Strife-torn Libya struggles to ramp up oil exports

AFP, *Tripoli*

Jihadist attacks and political struggles are thwarting attempts by Libya's unity government to revive an oil industry seen as vital for the economy of the impoverished North African country.

Five years since the fall of dictator Moamer Kadhafi, Libya's rival governments and militias are in a bitter struggle for control of crude exports.

The political turmoil, coupled with Islamic State (IS) group attacks on oil facilities, has brought shipments to a near-standstill.

Despite having Africa's largest oil reserves, estimated at around 48 billion barrels, Libya has only managed to export a few tankers of crude in recent months.

On August 1, the Tripoli-based National Oil Company (NOC) announced that it was preparing to restart regular exports of crude.

But analysts doubt Libyan oil will be gushing back to world markets just yet.

"Opening the ports allows the NOC to start to undertake repairs, but that will still take time," said Scott Modell, an analyst at energy consultancy Rapidan Group.

"One announcement about potentially opening ports that are not fully functional is not going to turn around the overall trajectory of the political process," he added.

Since 2010, the country's production has plummeted from 1.5 million barrels per day (bpd) to just 300,000 bpd.

Libya now has the smallest production of any member of the Organization of Petroleum Exporting Countries (OPEC).

The 2014 collapse in oil prices was a further blow. Industry sources say Libya's exports this year will earn it just a tenth of the estimated $45-50 billion (40-45 billion euros) it took in 2010.

That is a disaster in a country where the government depends on oil exports for nearly all of its revenue.

Libya's Tripoli-based Government of National Accord (GNA) faces major obstacles as it tries to revive the sector.

For a start, the NOC is split into two rival branches -- one loyal to the GNA and the other based in Benghazi and loyal to a rival government.

Meanwhile, all of the country's export terminals in Libya's eastern "oil crescent" are controlled by the Petroleum Facilities Guard (PFG), a militia set up to protect them.

They include the two key export terminals of Ras Lanuf and Al-Sidra, 650 kilometres (400 miles) east of the capital, which are together capable of handling 700,000 bpd.

But they were shut down in January after storage tanks were set on fire during attacks by IS.

The jihadists have taken advantage of the turmoil to establish a presence in Libya, but now appear close to losing their stronghold in Sirte which lies between Tripoli and the oil crescent.

PFG leader Ibrahim al-Jadhran also regularly defies both of Libya's rival governments.

"The blockage costs Libya $30 million (27 million euros) a day," Mustafa Sanalla, chairman of the Tripoli-based branch of the NOC which supports the unity government, said in April.

At the end of July, the GNA announced that it had reached an agreement with Jadhran to reopen the Ras Lanuf and Al-Sidra export terminals.

The NOC said the unity government had agreed to pay salaries to the oil installation guards and provide them with schools and hospitals.

That agreement underlined the bitter struggle between the GNA and a rival administration based in Libya's far east that refuses to recognise the unity government.

It controls much of the east through part of the Libyan army led by general Khalifa Haftar, and runs a rival NOC out of Benghazi.

After the GNA's agreement with Jadhran, Haftar's forces told AFP they would bomb tankers approaching the Libyan coast without the Benghazi NOC's permission.

It also moved troops towards the Zueitina terminal, another major facility on the oil crescent.

But the Petroleum Facilities Guard said it was prepared to fight. "We will not let them control the ports," said spokesman Ali al-Hassi.

The standoff appears to have stalled an agreement, announced on July 3, to unify the rival NOCs.

Germany, Spain, the United States, France, Italy and Britain have called for all the country's oil installations to be immediately handed over to the GNA.

A Libyan oil industry veteran, who did not want to be named, said the country could only restore oil exports if there was "a strong unified government and a single military force".

"As long as there are still ongoing political and power struggles... the resumption of full oil production and exports can never be achieved."

IBA

Professor Dr AKM Saiful Majid, director of the Institute of Business Administration under Dhaka University, receives the Education Leadership Award, at the seventh Asia's Education Excellence Awards ceremony held at Pan Pacific Singapore Hotel in Singapore on August 5.

Italy to seek new EU deal to keep economy on track

AFP, *Rome*

Italy is to seek a new deal with the European Union to allow it to kickstart its stalling economy with an expansionary 2017 budget, a government minister said Saturday.

Economic Development Minister Carlo Calenda's comments came three months after Rome was granted "unprecedented" leeway over its 2016 budget and warned by the European Commission that it should be tightening fiscal policy next year.

Calenda spoke out after data published on Friday showed the Italian economy failed to grow between the first and second quarters of this year, suggesting a sluggish recovery which began last year has stalled.

Analysts say the government will now have to revise downwards its forecasts of growth of 1.2 percent for this year and 1.4 percent in 2017, with knock-on effects on its deficit reduction plans.

"The Treasury will present updated figures in September. I can't hide the fact that the room for manoeuvre is tight," Calenda told Turin daily La Stampa.

"We are discussing with Europe how to address the absolute necessity of boosting public and private investment."

Calenda implied that could mean allowing the 2017 budget deficit to run higher than previously planned, possibly up to the three percent of GDP ceiling enshrined in the eurozone's rules.

The Commission has set Italy a deficit target of 1.8 percent for 2017, arguing that kind of adjustment is necessary to reverse the upward trend in the country's huge debt, which hit a record of just under 2.25 trillion euros ($2.51 trillion) in June.

China July new bank loans at two-year low

AFP, *Beijing*

New loans extended by Chinese banks in July fell to their lowest level in two years, official data showed Friday, as authorities tighten credit on concerns over the country's mounting debt problem.

Chinese lenders gave out 463.6 billion yuan ($69.8 billion) in loans last month, the central People's Bank of China (PBoC) said in a statement.

It was the lowest figure since July 2014, according to Bloomberg News, and a sharp fall from 1.38 trillion yuan banks lent in June.

It was also far behind a median forecast of 850 billion yuan in a Bloomberg survey of economists.

Easy credit has been an important policy tool as Beijing works to avoid a hard landing for the world's second-largest economy, but many analysts are concerned the country faces a hangover from its debt binge.

CITY BANK

Faruq M Ahmed, additional managing director of City Bank, and Tanveerul Haque Probal, managing director of Building for Future Ltd (BFL), exchange the papers of a deal at the bank's head office in Dhaka yesterday. The bank's customers will get home loans at zero processing fees for flat purchases from BFL. Sohail RK Hussain, managing director of the bank, was also present.

Zimbabwe delays civil servants' salaries again

AFP, *Harare*

Zimbabwe's cash-strapped government will once again delay paying the salaries of civil servants for this month, state media reported Saturday, in a further sign of the worsening economic crisis.

The delays are likely to spark further discontent among the public service employees who are already battling to cope with the increasing cost of living.

In July, government employees staged a strike over late pay, after going for weeks without income.

The Herald newspaper reported that August salaries for army personnel, police, teachers and health workers would be delayed by at least a week.

"It is a fact that we have revenue challenges," Prisca Mupfumira, the country's public service minister, told the newspaper when announcing the new pay dates.

The military are normally the first priority for payment due to their role in protecting the regime of President Robert Mugabe, 92. They are normally paid on the 14th or 15th of every month.

Mupfumira said the army would get their salaries on August 23, health personnel on the 26th, followed by police on the 30th. The teachers would get paid on September 2 and the rest of the civil service on September 5.

In June only police and security forces were paid, while other civil servants received a $100 advance with the news their salaries had been delayed.

The government has in the past months been announcing varying pay dates for each month for different government departments.

Zimbabwe spends at least 80 percent of its revenue on state workers' wages, according to officials, while about 90 percent of the population has no formal employment.

Nigeria wrestles with suddenly poor status

AFP, *Lagos*

First it was falling oil prices that plagued Nigeria, then came inflation, power shortages, and a humanitarian crisis in the north.

"Suddenly, we're a poor country," Nigerian President Muhammadu Buhari said on Thursday in Abuja, the nation's capital. "Before we came to office, petroleum sold for about $100 per barrel. Then it crashed to $37, and now oscillates between $40 and $45 per barrel."

By the end of the month it's likely Nigeria will officially enter a recession. Adding insult to injury, this week the International Monetary Fund said that South Africa overtook Nigeria as Africa's biggest economy in dollar terms -- a result of the anaemic naira.

"Both countries are experiencing difficulties, but Nigeria is taking a more slower pace to recover. I don't think Nigeria can regain its position anytime soon," Manji Cheto, Sub-Saharan Africa analyst at London-based Teneo Holdings, told AFP.

That's because Nigeria's problems, a result of decades of mismanagement, have no easy fix.

Just a few months ago, Nigeria was the number one oil exporter on the continent.

Not anymore. According to figures released Friday by OPEC, Nigeria is now producing just 1.5 million barrels per day, compared with Angola which is pumping out 1.7 million.

Militant attacks on oil infrastructure in the increasingly volatile southern swamplands are to blame.

The Niger Delta Avengers, a new armed group fighting for political autonomy and a bigger cut of oil revenues, have been bombing pipelines since the beginning of 2016.

They have vowed not to stop until their demands are met.

Today Nigeria is an economic heavyweight on the back foot, with its economy not fit enough to survive this round of blows exposing its structural issues. Now the country is literally sinking into darkness.

Electricity production, which already was faltering before the crisis, barely reached 2500mW for its 170 million inhabitants, according to local reports, thanks to oil militants sabotaging the lines that fuel the gas-powered stations.

Vice President Yemi Osinbajo, tried to reassure the representatives of the Lagos Chamber of Commerce and Industry on Thursday, promising that "great" effort is being put into improving non-oil revenues.

In the streets of Lagos, posters on the street remind people that not paying taxes is a crime.

Nigeria loses too much to corruption, with Oxfam, an organisation focussed on ending global poverty, reporting that Nigeria loses the equivalent of 12 per cent of its GDP in illicit channels -- the largest share of any African country.

In his speech, Osinbajo reiterated his commitment to diversifying Nigeria's crude-addicted economy with a focus on agriculture to avoid costly imports. Another solution is looking to private business.

Aliko Dangote, the richest man in Africa, is building a gigantic refinery project that could inject the economy with much-needed energy, according to BMI Research.

"We expect that the development of a massive refinery by the Dangote Group will lead to a sharp improvement in the current account deficit from 2018 onwards," the consultancy said in an August note.

Still, Dangote has to convince wary investors to back his project.

Last week, the Transnational Corp. of Nigeria, a giant company whose interests range from agriculture to energy, said it hadn't attracted enough funding and was consequently suspending plans to build one of the largest power plants in the country (1,000 MW).

"The priority now is to restore credibility," Cheto said, explaining that Buhari needs to implement his economic policies with some more urgency.

MetLife renews focus on Bangladesh

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In developed countries, insurance is an integral part of an individual's life, whether it is in house construction, car purchase, health or education, he said. Even in neighbouring India, the insurance to GDP ratio is 3 percent.

Karim, however, would not only blame the people. "As institutions, we have also failed to provide the support necessary to raise public awareness."

The situation is improving, he said, citing the country's first ever insurance fair took that took place this year as a case in point. "If we can't create awareness, the sector will not grow," Karim said, adding that it is possible to double the current market size.

MetLife, previously known as American Life Insurance Company, has been in Bangladesh since 1952, providing life insurance coverage to both individuals and groups.

It now has about 10 lakh policyholders across the country. As of December 2015, the total life fund of MetLife stood at Tk 8,792 crore and the total asset size Tk 10,105 crore.

Apart from providing insurance coverage to individuals or groups, insurance companies also contribute to economic development by investing in government securities, especially bonds, Karim said.

Of its total investment of Tk 8,885 crore as of December 2015, 81.62 percent was in the government sector.

MetLife is also engaged in different activities as part of its corporate social responsibility. It has partnerships with five nongovernmental organisations -- Habitat for Humanity, Concern Worldwide, Swiss Contact, Sajida Foundation and Asian University for Women.

It also works with the Dhaka University's mathematics and banking and insurance departments to support actuarial education.

MetLife, the largest US life insurer, has presence in 50 countries around the world.

MTB

Shykh Seraj, an agriculture development activist, and Nurun Nahar, general manager of the Financial Inclusion Department at Bangladesh Bank, open the fourth agent banking centre of Mutual Trust Bank (MTB) at Delduar in Tangail. Anis A Khan, managing director of MTB, was also present.

PM to decide fate of Citycell

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Officials of the telecom division said the law has given the government enough powers to shut down any operator's operations, but the regulator must follow the due procedure.

"The BTRC didn't inform us about the public notice before it was issued," said a senior official of the telecom division.

In its notice published in the media, BTRC said the dues include spectrum renewal fees at Tk 229 crore, annual licence fees of Tk 10 crore, annual spectrum fee of Tk 27.14 crore, VAT of Tk 39.92 crore and late fee of Tk 135 crore.

Earlier in April, BTRC filed a case against the operator under the Public Demand Recovery Act to realise the dues.

Citycell began its operations in 1993, though its licence was awarded in 1989.

Singapore's SingTel owns 44.54 percent shares in Citycell, Pacific Motors 37.95 percent and Far East Telecom 17.51 percent.

Shareholders have been trying to sell the company for the last few years, but they did not find any interested party.

Citycell has been a minor player in the market for at least 10 years, and had around 7.02 lakh active customers until June, according to BTRC.

The operator reached 19 lakh customers in 2011 but it could not maintain its position in the last few years.

Citycell's stakeholders, including SingTel, have been looking to sell the company but have been unable to find buyers, London-based BMI Research said in a report on August 2.

In November last year, BIM Research also said that rising operational risks and overhead costs would be key threats to smaller operators' service continuity prospects, and this development could see this view playing out sooner than expected.

"Its CDMA spectrum in the 800MHz band can be repurposed for 3G or 4G use, which can support data transmission over longer distances and will be useful in supporting rural coverage."