

Low-cost fracking offers boon to oil producers, headaches for suppliers

REUTERS, Smiley, Texas

At a dusty drilling site east of San Antonio, shale producer EOG Resources Inc recently completed its latest well using a new technology developed by a small services firm that promises to slash the cost of each by \$200,000.

The technology, called electric fracking and powered by natural gas from EOG's own wells instead of costly diesel fuel, shows how shale producers keep finding new ways to cut costs in the face of pressures to improve their returns.

E-frac, as the new technology is called, is being adopted by EOG, Royal Dutch Shell Plc, Exxon Mobil Corp and others because of its potential to lower costs, reduce air pollution and operate much quieter than conventional diesel-powered frac fleets. Investment bank Tudor, Pickering Holt & Co analyst George O'Leary estimates e-fracs could lop off up to \$350,000 from the cost of shale wells that run \$6 million to \$8 million apiece.

But these systems can cost oilfield service companies up to twice as much to build compared to conventional frac fleets. A rapid uptake could worsen the economics for a sector already cutting staff and idling equipment as oil producers pare their spending. That leaves this potentially breakthrough technology to small providers without the means to fully exploit it.

ONE-SIDED SAVINGS Jeff Miller, chief executive of Halliburton Co, the top US provider of fracking services, said his firm has tested the technology but has no desire



REUTERS/FILE

Electric hydraulic fracturing equipment of Evolution Well Services is being assembled at a well pad near Loving, New Mexico, US.

to promote it.

"Halliburton will be really slow around frac," Miller said, referring to the costs of updating diesel systems to electric. Converting the industry's 500 frac fleets would cost \$30 billion, he estimated, too steep a price for oilfield firms, he said.

He recently advised an oil producer interested in the technology that the benefits of deploying e-fracs "work for you, they don't work for us," he said at Barclays energy conference this month.

Halliburton, Schlumberger NV and others have idled scores of diesel-powered fleets this year as producers cut spending due to flat to lower oil and gas prices. Consultancy Primary Vision estimates the number of active fleets in the US fell 19 percent since April to around 390.

Halliburton cut 8 percent of its North American workforce and reported second-quarter profit fell 85 percent over the year-ago period in part because of equipment writedowns and severance costs due to

weak demand for its frac service.

"Every week that goes by I get more and more negative about e-frac due to the harsh imbalance between the benefits achieved by the oil company and the costs incurred by the service company," said Richard Spears, a consultant to top oilfield services suppliers.

Schlumberger paid \$430 million in late 2017 to acquire a diesel-powered frac fleet from rival Weatherford International, hoping to expand shale services. A spokesperson declined to comment on e-frac.

This month newly-named CEO Olivier Le Peuch disclosed plans to write down investments that were "based on a much higher activity outlook with the ambition of achieving economies of scale."

E-frac supplier Evolution Well Services, which supplied the equipment and crew for EOG's Eagle Ford shale operation, is one of a handful of smaller oilfield firms pioneering the systems.

Evolution operates six e-frac fleets - mobile collections of high-pressure pumps powered by gas turbine generators - and plans to roll out a seventh next year. US Well Services, another e-frac provider, has agreements with Apache Corp and Shell. Conventional pressure pumper ProPetro Holding Corp also announced plans to bring a handful of e-frac fleets to the market.

"We'd kind of would like to" build more systems without firm customer contracts, said Ben Bodishbaugh, CEO of Evolution, the only purely e-frac provider in North America. "But in this market it's hard to justify," he said.

Ad executives point to five ways Google stifles business

REUTERS, San Francisco/New York

US authorities investigating Alphabet Inc's Google for anticompetitive behaviour have recently begun probing the company's \$116 billion-a-year advertising business.

Attorneys general for 50 US states and territories along with the US Department of Justice appear to be acting on accusations from rivals, lawmakers and consumer advocacy groups that the biggest seller of online ads engages in unfair tactics. Google disputes its dominance.

"Ad tech is a very crowded field, and Google competes with hundreds of companies, including household names like Adobe, Amazon, AT&T, Comcast, News Corp and Verizon," company spokesman Josh Zeitz said.

"Publishers and advertisers mix and match technology partners to meet their different needs, creating both competition and innovation." Later, in response to this story, Google reiterated in a blog post here that its services foster competition.

"Our tools and platforms make it easy for advertisers and publishers of all sizes to choose whom they want to work with in this open, interconnected ad system," Google Vice President Sissie Hsiao wrote. Here are five common concerns about Google raised by 10 ad industry executives, most speaking on the condition of anonymity.

About 80 percent of Google's ad revenue and most of its profits come from ads within Google search results, YouTube, Gmail and other internet services the company owns. Rivals say that Google controls these properties in a way that hinders advertising competition.

For instance, the only technology system for buying ads on YouTube, the world's largest video streaming website, is Google's ad buying tool. Services such as Facebook Inc (FB.O) maintain similar control, in part to limit too widely sharing users' data. But as YouTube increasingly dominates online video, rival tools for placing ads in video streams become less attractive to advertisers because they can only access smaller audiences.



ISPAHANI GROUP

A 16-member delegation of German Asia-Pacific Business Association led by Peter Clasen, managing partner at Wilhelm G Clasen GmbH and Co KG, poses during a visit to the Pahartali Textile and Hosiery Mills, a unit of MM Ispahani Ltd, in Chattogram on Wednesday. Mirza Salman Ispahani, chairman of Ispahani Group, was present.



IIDFC

Md Golam Sarwar Bhuiyan, managing director of the Industrial and Infrastructure Development Finance Company (IIDFC) Ltd, and Monnujan Nargis, CEO of Reve Tex Ltd, attend a deal signing ceremony at the former's head office in Dhaka recently. The IIDFC employees, privileged cardholders and their dependants will get discounts at Le Reve.

WB to help develop bond, stock markets: Kamal

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If the bond market develops, it will have a ripple effect on the share market and small investors will be able to pour their money here, he said.

The minister said World Bank would provide technical assistance for regulatory reform and formulating policies to build up a strong foundation of the economy. Bangladesh needs a strong economic foundation for a good future, he said.

A six-member delegation of the WB led by Allaoua came to visit Bangladesh to assess the financial and private sectors. Once the assessment is complete, the bank

will provide the technical assistance.

Allaoua said, "We find about diversification of financing access to corporate, especially for small and medium enterprises that have access to financing."

She said Bangladesh has good potential for the SME sector and needs long-term finance. According to her, commercial financing was available in Bangladesh but it was costly. "Access to financing of the corporates is very important," she said.

In replying to question of reporters, the finance minister said the government has no scarcity of money. He also said the debt to GDP ratio of Bangladesh was 34 percent, the lowest in the world.

StanChart, Channel i to honour icons in agriculture

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"I believe the Agrow Award 2019 will encourage the farming sector and farmers to grow further," he added.

The members of the jury board are Lutful Hassan, vice-chancellor of Bangladesh Agricultural University; Md Shahidur Rahman Khan, VC of Khulna Agricultural University; SK Sur Chowdhury, banking reform adviser of Bangladesh Bank; Abul Kalam Azad, director general of Bangladesh Agricultural Research Institute; Bires Kumar Goswami, director general of the Bangladesh Institute of Nuclear Agriculture; Yahia Mahmud, director general of Bangladesh Fisheries Research Institute; and Shahidul Islam, a consultant of the food ministry.

The awardees will tell their success stories at a programme to be aired on the TV on September 27 and 28. Channel i will also host a talk-show on September 19 to discuss the event. Standard Chartered has awarded 26 winners, including eight individuals and 16 organisations and institutions, since 2014.

BMW 7 series LCI sedan hits local market

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The car's combined electric power consumption is 15.8 kWh/100 km, according to the statement.

"We import nine different models of BMW car," Afzal said.

"There has been a surge in demand for luxury vehicles in Bangladesh. BMW has already developed a legacy of being the role model for an unmatched driving experience with sophisticated elegance."

He said BMW changes the exterior and improves the technology of their existing models in every four years, which was called life cycle impulse or LCI.

Executive Motors has been selling 100 units of different series BMW cars on average since 2016, he said. "We sold 135 units in 2017 and 150 units in 2018." "Till now, we have sold nearly 900 units of BMW cars in the last 10 years."

Fruits imports soar

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In fiscal 2016-17, 3,000 tonnes were produced, according to data from the Bangladesh Bureau of Statistics. "We do not have any production of apple, pomegranate and pear," Islam said, adding that production of non-traditional fruits are on the rise for expanding commercial cultivation. Production of locally grown fruits has soared but the demand for foreign fruits has increased owing to reluctance among many to consume native fruits, said Chandi Das Kundu, director of horticulture wing of the DAE.

"Many people prefer foreign fruits even though the nutrition value of native fruits is not less than the imported ones. We need to change this mindset," he added.

But, given the exposure to Western media, Kundu's department has an uphill task ahead.

"I love a berry smoothie. Berries are so good for you. They are loaded with antioxidants and fibres," said Hussain as she was gulping down a concoction of imported frozen berries, bananas and coconut water.

Bangladesh: the tiger of Asia

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"I see a very bright future for Bangladesh."

The delegation chief said the biggest asset of Bangladesh is its young workforce. No other Asian country has such a young workforce.

The delegation visited garment and textile factories and office of the Bangladesh Investment Development Authority and met government high-ups.

Clasen suggested exporting agricultural products to Germany as there is a lot of demand for such items in the country.

"For example, Bangladesh's banana is the tastiest in the world. Bangladesh can export a lot of bananas and mangoes to Germany," he said, adding that Bangladesh exports mangoes to the UK currently.

He called for improving the country's ranking in the Ease of Doing Business Index, bringing more transparency and cutting red-tape to attract more foreign investment.

Peter Fahrenholtz, German ambassador to Bangladesh, said 60 German companies are currently present in Bangladesh. There is still huge potential for many German businesses across various industries.

Several large German enterprises, including BASE, Bayer, Commerzbank, DHL, Fichtner and Siemens have recently established German Business Council.

Fahrenholtz said Germany would like to have a special economic zone like other countries in Bangladesh. However, it depends on the number of German companies in Bangladesh.

Alexis Rawlinson, managing partner of Field Buzz, said Bangladesh has a very good number of IT engineers and this country has potential in this sector.

Apple's new iPhones shift smartphone camera battleground to AI

REUTERS

When Apple Inc introduced its triple-camera iPhone this week, marketing chief Phil Schiller waxed on about the device's ability to create the perfect photograph by weaving it together with eight separate exposures captured before the main shot, a feat of "computational photography mad science."

"When you press the shutter button it takes one long exposure, and then in just one second the neural engine analyzes the fused combination of long and short images, picking the best among them, selecting all the pixels, and pixel by pixel, going through 24 million pixels to optimize for detail and low noise," Schiller said, describing a feature called "Deep Fusion" that will ship later this fall.

It was the kind of technical digression that, in years past, might have been reserved for design chief Jony Ive's narration of a precision aluminum milling process to produce the iPhone's clean lines. But in this case, Schiller, the company's most enthusiastic photographer, was heaping his highest praise on custom silicon and artificial intelligence software.

The technology industry's battleground for smartphone cameras has moved inside the phone, where sophisticated artificial intelligence software and special chips play a major role in how a phone's photos look.

"Cameras and displays sell phones," said Julie Ask, vice president and principal analyst at Forrester.

Apple added a third lens to the iPhone 11 Pro model, matching the three-camera setup of rivals like Samsung Electronics Co Ltd (005930.KS) and Huawei Technologies Co Ltd [HWT.U], already a feature on their flagship models.

But Apple also played catch-up inside the phone, with some features such as "night mode," a setting designed to make low-light photos look better. Apple will add that mode to its new phones when they ship on Sept. 20, but Huawei and Alphabet Inc's Google Pixel have had similar features since last year.

In making photos look better, Apple is trying to gain an advantage by way of the custom chip that powers its phone. During the iPhone 11 Pro launch, executives spent more time talking its processor - dubbed the A13 Bionic - than the specs of the newly added lens.

DHL raises shipment price by 4.9pc

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"Rising item volumes in the e-commerce market have increased the demand for logistics expertise and in response, DHL Express has invested comprehensively in new aircraft and in development for its global hub and gateway network," he said.

The result has led to the development of top-of-the-line sorting technology armed with multiple processing capacities, he said.

Prices are adjusted on an annual basis by DHL Express, taking into consideration inflation and currency dynamics such as administrative costs related to regulatory and security measures, according to the statement.

These measures are updated by national and international authorities on a regular basis in each of the more than 220 countries and territories that DHL Express serves.

Depending on local conditions, price adjustments will vary from country to country, and will apply to all customers where contracts allow, the company said.



ANWAR LANDMARK

Selina Tareq, executive director of Anwar Landmark Ltd, receives a "Bangladesh Most Promising Brand Award" presented by Global Real Estate Congress at Pan Pacific Sonargaon Dhaka recently.