for the upcoming comedy movie "Greed" with co-stars Isla Fisher and Steve Coogan on the Greek island of Delos, and presented Shawn Mendes with an iHeartRadio Music Award.

Shaik starred in a video for Etihad Airways, in which she boards a flight to Paris and waxes lyrical about the service and food, adding that she "really enjoyed the Arabic mezze plate and being served my favorite Arabic coffee and dates."

The globe-trotting model took part in a photoshoot in Bermuda with US-based e-tail platform Revolve.

She was featured on the cover of Brides magazine, turned heads at the gala of the Foundation for AIDS Research (amfAR) in Cannes, and attended high-profile Oscar parties, including the Vanity Fair and Elton John parties.

On the personal front, Shaik married her long-time beau DJ Rulus, born Gregory Andrews, on musician Lenny Kravitz's private island of Eleuthera in the Bahamas in May.

The couple promptly followed up the wedding with a bash in Miami that was attended by likes of Bella Hadid and model Hailey Baldwin.



Shaik attends the 2018 MTV Video Music Awards in New York City. AFP

Shanina Shaik attends the TommyXLewis Launch Party at Public Arts in New York City. AFP



HEALTH ISSUES

## Ariana Grande cancels concert in Los Angeles

Reuters Los Angeles

Ariana Grande has canceled a Las Vegas concert due to "health issues," the singer has said.

The 25-year-old singer, one of the most popular in the US, was set to perform at The Cosmopolitan hotel on Saturday.

"Vegas, I'm currently working through some health issues and am beyond sorry I won't be able to see you this weekend," she wrote on Instagram.

Entertainment website TMZ reported that Grande had bronchitis, citing sources close to the singer. A representative for Grande was not immediately available for comment.

Grande finished 2018 with her song "Thank U, Next" at the top of the Billboard Hot 100 chart for the sixth week. Her year also saw the death of ex-boyfriend and rapper Mac Miller in September and her break up with fiance Pete Davidson in October.



Ariana Grande. Reuters

HONOR

## Twiggy, Monty Python's Palin on UK honors list

AFP London

A team of British divers who helped save a junior football team stranded in a flooded cave in Thailand were awarded in Britain's traditional New Year Honors alongside former supermodel Twiggy and Monty Python's Michael Palin.

The seven underwater specialists involved in the remarkable rescue were also joined on the prestigious annual achievement list — announced on Friday — by Hollywood filmmaker Christopher Nolan, Jim Carter from "Downton Abbey," best-selling author Philip Pullman and leading Brexit lawyer John Redwood.

Sixties it-girl Lesley Lawson was once again on the front pages of the national newspapers on Saturday after it was announced she would receive a damehood for services to fashion following a decades-spanning career modeling, singing and acting.

REVIEW

## Syrian artist explores childhood memories through a microscope

Arab News Dubai

The Third Line gallery in Dubai is set to unveil Syrian artist Sara Naim's second solo exhibition in its Alserkal Avenue space.

The exhibition, titled "Building Blocks," will run from Jan. 16 - Feb. 27 and explores the artist's preoccupation with micro images and her attempts to explore concepts of memory and cognitive association.

"Building Blocks" maps the cellular make up of three elements that the artist holds dear: Jasmine, soil and Aleppo-made soap.

Using a scanning electron microscope, Naim captured the cellular structure of each sample, magnified it, and revealed its complexity through imagery mounted on wood and plexiglas.

"The large-scale renditions include deliberate glitches such as formal distortions, light leaks or reticle cross lines — interferences that further abstract the works and hint at the imperfection of memory and thus of human nature," according to The Third Line.

Also set to go on show is a short film about the

artist's process, which places the viewer's eyes in front of the microscope as its lens explores the relief of all three samples morphed into one.

The exhibition also features

sculptural works, in a series called "Forms" — organic shapes that imitate topographies Naim encounters during the scanning process.

The soap brick structures presented as part of the "Forms" series are set to be erected on

the gallery's floor, with their broken, cut and fragmented forms imitating glitches in Naim's photographs.

The visual artist grew up between Dubai and London and received her MFA in Fine Art Media at London's Slade School of Fine Art in 2014.

She now works in Paris and has held a series of solo exhibitions, including "Reaction," at the Parafin Gallery in London, "When Heartstrings Collapse," at The Third Line in Dubai in 2016 and "Heartstrings," at the Hayward Gallery in London in 2015.



A piece by artist Sara Naim. Supplied



A soap brick structure. Supplied