

# Saudi Aramco prepares for global expansion

REUTERS, Saudi Arabia  
Saudi Arabia's state-owned oil giant Aramco is seeking to expand globally via joint ventures overseas as it prepares for a partial privatization pushed by a government intent on diversifying the economy.

The company is looking at opportunities in the United States, India, Indonesia, Vietnam and China, chief executive Amin Nasser told reporters during a rare media visit to the company's Dhahran headquarters.

"We are looking at the current market status that, even though challenging, is an excellent opportunity for growth," Nasser said, adding that he believed an extra 1.2 million barrels per day would be added to global oil demand this year.

Changes to Saudi Aramco lie at the heart of plans for a radical overhaul of the kingdom's economy and energy sector to meet the challenge of expected lower oil prices that have already caused massive fiscal deficits in Riyadh.

Saudi Arabia is expected to sell up to five percent of Aramco via an initial public offering (IPO) and has asked the company to play a big role in developing industrial projects aimed at diversifying the energy-

centred economy.

"We will meet the call on Saudi Aramco," Nasser said, adding that the company produced an average of 10.2 million bpd of crude in 2015 and that the latest stage of its expansion project at the southeastern Shaybah oil field would be finished "in a couple of weeks".

The increased capacity of 250,000 bpd, taking Shaybah's total production capacity to 1 million bpd, is aimed at rebalancing Saudi Arabia's crude oil quality and at compensating for falling output at other fields as they mature, he said.

Saudi Aramco also expects a huge ship repair and shipbuilding complex that it is developing at Ras al-Khair on the kingdom's east coast to be fully operational by 2021, Nasser said.

The first part of the shipbuilding complex, part of Riyadh's plans to boost industrial diversification, will be ready by 2018, and it will eventually make oil rigs and tankers, Nasser said.

A presentation by the company showed the complex would create 80,000 jobs and allow Saudi Arabia to reduce its imports by \$12 billion, while increasing the country's gross domestic product by \$17 billion.

# World Bank says India faces stark digital divide

AFP, New Delhi  
India is a global IT powerhouse but a huge majority of the population remains locked out of the benefits brought by the digital economy, the World Bank said Tuesday.

India's vibrant business process outsourcing sector, centred in the southern hubs of Bangalore and Hyderabad, has made it the leading exporter of IT services and skilled manpower in the developing world.

Yet nearly a billion people have no Internet access, the biggest offline population of any country, World Bank economists said at the India launch of the World Development Report 2016, Digital Dividends.

Fewer than two in five Indian businesses have an online presence, compared with almost two-thirds of Chinese firms, the report found.

India needs to strengthen the "analogue foundations" of its digital economy --

providing affordable Internet access, training workers in new skills and beefing up regulations to ensure competition, the authors write.

"Skills and access, that is the key. India has all the other elements but that is what will really make it an inclusive revolution for India," said Onno Ruhl, World Bank country director for India.

One barrier to online access for India's millions of poor citizens is cost -- a residential broadband service is six to ten times more expensive than in China.

However, India scored highly on the government's use of technology, largely because of Aadhaar, a vast biometric database that aims to give every citizen a unique digital ID which can be linked to bank accounts.

"Adoption of digital technologies shows great variation within the country: very high for government and relatively low for businesses," the World Bank said in a press statement.

# New managing director for Rakub

STAR BUSINESS DESK  
Muhammad Awal Khan has recently joined Rajshahi Krishi Unnayan Bank (Rakub) as managing director, the bank said in a statement yesterday.

Prior to joining Rakub, Khan has been serving Agrani Bank as deputy managing director, according to the statement. He has also worked with Sonali Bank and Bangladesh Krishi Bank (BKB). Khan has experience as a branch manager, regional manager and chief regional manager, the bank said.

He began his career as a probationary officer of BKB in 1982, according to the statement. Khan holds a master degree with honours in finance from Dhaka University.



# German trade surplus balloons

AFP, Frankfurt  
Germany's trade surplus ballooned in March, as exports rose, while imports fell, official data showed on Tuesday.

The trade surplus is a key gauge of an economy's comparative strength and in recent months has highlighted the robustness of Europe's biggest economy amid the current global economic uncertainties.

German exports grew by 1.9 percent to 101.3 billion euros (\$115 billion) in seasonally-adjusted terms in March, the federal statistics office calculated.

At the same time, imports -- a measure of domestic demand -- decreased by 2.3 percent to 77.6 billion euros.



Shirin Sharmin Chaudhury, speaker of parliament, AAMS Arefin Siddique, vice chancellor of Dhaka University; SK Sur Chowdhury, deputy governor of Bangladesh Bank, and Md Rezaul Haque, chairman of Social Islami Bank, pose at the handover ceremony of the bank's assistance cheque for the financially challenged students of the university's business studies faculty, at a programme recently.

# Say goodbye to Opec, powerful Putin pal predicts

REUTERS, Moscow  
Internal differences are killing Opec and its ability to influence the markets has all but evaporated, top Russian oil executive Igor Sechin told Reuters in some of his harshest remarks ever about the oil cartel.

Russia, which has been hit hard by the oil price collapse, was flirting with the idea of cooperating with Opec in recent months until tensions between OPEC members Saudi Arabia and Iran ruined a global deal to freeze output.

Sechin -- one of the closest allies of President Vladimir Putin -- was the only Russian official to consistently oppose the deal with Opec even after the Kremlin effectively endorsed the plan.

Now that his gloomy predictions

about talking to Opec have come to pass, Sechin feels vindicated and wants to help Russia avoid similar embarrassment in future.

"At the moment a number of objective factors exclude the possibility for any cartels to dictate their will to the market. ... As for Opec, it has practically stopped existing as a united organization."

"The company (Rosneft) was skeptical from the very beginning about the possibility of reaching any sort of joint agreement with Opec's involvement in current conditions," said Sechin, in comments over the weekend which were embargoed until Tuesday.

"Just to remind you, the only one question with which we responded to those who were interested to know our position: 'Who should we agree with,

and how?' The development of the situation has clearly shown we were right."

Sechin's comments about the end of the era when Opec could influence prices chime with those of Saudi Arabia's newly appointed energy minister Khaled al-Falih.

Falih, who took over on Saturday from long-serving Ali al-Naimi, has been very vocal in the past year about his views that the oil market needs to rebalance through low prices and that the Saudis have the resources to wait.

Falih's ultimate boss, Deputy Crown Prince Mohammed bin Salman, who oversees Saudi oil policies, has also signaled that the world is moving to a new era where supply and demand rather than Opec will determine prices.

# Security fears push Turkish Airlines into loss

AFP, Istanbul  
Turkish flag carrier Turkish Airlines on Tuesday posted a massive loss as concerns over security in Turkey and the region took their toll on the ambitious airline.

Turkish Airlines said its net loss in the first quarter amounted to \$421 million, compared with a net profit of \$153 million in the same period last year.

Sales were \$2.188 billion, down 1.4 percent from the first quarter last year, it added.

"The political and economic instabilities... and increasing perceived global and regional risks in Turkey and Europe have a negative impact on aviation demand and placed additional pressure on yields in a seasonally low quarter," it said.

Tourism to Turkey is down this year with a succession of attacks in Istanbul, Ankara and other cities blamed on Kurdish and Islamist militants hitting visitor numbers.

But Turkish Airlines -- which is now the country's biggest exporter -- will despite the loss "continue to manage its healthy and profitable growth," the company promised.

# Nigeria oil output hits 22-year low on renewed unrest

AFP, Lagos  
Nigeria's oil output has slumped to a 22-year low, figures showed on Tuesday, because of pipeline sabotage and increasing unrest that has seen major companies evacuate staff.

Data compiled by Bloomberg indicated that output in Africa's biggest oil producer has fallen below 1.7 million barrels per day (bpd) for the first time since 1994.

Rebels seeking a fairer share of revenue for locals in the oil-rich southern delta are increasingly targeting facilities, posing a fresh security challenge for President Muhammadu Buhari.

The attacks have sparked fears of a repeat of violence and kidnappings that plagued the region in the 2000s and saw Nigeria's output cut by a third, slashing government revenue.

It also risks hitting crude supplies at a time when Nigeria's oil-dependent economy is facing a slump because of the fall in global prices.

Fresh queues at petrol stations around the country restarted this week, following speculation the government was to withdraw fuel subsidies that keep prices low at the pump.

Last week, rebels from the Niger Delta Avengers (NDA) group claimed responsibility for an attack on the Okan offshore facility operated by US oil major Chevron.

The company said on Saturday some 35,000 bpd of crude was lost,

although some estimates have put the loss higher. At the weekend, Anglo-Dutch giant Shell evacuated most of its staff from its Eja production facility near the Bonga field.

Local media said 98 personnel were airlifted to safety by helicopter, leaving a skeleton staff protected by the military. Shell's Nigerian subsidiary did not confirm the operation.

But it said in a statement it was continuing to monitor the security situation and was "taking all possible steps to ensure the safety of staff and contractors".

Dirk Steffen, of the Denmark-based Risk Intelligence consultancy firm, told AFP the evacuation was a "precautionary" step because of threats from the NDA. Steffen, the head of maritime security for the firm, said the NDA issued new threats on May 5 after claiming responsibility for the Chevron attacks.

"This time they specifically name the facilities they would be targeting... I assume this is also what prompted Shell to take precautionary measures," he wrote in an email.

In February, Shell declared "force majeure" after an attack on a pipeline feeding the Forcados terminal, which typically exports about 200,000 barrels a day. It is expected to resume in June.

Consultants BMI Research said the renewed unrest in the key region was "a worrying development as it demonstrates the increasing sphere

of assets that are under risk".

"Shell's much larger Bonga field sits next door to the Eja facility and often exports over 200,000 bpd, highlighting much greater production risks than were previously anticipated."

BMI said production disruption in the delta has historically been onshore and was a major factor driving Shell's divestment of onshore assets and switch in focus to offshore blocks.

"The most recent attacks offshore are a new safety concern for those companies which once again find themselves vulnerable to supply disruptions," it added.

The renewed violence comes after Buhari -- facing Islamist militants Boko Haram in the northeast -- began a crackdown on endemic corruption in the sector and rampant oil theft.

The government has also said it would wind up an amnesty programme, which was introduced in 2009 and saw thousands of rebels swap violence for monthly training and education stipends.

The upsurge in attacks since January has also been linked to multi-million-dollar corruption charges brought against Government Ekpempulo, a former rebel leader nicknamed Tompolo.

He is accused of defrauding the government of some \$225 million. The NDA is thought to contain his supporters although he has denied any links to the group.

# Bangladesh seeks duty-free access of 56 items to Nepal

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The delegations also discussed the modalities of transit cargo transportation between Bangladesh and Nepal and a full-fledged launch of the Kakarbhita-Panirtanki-Fulbari commercial routes.

The other important issues are about setting up a railway communication, sanitary and phyto-sanitary, identification of trade barriers and further simplifying the visa system.

The issues also include participation in trade fairs in each country, improving the tourism sector, investing in hydro-electricity by Nepal, easing the registration process of pharmaceutical products and signing a memorandum of understanding between Trading Corporation of Bangladesh and Public Trading Corporation of Nepal.

Hedayatullah Al Mamoon, senior secretary to the commerce ministry, and Naindra Prasad Upadhyaya, the Nepalese commerce secretary, represented their respective side.

# 17 new passport offices on way

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As of March, REB has provided 1.50 crore power in the Sylhet region, according to Kamal.

Another project that got the go-ahead yesterday is the 'pro-poor slum integration project' involving Tk 304 crore.

The project aims to improve the lifestyle of the low-income groups in Comilla City Corporation, Sirajganj Pourashava and Narayanganj City Corporation by ensuring better sewerage facilities and safe drinking water alongside improving the standards of formal settlement.

Of the total project cost, the World Bank will provide Tk 245 crore and the government the rest. The project's main activities include land acquisition, construction of tertiary infrastructure for 19 communities and primary and secondary infrastructure in three cities, among others.

The other projects approved at the meeting are: protecting Charfashion town in Bhola district from river erosion of Meghna (Tk 209.04 crore), Bangladesh scouting expansion and construction of Scout Shatabdi Bhaban (Tk 122.1 crore), secondary education quality and access enhancement project (Tk 3,400.8 crore).

# Trade facilitation under WTO to cut cost of doing business: ICCB

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Since WTO members have a shared interest in facilitating trade, the agreement also breaks new ground in the way that it encourages and helps developing country members implement their commitments, the ICCB said.

It is the first WTO agreement in which members determine their own implementation schedules and in which progress in implementation is explicitly linked to technical and financial capacity, the editorial added.

Although a large part of the trade facilitation agenda involves policy changes--especially coordination and information sharing, both within and among governments--modernising the customs systems and adapting new technologies can also involve significant technical capacity and financial resource demands.

With this in mind, the TFA sets out a framework for trade facilitation-related technical assistance and capacity-building support, as well as detailed transparency procedures for monitoring this support, it pointed.

The TFA also represents an important milestone by creating an international framework for reducing trade costs. Early estimates by the OECD suggested that implementation of the TFA would reduce trade costs by 10 percent. More recent OECD estimates increase this to 14.5 percent, ICCB said.

Though trade facilitation can be implemented unilaterally, a multilateral agree-

ment brings added value. First, it provides greater legal certainty to the changes in policy, and second, it helps reform in governments marshal support from domestic constituents, the ICCB said.

Third, it helps solve a coordination problem that would have been created by different approaches to changing border procedures, it added.

A report by the Peterson Institute estimates that trade facilitation reforms will expand global trade by as much as \$1 trillion annually, and the OECD estimates that two-third of the gains from the TFA will accrue to the developing countries, the ICCB said.

But not only do developing countries capture a big share of the trade expansion;

they are also able to diversify their exports, entering new markets and selling a wider array of products, it added.

Also, the increase in global economic activity brought about by TFA implementation will provide a badly needed dose of momentum at this time of global economic weakness, especially due to the slowdown in Chinese and Indian economies, the ICCB said.

Bangladesh considers ratifying the TFA, which will allow for an easy flow of goods across borders and lower the cost of doing business.

In order to become a middle income country by 2021, Bangladesh has to ensure full facilitation for promotion of trade and investment, the chamber said.

# Italian city confers citizenship on Yunus

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He also talked about the new entrepreneurs programme introduced in Bangladesh which has provided equity capital to 5,000 young people for create business.

Yunus also invited Pistoia to start programmes to turn its unemployed youth into entrepreneurs, according to the statement. About 35 percent of the Italian youth are unemployed.

Pistoia is famous for building and export of train compartments, producing paper and pasta molds and for supplying nursery plants throughout Europe.

Pistoia became a social business city in 2013. A special association called Social Business Lab Pistoia supported by the two largest foundations in Pistoia has been created to take the programme forward.

After the ceremony, Yunus visited two social businesses and addressed a gathering of 200 high-school students who had participated in a citywide social business competition.