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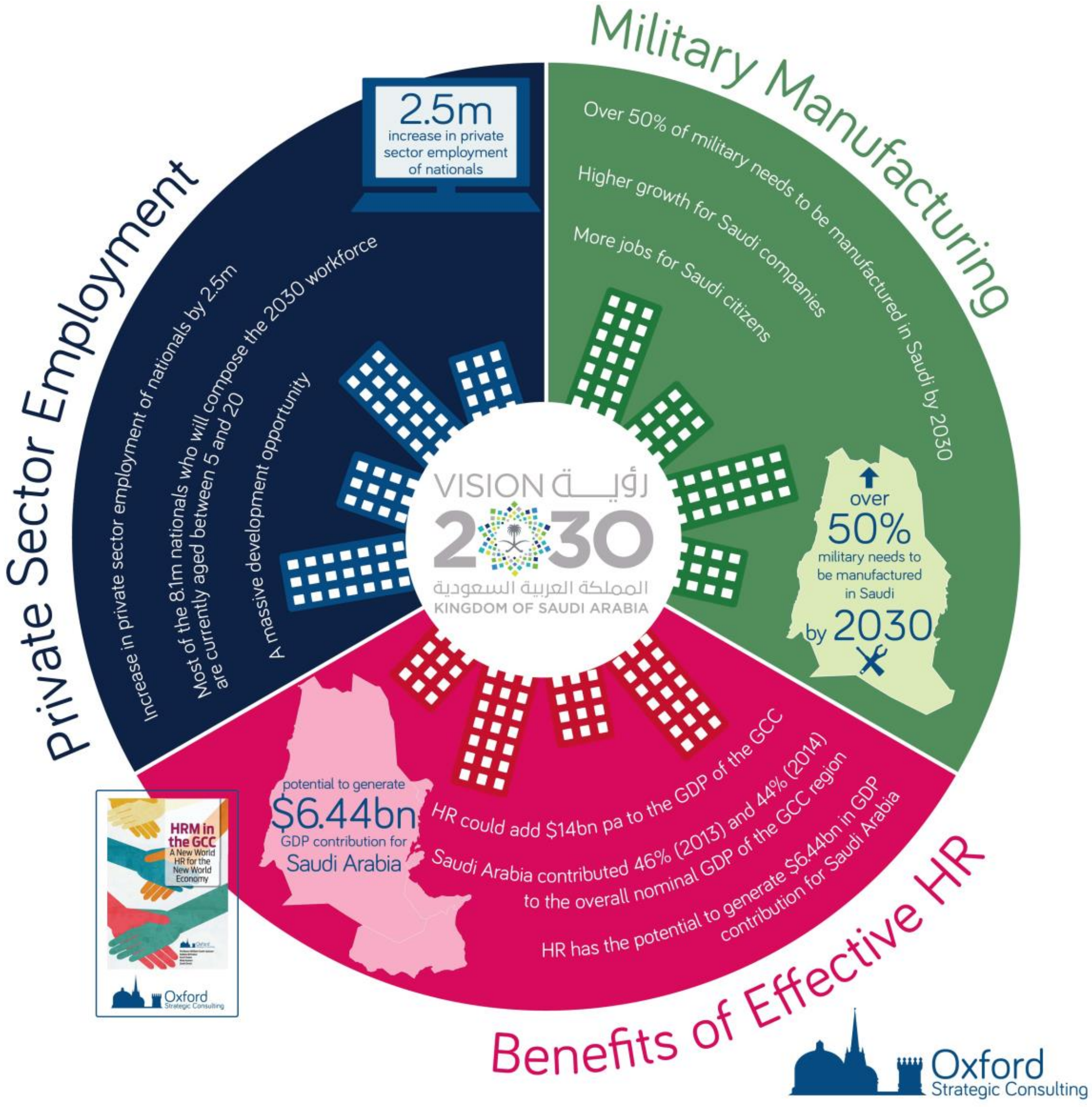

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Donald Trump considers issuing new travel banoverseas

Is Saudi Arabia on the cusp of change?

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Donald Trump considers issuing new travel ban

Mr Trump's travel ban caused chaos at US airports and sparked protests across the country

Donald Trump is considering a new executive order to ban citizens of certain countries from travelling to the US after his initial attempt was overturned in the courts.

Mr Trump told reporters on Air Force One that a "brand new order" could be issued as early as Monday or Tuesday.

It comes after an appeals court in San Francisco upheld a court ruling to suspend his original order.

It barred entry from citizens from seven mainly Muslim countries.

It is unclear what a new US immigration order might look like.

Mr Trump said that it would change "very little", but he did not provide details of any new ban under consideration.

Despite his suggestion on Friday, Mr Trump's administration may still pursue its case in the courts over the original order, which was halted a week ago by a Seattle judge.

"We'll win that battle," Mr Trump told reporters, adding: "The unfortunate part is it takes time. We'll win that battle. But we also have a lot of other options, including just filing a brand new order."

A unnamed judge from the 9th US Circuit Court of Appeals, which on Thursday upheld the stay on the original order, has called on all 25 judges of that court to vote on whether to hear the appeal again.

Technically known as an en banc review, a second hearing of the case would involve an 11-judge panel, rather than the three who initially heard the appeal.

Mr Trump's travel ban, which was hastily unveiled at the end of his first week in office, caused chaos at US airports and sparked protests across the country.

On Thursday, the appeals court said the administration failed to offer "any evidence" to justify the ban, which the president said was necessary to keep the US safe from terror attacks.

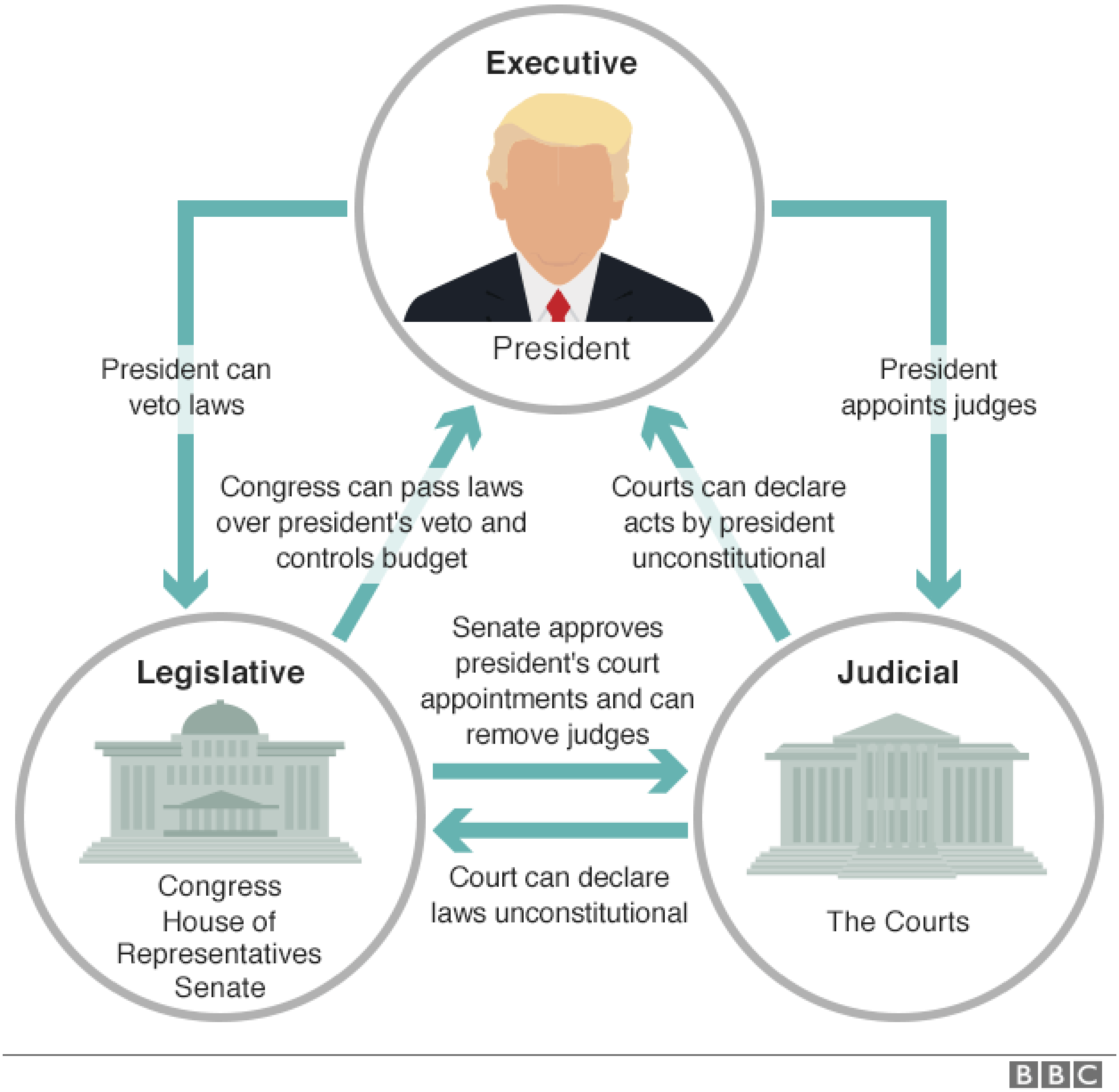
However Mr Trump insisted that the executive order was crucial for national security and promised to take action "very rapidly" to introduce "additional security" steps in the wake of the court's decision.

He spoke as Virginia state lawyers argued in court that his policy "resulted from animus toward Muslims".

Their challenge focuses on the travel restrictions imposed by the ban, rather than the four-month suspension of refugee admissions.

But lawyers for the US government in Virginia wrote that "judicial second-guessing" amounted to "an impermissible intrusion" on Mr Trump's constitutional authority.

Checks and balances on the US government



The appeals court ruling means that visa holders from Iran, Iraq, Libya, Somalia, Sudan, Syria and Yemen can continue to enter the US, and refugees from around the world, who were also subject to a temporary ban, are no longer blocked either.

But the ruling does not affect one part of Mr Trump's controversial executive order: a cap of 50,000 refugees to be admitted in the current fiscal year, down from the ceiling of 110,000 established under his predecessor, Barack Obama.

Is Saudi Arabia on the cusp of change?

Women are banned from driving in Saudi Arabia

Ask about change in Saudi Arabia.

The reply used to be: it will come, in its own way and in its own time, in the conservative kingdom.

It was another way of saying it would take a long time - and might never happen.

But, in Saudi Arabia now, talk of change is measured in months.

"I made a bet with a male colleague that the ban on women driving would end in the first six months of this year, and he said it would happen in the second half," a successful Saudi businesswoman says to me over lunch in the capital, Riyadh.

"But now I think it will happen early next year, and apply only to women over 40," she adds.

Rocking out, Saudi-style

That's a prediction you hear in Riyadh's royal circles too. Some even say younger women will be allowed to drive before too long.

Change on every front is still slow and cautious in a culture where ultra-conservative religious authorities wield great influence, and many Saudis want to hold on to their old ways of living. But an accelerating pace is largely being forced on Saudi rulers and society by a dramatic change in fortune for the world's biggest oil producer.

Oil and gas provide 90% of Saudi Arabia's income

The crash in world prices for Saudi Arabia's black gold halved its revenues a few years ago and now shapes the hard choices and changes it must make in many parts of life here.

"It's been a one engine jet for decades," is how John Sfakianakis of the Gulf Research Center explains a country that depends on oil and gas for 90% of its income.

"Now it needs multiple engines."

Enter a new master plan, grandly titled Vision 2030, which was unveiled with great fanfare last year.

Vision 2030 hopes to boost private sector growth

It's stamped with the imprimatur of the 31-year-old Deputy Crown Prince Mohammad Bin Salman, who crafted the ambitious blueprint with a cast of highly paid foreign consultants.

The deputy crown prince and those around him know that someday oil wells will run dry and, even before that, most people will be driving electric cars.

"It's absolutely necessary to get to Vision 2030 and our objectives," says the country's powerful Oil Minister Khalid al-Falih.

The former CEO of the state oil giant, Aramco, the world's biggest oil company, Mr al-Falih even has the need to diversify written into his new title. He's the minister of energy, industry and mineral resources.

"Whether we get there in 2030, whether we get some of them in 2025, some of them in 2030, some of them in 2035, we'll see," he explains in a nod to a master plan with demanding benchmarks for every ministry.

Saudi editor and writer Khaled Maeena points to a new accountability starting to emerge.

"Everybody is on the go, ministers bureaucrats and all, looking over their shoulders not to make mistakes," he says.

Those at the top, he adds, must "lead by example".

Two thirds of Saudi Arabia's population is aged below 30

Salaries and lavish perks have been slashed in government jobs. The private sector is expected to provide one of the big engines for growth. It's still not up to speed.

"We're not hiring now," asserts a Saudi business executive who oversees a vast conglomerate of companies. "And we're not selling to the government unless we're sure we'll get paid for our goods."

"Vision 2030 is unlikely to reach its destination in 2030," a sceptical Saudi statistician replies when I ask for his view. Like most Saudis who criticise, he asks not to use his name.

"But at least there is a vision, and this time there are practicalities about how to achieve it," he adds, in a reference to previous schemes which never went anywhere.

"This is la la land," was the even more scathing assessment of another consultant. "Is there a bureaucracy able to implement it and a readiness at the top to change their own lives?"

Many of Saudi Arabia's young are educated abroad

The young deputy crown prince driving this plan, who is seen as the favourite son of 81-year-old King Salman, knows there's another clock fuelling pressure for change.

Two-thirds of Saudis are his age or younger.

Hundreds of thousands of them, men and women, were educated at the best western universities thanks to a generous scholarship programme started by the former King Abdullah.

Now they're back, looking for work but also ways to spend their weekends in an austere culture where even cinemas are banned,


Saudi restaurants are carefully segregated

Under the rules, men can only sit with women if they are dining with their female relatives, or "families" as that section is known.

But even since my last visit about a year ago, small but significant steps are visible.

Gone from the streets of the capital are the notorious religious police, the Mutawa, who used to roam in a mission to "prevent vice and promote virtue" and were often accused of zealously abusing their powers. The deputy crown prince is credited with sorting this out.

Many Saudis are excited at the prospect of more entertainment events

Wealthy Riyadh residents speak excitedly of newly opened restaurants where seating arrangements are less strict and music blares loudly.

"We need to see women drivers and cinemas here," insists Waleed al-Saedan when we meet at one of the few public places where the speed of life truly picks up.

"Dune bashing" in the desert provides one of the few legal thrills as Saudis rev the engines of sand buggies and SUVs to careen down the soft slopes of sand.

Dune bashing is a popular sport in parts of the Middle East

As is so often the case here, it's usually a men-only adventure.

But a new General Entertainment Authority is on the case. Despite its stern title, the people who run it are on a mission to bring some fun to Saudi lives, albeit within limits. No one is suggesting drinking and dancing.

"My mission is to make people happy," asserts the authority's chairman Ahmed al-Khatib, whose own serious demeanour is quickly brightened by a smile.

A calendar of some 80 events ranging from art festivals to light shows and live music concerts is carefully prepared and implemented to avoid any backlash which could put the whole project at risk.

Huge crowds turned out for a rare concert in January

"We will definitely provide things for the more open people and we will provide activities and things for the more conservative people," Mr al-Khatib explains, choosing his words carefully.

Opening up more social freedoms isn't just about providing more fun.

"Seventy billion riyals are being spent by Saudis on holidays abroad," laments a Saudi tour operator who is trying to tempt Saudis to spend more of their time and money at home instead of fleeing to the bright lights of Dubai or London.

Women are being encouraged to take part in Vision 2030

More profound changes like political reform, tackling a questionable human rights record, or easing a web of restrictions on women's lives aren't on the agenda.

And at the same time as happiness is on the agenda, so is pain.

This is a country where people have always lived with cheap petrol, without taxes, and free water and electricity.

Saudi Arabia will have to diversify its revenue streams in the coming years

Now subsidies are being cut and a sales tax introduced. A new "Citizen's Account" will help lighten the burden for poorer families, but Saudis are having to juggle their own finances now.

"Saudis have taken too much for granted for too long," insists Nadia al-Hazza, an engineer who used to worked in the oil and gas sector who is now helping to get women involved in Vision 2030.

She starts her presentations with a famous mantra from former US President John F Kennedy: "Ask not what your country can do for you, but what you can do for your country."

So now Saudis are also being asked to do more, and faster, than they've ever been used to.

"We're like a turtle on wheels," says political observer Hassan Yassin. "We're moving in a faster way to try to meet local demands and 21st Century obligations."

Hundreds of migrants storm fence to reach Spanish enclave of Ceuta

Both migrants and police were reportedly hurt when a group stormed the fence ringing Ceuta

Around 700 migrants have stormed a six-metre (20 ft) security fence that separates Morocco from Ceuta, a Spanish territory in North Africa.

Police said security cameras showed the migrants breaking through one of the gates, some wielding shears and clubs.

The Ceuta regional government said almost 500 made it across the razor wire barrier.

Ceuta and Melilla, another Spanish territory in North Africa, have the EU's only land borders with Africa.

As a result, they are popular crossing points for migrants hoping to reach a new life in Europe.

Ceuta is separated from the rest of Spain by the Strait of Gibraltar.

A Ceuta government official told The Associated Press that 498 migrants had forced their way into Spanish territory.

He said two were hospitalised due to injuries sustained in the assault, and that 11 Spanish police were also hurt.

- **What are Ceuta and Melilla like?**
- **More on Europe's migrant crisis**

Many of those who tried to break through the fence were pushed back by Moroccan security forces.

Dozens who made it across celebrated in the streets in the early hours of the day, shouting "freedom" and draping themselves in European flags.

A migrant was seen with bloodied hands after crossing the fence

The methods often used by migrants to enter Ceuta include climbing the border fence, swimming along the coast, or hiding in vehicles.

But most migrants are intercepted and returned to Morocco, and those who do make it over the fences are eventually repatriated or released.

The last mass attempt to climb the fence **happened on New Year's Day**, and involved about 1,100 migrants.

Only two were successful, and both required hospital treatment. One guard lost an eye in the violence, officials said.

A note on terminology: *The BBC uses the term migrant to refer to all people on the move who have yet to complete the legal process of claiming asylum. This group includes people fleeing war-torn countries such as Syria, who are likely to be granted refugee status, as well as people who are seeking jobs and better lives, who governments are likely to rule are economic migrants.*

Trump at a policy forum with business leaders chaired by Blackstone Group CEO Stephen Schwarzman on February 3

Donald Trump's Executive Order Will Not let Private Equity Funds Drain Your 401(k)

DONALD TRUMP'S FEBRUARY 3 executive order enabling financial advisers to continue ripping off their clients could prove a lifeline for a surprising beneficiary: the private equity industry.

The Department of Labor's fiduciary rule would have forced investment advisers in workplace retirement plans like 401(k) to operate in their clients' best interests, rather than recommending high-cost, high-risk products that offer the advisers kickbacks and perks.

The Obama White House estimated in a 2015 report that conflicts of interest cost retirement savers $17 billion annually, though that figure has been challenged.

The fiduciary rule, finalized last year, was to go into effect in April. But the new order directs the Labor Department to review the rule, which is expected to initiate the process of rescinding it.

As Gary Cohn, former Goldman Sachs president and director of the National Economic Council, put it, the fiduciary rule “is like putting only healthy food on the menu, because unhealthy food tastes good but you still shouldn’t eat it because you might die younger.”

Why Trump thinks individual workers must have the freedom to choose poison for their retirement funds is unclear. But one reason could be that his friends in private equity have long sought to add their particular form of junk food to that menu.

And to break into the 401(k) market — especially with financial products that are high-risk, high-cost, and often make their money from ripping established companies apart and selling the pieces — private equity funds would need a lot of help from the advisers who guide ordinary investors in the process. And that would require the ability to offer those advisers considerable perks and kickbacks.

On the same day that he issued his fiduciary rule executive order, Trump met with his White House jobs panel, headed by Steven Schwarzman, CEO of the world’s largest private equity firm, Blackstone.

“We’re getting rid of your regulations,” Trump told Schwarzman and his colleagues on Friday.

Late last month, Schwarzman stressed his craving for Blackstone to get into the 401(k) market. “In life you have to have a dream,” Schwarzman said on an analyst call, “and one of our dreams is our desire and the market’s need to have more access at retail to alternative asset products.”

Traditional pension funds invest heavily in private equity; this makes up about one-quarter of total private equity capital. But defined contribution plans like 401(k)s have traditionally not invested in the asset class. Because 401(k) holders choose how to invest their money and can move in and out of funds quickly, they don’t fit mechanically with private equity, which locks in investors over several years. Also, private equity usually asks for large minimum investments, not less than $5 million, to open their funds to investors.

But with pension plans now a rarity compared to defined contributions retirement plans, private equity wants to crack the 401(k) market to unlock trillions of dollars in potential capital. Americans hold $6.8 trillion in individual retirement plans like 401(k)s. The Wall Street Journal describes this as “something of a Holy Grail quest” for the industry.

Large firms like Carlyle, Blackstone, Partners Group, and Kohlberg Kravitz Roberts (KKR) have developed a series of 401(k)-friendly products over the past couple years. Most enable plan advisers to offer private equity stakes to investors as part of a "target fund," in a diversified portfolio with other investments. "That's where we believe private equity should go," said Kevin Albert, global head of business development for Pantheon Ventures, on a Wall Street Journal podcast.

If plan advisers take this up, it would flood more money into private equity. "Five percent of the estimated $6.8 trillion and growing in 401(k)s is $340 billion — a nice chunk of change," said Eileen Applebaum, senior economist at the Center for Economic and Policy Research and author of *Private Equity at Work*.

But these investments are far riskier than most 401(k) offerings. Contrary to popular belief, private equity firms do not outperform the market. Fees are also often opaque and much larger than those in passive funds, usually extracting 1 to 2 percent of the total capital invested and 20 percent of the profits. A 2014 SEC study found that over half of the private equity firms examined shifted costs to benefit themselves, like billing investors for legal and compliance costs without their knowledge, or forcing investors to pay for "consultants" who are actually former employees of the companies. Giant fees guarantee private equity profits regardless of the performance of their portfolio.

Last week, Pantheon introduced a new performance-based offering to plan advisers, with Pantheon only benefiting if they outperform the benchmark S&P 500. Albert claimed this would relieve the threat of class-action lawsuits over high fees. Pantheon will also partner with KKR and other firms to ensure they have sufficient funds to invest in companies, regardless of whether 401(k) investors pull their money out on a moment's notice.

But private equity has been accused of deliberately reporting exaggerated returns to harvest fees. And even if the returns were legitimate, this would still throw millions of retirement dollars into an industry that has been sharply criticized for its predatory version of capitalism.

Private equity firms buy out companies and load them with unsustainable debt, forcing severe cost-cutting to maintain survival. Because private equity serves as manager and investor, they favor short-term gain over a company's health, whether through using bankruptcy, favorable tax strategies, or monetizing assets. Workers often get left behind, with lower wages, lost jobs, or restructured union contracts.

The destruction of the Mervyn's department store chain provides a salient example. Once a major retailer with 30,000 employees, Mervyn's was bought out in 2004 by a consortium of private equity firms, who split off the company's real estate assets and forced stores to pay exorbitant rent to service $800 million in debt. Within four years, Mervyn's liquidated the entire operation in bankruptcy. The private equity managers, however, earned profits through the real estate deals and came out ahead.

Individual investors would therefore be using retirement dollars to fund an industry that terrorizes workers and sucks value from their employers.

How does sidelining the fiduciary rule facilitate this? Plan advisers would not be required to act in the best interest of their clients when promoting target funds, enabling them to include private equity, regardless of the fee structure or threat of losses.

"It could put retirement income at risk and may be more costly than the individual investor recognizes," said Eileen Applebaum. "The financial adviser will know, but they're now under no obligation to divulge."

Advisers could also receive hidden kickbacks for including these investments in the target funds. There's already a large cottage industry of perks for financial advisers, most of them obscure to individual 401(k) subscribers. Few would be able to outbid wealthy private equity firms for the privilege of peddling complex financial products to ordinary investors.

According to a study from researchers at Indiana University, the University of Texas and the Federal Reserve last October, plan advisers routinely present limited choices to 401(k) investors, to steer them into unnecessary or risky options. This favoritism benefits affiliated funds, and with private equity perks in the waiting, advisers would have yet another incentive to tout their products.

CONTACT US

underthemacroscope@gmail.com

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