FINANCIAL TIMES

WORLD BUSINESS NEWSPAPER

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Finally speaking out
A former Weinstein employee on #MeToo and NDAs — PAGE 14

Shaky ground
US protects Syrian oilfields

A convoy of US armoured vehicles patrols yesterday outside the town of al-Malikiyah in northeastern Syria, near the border with Turkey.

The US began deploying troops last week to protect Syrian oilfields currently held by Kurdish dominated Syrian Democratic Forces. It also reaffirmed its commitment to fighting isis in the country, despite President Donald Trump's promise to withdraw US forces.

That decision has stoked fears of instability among traditional US allies in the region, such as Saudi Arabia and Egypt, who worry that an increasingly unpredictable White House risks strengthening Iran's foothold in the Arab world.

Fear of an American vacuum page 17

Briefing

- **Singapore fears Hong Kong-style dissent** Despite winning every election since independence, the party has made contingency plans in case of unpeaceful protests in the city state. — PAGE 2
- **Ethiopia Nobel winner under fire** Just weeks after he was awarded the Nobel Peace Prize for bringing stability to the Horn of Africa, the prime minister, Abiy Ahmed, has been accused of increasing authoritarianism in Ethiopia. — PAGE 6
- **JPMorgan pours $130bn into bonds** The US bank has signalled a major shift in how it manages its vast balance sheet by pushing more than $130bn of excess cash into long-dated bonds and cutting the amount of loans it holds. — PAGE 9
- **Spain's poll rivals face economic doubts** The ruling Socialist party under Pedro Sánchez is vowing to raise taxes and its rivals are promising to cut them. But election pledges have rarely been in such doubt. — PAGE 7

- **China stock market set to top rankings** Shanghai and Shenzhen equities have bounced back from a dismal 2018, putting China's market on track to be the world's best performer this year. — PAGE 4
- **Berkshire increases cash pile to $128bn** Warren Buffett's conglomerate has increased its cash pile to a record $128bn in the third quarter, as the "Sage of Omaha" searches for large acquisitions to boost Berkshire Hathaway's returns. — PAGE 9
- **Aide told to avoid impeachment probe** The White House has instructed a top adviser to Donald Trump's chief of staff not to appear before Congressional committees leading the impeachment investigation into the US president. — PAGE 2

Saudi Aramco finally launches IPO with goal of raising $60bn

- Offer price still to be set
- Up to 3% of oil group for sale
- Kingdom seeks $2tn valuation

ANDREW ENGLAND and SIMEON KERR — London

Saudi Arabia launched its long-awaited initial public offering yesterday, kicking off the centrepiece of Crown Prince Mohammed bin Salman's ambitious economic and social reforms.

The listing had faced delays triggering doubts over the ability of the world's most profitable company to secure the $2tn valuation coveted by the kingdom.

A milestone in Prince Mohammed's drive to deliver on his pledge to modernise the kingdom, the IPO was tipped to be the world's largest. Riyadh hopes to raise as much as $60bn with a sale of up to 5 per cent of the company. Bankers privately believe $1.2tn-$1.8tn is a more realistic valuation. The company said it would issue the IPO prospectus on November 9. The final offer price, the size of the listing and the valuation would be determined at the end of the book-building period.

Yasir Al-Rumayyan, Saudi Arabia's sovereign wealth fund governor and chairman of Saudi Aramco, said the IPO was "maybe a small, tactical step" in the history of the company" and showed progress towards delivering Prince Mohammed's Saudi Vision 2030 plan.

Saudi Aramco's formal announcement is the closest the government has come to finalising the listing, which Saudi officials said would take place on the domestic Tadawul exchange.

Saudi Aramco reported $111bn in net income in 2018. Until now, the biggest IPO has been that of Chinese ecommerce company Alibaba in 2014, which raised $25bn. But, two people briefed on the process said despite the formal announcement of an intention to float, Riyadh remained still poll the listing at a later stage depending on the prevailing financial environment.

The IPO will play a central role in Mohammed bin Salman's plans to modernise the kingdom

Watch a short film [illegible] many of whom were ensnared in Prince Mohammed's corruption crackdown in 2017 — have been put under pressure to invest.

Foreign investors, meanwhile, have been more sceptical about the kingdom's valuation expectations, citing delays to project discovery facilities.

Most major banks, are hiding IPO: gan, Goldman Sachs and Citigroup, have been working on the listing.

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Ex-auditor says he got too close to Vatican secrets

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Washington presses Taiwan to curb TSMC chip sales to China's Huawei

KATHRIN HILLE — TAIPEI

The US is pushing Taiwan to restrict its biggest chipmaker from producing semiconductors for Huawei, the Chinese telecoms group, and to institute stricter controls on technology exports to China.

Washington has over the past year repeatedly asked the government of President Tsai Ing-wen to restrain Taiwan Semiconductor Manufacturing Company (TSMC), the world's largest contract chipmaker, from selling chips to Huawei, according to Taiwanese and US government officials.

Last month, a US official told Taiwanese diplomats that chips made by TSMC for Huawei were going straight into Chinese missiles pointing at Taiwan, a statement intended as a "metaphor" illustrating the risks of supplying China.

The move comes as Washington seeks to plug loopholes in its ban on selling to Huawei, part of a broader effort to ensure secure supplies for the US defence sector and to stem China's rise as a technology power.

China has been stepping up efforts to transfer technology between civilian industry and the military, heightening US concerns about supply chains.

"In this particular case, we have a partner that is under a direct military threat from China, and is also one of the few places that produce certain technologies China needs to support its military ambitions," a senior US official said.

TSMC has received a boost from Washington's decision earlier this year to limit US companies from supplying to Huawei. China accounted for about 20 per cent of TSMC's revenue in the third quarter, and Huawei constitutes almost half of that, estimates Randy Abrams, head of regional semiconductor research at Credit Suisse.

Eric Sayers, vice-president at Beacon Global Strategies, a security advisory firm in Washington, said he expected the US to increase scrutiny of advanced chip exports to China from countries such as Japan and South Korea.

Taipei declined to comment on the US demands.

Industry experts remain sceptical that Washington can force Taiwan's pugnacious other countries to ban Huawei from their 5G networks has had patchy success.

While the US recognises that Taiwan is unlikely to rein in TSMC ahead of January's presidential election, the US official said Washington expected Taipei to "take a closer look" in the near future.

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