

The Business

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■ Industry and Commerce Minister Dr Hassan Fakhro yesterday stressed the importance of co-ordination and follow-up for joint projects with Russia. This came during a meeting with Russian Direct Investment Fund adviser Victor Lysechko, Aksenok Alexander and Babloyan Kamo from Vnesheconombank and members of the Bahrain-Russian Joint Businessmen Council. Russian Ambassador Victor Smirnov and Bahrain Chamber of Commerce and Industry chairman Dr Essam Fakhro were present. The minister stressed the government's keenness to utilise the scientific expertise of other countries to boost Bahrain's economic growth.

Inflation to remain under 1.5pc says CBB Governor

By ARTHUR MACDONALD

MANAMA: Inflation in Bahrain is set to remain under 1.5 per cent this year, Central Bank of Bahrain (CBB) Governor Rasheed Al Maraj predicted yesterday.

He was speaking on the sidelines of a meeting of GCC central bank governors at the Ritz-Carlton Bahrain, Hotel and Spa, which he is chairing.

He said he expected economic growth which reached 3.9pc last year to be around 4pc for this year.

"Inflation in Bahrain has always been moderate and is only really driven by external prices and in particular food prices as the kingdom has to import most of its food.

"Inflation is always a concern for central banks but at present we see no reason to believe it will be more than 1pc to 1.5pc this year."

He said that at present the banking sector was looking more healthy.

"Bank earnings were largely up last year and I would expect that will continue when the financial institutions report first quarter results. There are no major concerns in the sector."



■ Central bank governors at the meeting

He added that there were no plans to change the dinar's peg to the US dollar.

"Our current exchange rate policy has served us well and we have no intention of doing anything else," he said.

He said the GCC central banks had identified key systemic banks and will engage with them to safeguard ownership, complexity and competitiveness.

Commenting on the need for con-

solidation in the financial industry in the region to create scale, he said: "We are aware of some early discussions about further consolidation in the banking industry. At this time there is no lack of liquidity in the banking system to meet the Basle III challenge.

"We need to be more careful with Islamic banks as the number of sukuk issues is not yet as abundant as required

but this is a work in progress," he said.

"As far as we are concerned, we are promoters of Islamic finance and have worked with many countries to develop this industry in both Europe and the UK and it is good to see they have a commitment to get on board.

"We want to see Islamic finance to become part of the global financial architecture."

Major honour for Al Baraka vice-president

MANAMA: Al Baraka Banking Group vice-president Ali Adnan Ibrahim has been named as one of the World Economic Forum's 200 Young Global Leaders (YGL) Class of 2013.

Drawn from a pool of several thousand candidates, the 2013 YGLs were chosen by a committee, chaired by Queen Rania of Jordan. The selection was based on the proven track record of the individual, his or her leadership experience, ability to overcome diversity and commitment to society.



■ Mr Ibrahim

Becoming part of the YGL community is described by its members as being a transformational experience. YGLs join as individuals, who are successful in their own field of expertise, but become part of a broader collective community that works to tackle a range of world issues

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UAE discount window plan on right track

MANAMA: The UAE central bank said yesterday that preparations to introduce a discount window were proceeding.

Last September, the bank announced it would develop its monetary policy framework by launching a discount window to enable banks to borrow intra-day and overnight funds.

Central bank governor Sultan Nasser Al Suweidi said, "It takes time of course to make studies and put systems. We are on track."

Asked whether the window might open this year, he said, "I cannot give you any date. It is not only regulations, it is computer systems. So you have to develop the right computer systems...that take different currencies into consideration."

In January last year, the UAE signed a three-year currency swap agreement with China worth 20 billion dirhams (\$5.5 bn) to boost two-way trade and investment.



■ Steelmark Mideast has received the ISO 9001:2008 certification from GIC, a UK-based certifying body. The company engaged Mars Consultants to train staff in implementing systems in line with the standard. Above, at the certificate handover ceremony are, Mars Consultants chief executive M Sreenivasan, Steelmark managing director Vinod Das, fourth from left, and other staff of the company.