



Dhaka Bank Chairman Reshadur Rahman, Director Mohamad Hanif, Founder and Former Adviser Mirza Abbas Uddin Ahmed, Managing Director Syed Mahbubur Rahman and Additional Managing Director Emranul Huq attend a programme to celebrate the bank's 22nd anniversary at its corporate office in Dhaka.

Qatar signals LNG price war for market share in Asia

REUTERS, Singapore

Qatar's plan to boost liquefied natural gas (LNG) output by 30 percent is the opening shot in a price war for customers in Asia pitting the Gulf state against competitors from the United States, Russia and Australia.

Qatar, facing regional isolation in a diplomatic dispute with its Gulf neighbors, took energy markets by surprise on Tuesday when it said it would raise its LNG production to 100 million tonnes per year - equivalent to a third of current global supplies - within the next five to seven years.

It suggests the wealthy kingdom is preparing for a lengthy battle with Saudi Arabia, Egypt, the United Arab Emirates and Bahrain, who were due to meet on Wednesday to decide whether to continue sanctions they imposed on Qatar over accusations it was aiding terrorism and courting regional rival Iran.

Qatar's move will add gas to an already over-supplied market in a thinly disguised challenge to other exporters who are also raising their output.

With low production costs and infrastructure already in place, Qatar is well placed to come out on top, analysts say. Flooding the market with more LNG will help defend its place as the world's top exporter, a position challenged by Australia.

"Qatar is losing market share, so it could be about becoming number one again in LNG," said

Neil Beveridge, senior oil and gas analyst at research and brokerage firm Sanford C. Bernstein.

LNG is super-cooled natural gas that is transported on tankers around the world.

Long a niche product, it has become an industry darling as natural gas is a cleaner fossil fuel than oil or coal and is also versatile, with potential uses ranging from power generation to heating and as a transport fuel.

US and European oil majors such as Royal Dutch Shell and Chevron have invested huge sums over the last decade - often more than they have spent on oil - in an attempt to dominate the LNG market, especially through mega-projects in Australia such as Chevron's Gorgon or Shell's Prelude. The main battleground for LNG market share is Asia, which consumes 70 percent of the fuel and where it is seen as a key fuel to meet soaring energy demand without the rampant pollution that comes with coal.

The world's biggest LNG buyers are utilities, especially from Japan and South Korea.

Sources at these utilities said they were surprised by Qatar's move.

"We would have to figure out why Qatar is planning to boost its output. We don't have plans yet to import new LNG cargoes from Qatar," said Kim Young-ki, a spokesman at Korea Gas Corp. (KOGAS), one of the world's biggest single LNG buyers.

Qatar's announcement came just a day after Iran signed its first deal with France's Total and

China's state-owned oil company CNPC to produce gas from a field it shares with Qatar.

Beveridge, at Sanford C. Bernstein, said Qatar's move to raise output "could be a response to Total restarting development work" on Iran's side of the gas reserves.

Trying to cement its own market share, Russia's Gazprom the world's biggest single producer of natural gas, said late on Tuesday that it would start pumping gas to China through a new pipeline by late 2019, earlier than many expected.

China is already the top consumer of most commodities, including oil and coal, and as part of a huge investment program to expand its LNG and pipeline infrastructure it is also on its way to become a top natural gas user.

Australia has invested hundreds of billions of dollars in a bid to overtake Qatar as the world's top LNG exporter by 2019, a challenge Qatar is now rising to. Qatar, whose state-owned Qatar Petroleum has partnered with US oil giant Exxon Mobil to produce its LNG, has a strong interest in defending its position.

LNG, as well as exports of condensate, a super-light form of crude oil that's a byproduct of gas extraction, have made Qatar rich despite a 70 percent fall in LNG prices and a more than 50 percent drop in oil prices since 2014.

Ramping up LNG exports to 100 million tonnes a year would, at current prices, reap revenues of around \$30 billion, with another \$6 billion coming from condensate.

That equates to \$120,000 per person, helping Qatar to become the world's richest nation, according to the World Bank.

The main producers challenged by Qatar's move are those who have yet to attract a final investment decision, especially in the United States.

So far only Cheniere exports US LNG, but there are proposals with a total capacity of 150 million tonnes per year.

Chong Zhi Xin, at energy consultancy Wood Mackenzie, said Qatar's low cost LNG expansion "is pushing a lot of new projects out of the market".

Flooding the market with more LNG at a time of oversupply and when buyers are reluctant to sign on new long-term contracts - which have so far dominated supplies - is expected to boost trading in Asia's spot LNG market, which currently makes up just 15 percent of overall supplies, as more uncontracted supply gets exchanged according to short-term demand.

The winners in this aggressive fight for market share are consumers.

"Expansion of LNG capacity translates to lower for longer LNG prices," said Kerry Anne Shanks, head of Asia gas and LNG research at Wood Mackenzie. "That's good news for gas buyers."



A man looks at the world's biggest liquefied natural gas tanker Duha as she crosses through the Suez Canal.

Indian e-commerce firm Snapdeal rejects rival Flipkart's initial bid

REUTERS, Mumbai

India's No. 3 e-commerce firm Snapdeal has rejected an initial takeover offer from its larger rival Flipkart, but talks between the two camps that have been working on forging a deal for months continue, sources close to the matter said.

The Snapdeal board rejected the bid as it was below a valuation of \$1 billion indicated earlier by Flipkart, two sources familiar with the negotiations said.

One of the sources said the bid came in at between \$850 million and \$900 million, while a second source said that the bid came in closer to \$850 million.

Flipkart had estimated Snapdeal, which is operated by Jasper Infotech, to be worth \$1 billion in a non-binding term sheet which was to be followed by due diligence, one source said. Snapdeal opened its books to Flipkart in May for the company to run the due diligence process on it.

Japan's SoftBank, Snapdeal's biggest investor, is keen to fold the e-commerce firm into Flipkart and take a large stake in India's biggest e-commerce player through an all equity deal.

A merger will help Flipkart, which is already backed by Microsoft Corp. China's Tencent and online auction site eBay, bulk up and stay ahead of

Amazon, which is expanding rapidly in the world's fastest-growing internet services market.

Flipkart, Snapdeal and their key investors did not immediately respond to requests for comment.

The due diligence, run by auditor Ernst & Young and law firm Khaitan & Co, came up clean, but Flipkart knocked down the price without a reason, said the first source, adding that Flipkart's top investor Tiger Global indicated that it would revert with a new offer.

The exclusivity period around talks with Flipkart ended on July 2, however, and Snapdeal could engage in talks with other interested parties, said the source.

The second source said Flipkart's lowball offer was just a negotiation tactic.

Both sources said sale talks between the e-commerce firms will continue, while a third source said a deal was likely to be finalized by mid-July.

Flipkart has not currently bid for Snapdeal's logistics arm Vulcan Express and its digital payments venture FreeCharge, one of sources said, adding that these assets may be sold separately.

SoftBank is expected to invest about \$1 billion in Flipkart through a fresh cash infusion and by buying equity stakes from its investors Tiger Global and Naspers, sources have previously told Reuters.

Global air freight demand soars in May

REUTERS

Demand for global air freight jumped 12.7 percent in May as new export orders hover close to six-year highs, a sign that economic and trade conditions remain robust, the International Air Transport Association (IATA) said on Wednesday.

All regions except for Latin America reported double-digit growth.

Available capacity rose 5.2 percent in May, meaning that load factors rose by 3.0 percentage points to 45.2 percent.

IATA, however, believes the best of the cyclical upturn may have passed.

"With indications that the cyclical growth period may have peaked, the onus is on the industry to improve its value proposition by accelerating process modernization and enhancing customer-centricity," IATA Director General and CEO Alexandre de Juniac said.

Laptop ban lifted on US flights: Emirates, Turkish Airlines

REUTERS, Dubai/Istanbul

The United States has lifted the in-cabin ban on laptops and other large electronic devices on US-bound flights from Dubai and Istanbul, Emirates and Turkish Airlines said on Wednesday.

The announcements come three days after the ban was lifted on Etihad Airways' flights to the United States from Abu Dhabi International Airport.

The ban on US flights from Dubai International, the world's busiest airport for international travel, has been lifted after new security measures announced by the US last week were implemented, an Emirates spokeswoman said in a statement.

Emirates, the Middle East's largest airline and which flies to 12 US cities, had blamed travel restrictions imposed by President Donald Trump's administration for a drop in demand on US flights.

The Dubai-based carrier cut flights to five US cities from May but had since said demand was starting to return on some routes.

Meanwhile Turkish Airlines said in a statement that passengers travelling to the United States could now take their laptops onboard.

Volvo Cars to phase out conventional engines

AFP, Stockholm

Swedish carmaker Volvo Cars said Wednesday it plans to phase out production of conventional petrol-only cars starting from 2019, with all new models to be either electric or hybrid.

The Gothenburg-based group is the first major manufacturer to electrify all of its models and to set out a roadmap for the gradual end to the internal combustion engine, a century and a half after it was invented.

Volvo, owned by China's Geely, said it plans to launch five fully electric models between 2019 and 2021, three under its own brand and two under the Polestar brand, as well as a range of hybrid models.

Polestar is a subsidiary specialising in high-performance electric vehicles and is a rival to California-based Tesla, which is to launch the production of its first lower-priced "Model 3".

"This announcement marks the end of the solely combustion engine-powered car," Volvo Cars president and chief executive Hakan Samuelsson said in a statement.

A Volvo Cars spokesman said the first fully electric car would be manufactured in China, and that the production location of the other four was yet to be determined.

The car maker, which posted record sales

in 2016, noted that "consumers are increasingly pleased with electrified cars" and that it intends to respond to the growing demand for cleaner and less polluting vehicles.

A Volvo Cars spokesman said the company would continue to manufacture existing petrol or diesel-only models launched before 2019, but they will gradually be replaced by hybrid and fully electric cars.

The announcement comes a week after Geely unveiled a research and innovation centre in Gothenburg, focusing on the development of electric vehicles.

"When we said it, we meant it. This is how we are going to do it," Samuelsson said in the statement.

In an interview with the German daily Frankfurter Allgemeine Zeitung (FAZ) in May, Samuelsson had said he did not want to develop a new generation of diesel engines because of the high costs of stricter regulations.

EU legislation, which sets mandatory emission targets for cars, stipulates that, by 2021, the emissions of all new models and cars must not exceed 95 grammes of CO2 emissions per kilometre on average. Failure to comply would result in a fine.

In Sweden, the government plans to raise the tax rate on CO2 emissions in 2018, which would lead to a fivefold increase in the rate for some cars.



SM Morshed-Uz-Zaman, director and head of customer service division at Edison Group, cuts a ribbon to open the 50th customer care centre of Symphony in Chandpur on Tuesday. Symphony is a brand of Edison Group.

Airbus announces China order of 140 planes for \$22.8b

AFP, Berlin

Airbus said Wednesday it had won a major order from China of 140 planes for \$22.8 billion, during a visit by President Xi Jinping to Berlin.

The European aircraft maker said it had sealed the agreement with China Aviation Supplies Holding Company (CAS), which chief executive Tom Enders called "one of the biggest contracts signed in a long time by Airbus". The deal covers 100 A320 single-aisle jets and 40 A350 wide-body aircraft.

"This underscores the strong demand by Chinese airlines in all segments, from domestic and low-cost to the regional and international long-haul market," Airbus said in a statement.

The company said a market analysis forecast a doubling of demand worldwide for planes with more than 100 seats to 40,000 aircraft in the next 20 years, fuelled largely by demand from developing markets such as China. "In the mid-1990s we had a

market share (in China) of five to six percent," Enders said.

"Twenty years later we have around 50 percent - we really put our foot on the gas."

Airbus said its A320 line of planes was the world's best-selling single-aisle aircraft with more than 13,000 orders and 7,600 planes delivered.

In January last year, BOC Aviation, owned by Bank of China, announced an order for 30 Airbus A320s worth more than \$3 billion to meet growing demand. At last month's Paris Air Show, Airbus announced 326 orders worth nearly \$40 billion.

However, it was outpaced at the event, one of the biggest annual sales bazaars in the industry, by Boeing thanks to its new 737 MAX 10 airliner, taking in a total of 571 orders for nearly \$75 billion.

Xi was in Berlin for talks with Chancellor Angela Merkel ahead of the G20 summit of big industrialised and emerging economies in the northern German port city of Hamburg starting Friday.