QP, partners celebrate Adriatic LNG terminal’s 10th anniversary in Italy

Qatar Petroleum and partners celebrated the 10th anniversary of Adriatic LNG terminal in Italy. In the presence of H E Saad bin Sherida Al Kaabi, the Minister of State for Energy Affairs, the President & CEO of Qatar Petroleum, Adriatic LNG Terminal celebrated the anniversary at a special event held in the Italian city of Venice.

The event was attended by Prefect di Rovigo – Maddalena De Luca, Energy Authority Board Member Stefano Saglia, Member of Municipality of Venice, Economic Development and Infrastructure; Simone Venturini, and senior executives from Qatar Petroleum and Qatargas.

The Adriatic LNG regasification terminal is located in the northern Adriatic, 14 kilometers off the Veneto coastline. It is operated by Adriatic LNG, which is a partnership between subsidiaries of ExxonMobil, Qatar Petroleum, and Snam. Adriatic LNG has been in operation since 2009, from which date it started meeting more than 10% of Italy’s natural gas requirements. Its establishment followed a 2001 LNG sales and purchase agreement between RasGas and Edison for the supply of 4.6 million tons per year for 25 years.

Speaking at the event, Minister Al Kaabi expressed pride in the bilateral relations between Qatar and Italy, which cover a wide spectrum of fields and activities. He said, “The Adriatic LNG Terminal is a symbol of how countries can work together to ensure that people’s daily energy needs are met, that businesses can do their daily work unhindered, and that the wheel of the industry never stops.”

The Minister said: “The Adriatic LNG Terminal has become the main entry point of LNG into Italy, playing a strategic role in the diversification of Italian energy supplies. We are proud that the past ten years of Adriatic LNG have carried great benefits to the Republic of Italy and its people, as it became an important part of Europe’s energy system. For us in Qatar, we are committed to work with all our clients around the world to ensure the security of their energy supplies and the sustainability of their economic growth.”

The Minister thanked the Italian government, the regional government, and the local companies and communities, as well as Qatar Petroleum’s valued partners, ExxonMobil, Edison, Snam, and Qatargas for being part of this success. “We celebrate this symbolic bridge that ties our countries and our peoples, which could not have been built without your dedication and commitment,” Minister Al Kaabi said.

The Adriatic LNG Terminal is considered a strategic Italian infrastructure asset, which contributes to the diversification of the country’s energy supplies. The terminal has operated over the past decade with a regasification capacity of 8 billion cubic meters per year, corresponding to half of Italy’s LNG import capacity, and meeting about 10 percent of Italy’s total natural gas demand.
Commercial Bank enters into partnership with WCPI

The Ministry of Commerce & Industry participates in China international fair

Doha Bank hosts session on Artificial Intelligence

Barwa Al Baraha's workshops & warehouses ready for lease
QFZA signs two MoUs at Qatar-China Free Zones Forum

Qatar Free Zones Authority (QFZA) is the regulatory body for businesses in Qatar’s free zones, co-hosted the Qatar-China Free Zones Forum, which took place yesterday as part of the China International Fair for Investment and Trade (CIFIT) in Xiamen, Fujian China. A member of the QFZA, Mr. Mohammad Al-Ayed, who attended the Forum were dignitaries from QFZA and Chinese projects, including members of the official Chinese Ministry of Commerce and Industry. Qatar’s Minister of State and Chairman of QFZA, H E Ahmed bin Mohammed Al-Ayed, said: “The Forum was also attended by Mohamed bin Ahmed bin Towar Al-Kuwari, First Vice-Chairman, Qatar Chamber, Mqian Ghanim, Mayor of Xiamen City, Leon Wang, Chairman of Capital Nuts, and representatives from the Ministry of Foreign Affairs (MOFA), Ministry of Commerce and Industry (MOCCI), Qatar Central Bank (QCB) and Qatar Chamber (QC)

Speaking at the Forum Al-Kuwari said: “The Forum highlighted that there were many opportunities between Qatar and Chinese businesses to form partnerships within the free zones, which will benefit the economy of both countries and create value for Chinese investors to invest in Qatar.

As part of the event, QFZA signed a Memorandum of Understanding (MoU) with Capital Nuts, a Chinese-based early stage food specialist in consumer-focused online technology investments.

QFZA CEO Lim Meng Hui announced: “Capital Nuts is a leading venture capital firm in China and as a global player in e-commerce funding, and we are excited to partner with them as we explore deeper collaboration across the tech sector, a key focus sector for QFZA. As well as potential partnerships in import and export, e-commerce, downstream chemicals, industry, and more.

‘Capital Nuts aims to play an important role to bring Chinese technology and industry resources to Qatar. Leon Wang, Chairman of Capital Nuts said: QFZA also signed an MoU with Shenzhen Cross-Border E-Commerce Association (SZCEA), a non-governmental association focused on driving intra-border E-commerce in China. SZCEA’s members include strategic partners that comprise e-commerce players such as DHL and SF Express.

Under the new partnership, QFZA and SZCEA will establish cooperation guidelines to leverage the booming cross-border e-commerce and modern logistics sector by promoting QFZA’s availability of resources and SZCEA’s vast business expertise. Through QFZA’s logistical support, SZCEA plans to tap on the huge potential of QFZA. The two entities will look to exchange expertise in research and consulting projects, logistics, and e-commerce solutions to support bilateral ties and mutual economic development.

QFZA CEO Hui said: “Today’s meetings and partnership with SZCEA enrich a great example of QFZA’s overarching business strategy, which aims to enable global partnerships that benefit Qatar’s economy, diversification plans and foreign companies looking to expand their presence across the Qatar market.”

Minister of State and Chairman of QFZA, H E Ahmed bin Mohammed Al-Ayed (centre) and other dignitaries and senior business executives from Qatar and China at the Qatar-China Free Zones Forum held, in China, yesterday.

Qatar banks improved liquidity and profitability in first half: Fitch

THE PENDULUM

Qatar’s banking sector showed signs of improved profitability and liquidity in the first half of 2018, Fitch Ratings said in a report released yesterday.

The ratings agency noted that for 2018, asset quality metrics will remain robust and well-supported, particularly in the real estate sector and it expects higher loan impairment charges this year, compared to 2018, which continued to ease in 1H19 due to negative loan growth and lower loan base. The average gross loan-loss ratios were at the lowest point for four years at 1.03 percent.

For current accounts and savings accounts, a large number of customers remain denominated in foreign currencies. About 46 percent of deposits are in US dollars and 16 percent in euro, the lowest proportion of deposits denominated in foreign currencies in the second highest. It is likely that in Qatari banks’ deposits, the local currency is the dominant currency, and about 92 percent of total deposits are in Qatar.

 Asset quality deteriorated in 1H2018 due to negative loan growth and a lower loan base. The average gross loan-loss ratios were at the lowest point for four years at 1.03 percent, compared to 1.06 percent in 2017.

Competition for current accounts and savings accounts remains fierce. Foreign funding remains high, contributing to a reduction in the loans to deposits ratio, but the economy has a high degree of government funding, with Qatars public sector debt ratio at 66 percent of GDP. The average gross loan-loss ratios were at the lowest point for four years at 1.03 percent.

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Operating profit/risk-weighted assets increased in 1H19 due to better cost efficiency and lower loan impairment charges. The average net interest margin ratio was roughly in line with that of 2018.
**US seeks to privatise mortgage giants a decade after market meltdown**

A $400bn government bailout that year saved the two entities, whose risks were closely watched by investors.

In Senate testimony on Tuesday, US Treasury Secretary Steven Mnuchin is due to lay out a plan for the reform of American housing finance, including the government-sponsored enterprises known as Fannie Mae and Freddie Mac.

The two organisations – which own or guarantee half of all US residential mortgage debt – were placed under conservatorship, or effectively nationalized, during the mortgage meltdown of 2008.

In response to a darkening economic outlook for the global economy.

Most notably, the European Central Bank is likely to announce corporate bond purchases this week, an expectation that has already pushed nearly half of all Eurozone corporate debt into negative-yielding territory.

The Bank of England is also expected to announce the event of a disruptive outcome from Brexit negotiations, and perhaps most significantly, cuts from the United States are being priced in as well.

As a result, there has been a record demand for corporate bond issuance over the past fort-night or so, bankers say. Last week, there was €1bn of corporate bond issuance in Europe and $7bn in the United States, a new record by one estimate.

“Investors are very longing at the moment,” said one banker who has managed a large fund in the US. “They have no other choice.”

I think the Corbyn risk is substantial with a general election likely, but the market is not trading on credit fundamentals. It is a market pumped up on corporate bond stimulus.

In May this year, the Labour Party flagged plans to take the National Grid into public ownership, saying it wants to create a National Energy Agency for transmission infrastructure.

In its bond prospectus, the company warned of the potential downside of nationalisation for operators, cash flows and opportunities to develop businesses. But this did not mean National Grid or the National Grid Group would be unable to comply with obligations, it said.

The current slowdown mirps into a genuine crisis and that Germany’s sold assets have given the nation a sizable breathing space.

It’s central that we’re in a position with the financial fundamentals that we have to respond with many, many billions, if indeed an economic crisis erupts in Germany and Europe, Scholz told parliament. And we will do it. That’s Keynesian economics and we do have a plan.

He told the Bundestag in November he was planning on launching Angela Merkel’s ruling coalition to loosen the purse strings as Europe’s biggest economy tries with a first recession in almost seven years.

Export-dependent Germany is suffering the effects of a global slowdown, exacerbated by trade disputes and significant export cuts and turmoil in the Middle East.

**Automakers turn on style to try to switch SUV fans to electric**

Mercedes-Benz and Porsche are showing electric cars to the Frankfurt auto show as part of a plan by the carmakers to diversify away from gas-guzzling SUVs that could soon land them with hefty fines under new EU emission rules.

“We have moved on from treating the electric car mainly as an engineering challenge. Now electric cars are getting serious,” said Jochen Wagenknecht, Chief Design Officer at Mercedes-Benz parent Daimler told Reuters.

Mercedes-Benz Vision EQS electric concept car, built with recycled plastic bottles, a material which the company hopes will resonate with critics of electric car enthusiasm.

The global auto industry has struggled to placate activists and regulators in the wake of Volkswagen’s 2015 diesel emissions cheating scandal, while customers continue to buy SUVs, even as authorities target the ID.3 compact.

Now a generation of new chief executives – including Daimler’s Ola Källenius, BMW’s Oliver Zipse and Volkswagens Herbert Diess are attempting to rectify the industry’s image with cleaner designs and models that pollutionists find reassuring.

This is our idea of sustainable luxury,” Källenius said at the Frankfurt car show. “That is the mission of electrification throughout the industry. We see electric cars as a way of doing that, in VW-owned Porsche’s attempt to inject desirability into premium electric cars, while the group’s mainstream brand, VW, is better positioned with the ID.3 compact.

German Chancellor Angela Merkel (right) talks with German Finance Minister Olaf Scholz (left) during a meeting on the federal budget at the Bundestag (lower house of parliament) in Berlin, yesterday.

**Germany sticks to balanced budget**

Germany is sticking to a balanced budget but is ready to act with many billions should its economy and that of Europe head into recession, Finance Minister Olaf Scholz said.

In a speech to parliament yesterday, Scholz said Germany’s long-standing zero-deficit policy would stand for next year’s budget and allow any already high investments to increase further.

It’s a solid budget that is achieving without new debt, said the 61-year-old trained lawyer. We used to roam in the Treasure, it’s an equilibrium budget that includes much investment. Yet Scholz also said the government would act

North America

**Oil rises on extended output cuts**

Oil futures rose yesterday to their highest levels in almost seven years on Thursday after the top OPEC and other producing countries may agree to extend oil output cuts in support prices.

Brent crude rose 0.5% to $63.09 a barrel by 0845 GMT, while US West Texas Intermediate (WTI) futures gained 0.3% at $56.05 a barrel. Brent reached its highest level since August 1, while US crude rose in its highest since July 10.

The Opec+ joint ministerial monitoring committee (JMMC), which reports on compliance with the cuts, is due to meet on tomorrow in Abu Dhabi.

There have been concerns about producers’ adherence to the agreement as OPEC member Iraq and Nigeria, among others, exceeded their quotas in August and Russia also did not fully comply.

“Market will need to see concrete progress on the production front, even as the world’s economy slows, in sustained gains,” said Jeffrey Halley, senior market analyst at OANDA.

Should oil markets close higher on Tuesday it will be the longest run of gains since late July but headwinds remain for US-China trade tensions.

Goldman Sachs lowered its forecast on 2019 oil demand growth to 1 million barrels per day, down 100,000 bpd but left its 2020 projection broadly unchanged at 1.4 million bpd

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Europe unveils new economy czars amid Trump tech & budget fights

The European Union named its new policy team responsible for managing threats from US protectionism and tech dominance, as budget fights and hugging populists and sluggish growth.

The European Commission President Jean-Claude Juncker on Friday appointed Phil Hogan as EU trade chief and Frans Timmermans to take over as vice president in charge of economic affairs.

Hogan will be in charge of digital affairs, while Timmermans will be in charge of climate protection.

The five-year portfolios represent the first stamp of authority by von der Leyen on the world’s biggest single market as it confronts economic risks ranging from the US-China trade war to disorderly Brexit to corporate tax reform.

Juncker said the five-year portfolios represent a “new chapter” in EU politics.

“Brussels needs to have a team around the assembly on October 23,” von der Leyen said. “Our team will be very much focused on Europe’s future.”

A US plan to hit a range of EU goods with tariffs next week puts von der Leyen at the center of a global trade dispute the EU wants to avoid.

“Quarrels and complaints are nothing new,” she said. “The US is very protectionist, and we are not averse to protectionism.”

Juncker named Juncker as the five-year portfolio of Commissioner for Competition, with Hogan as EU trade commissioner, and Frans Timmermans to take over as vice president in charge of economic affairs.

Hogan’s appointment sends two contrasting political signals to the UK.

First, because British politics has been thrown into turmoil by EU intransigence, a government that is no longer in place has withdrawn from Brexit talks.

Second, because Britain wants to limit to industrial goods. Demands by Washington on trade in services are a different matter.

The Swedish crown was the only notable loser in early London trading, falling 0.5 percent versus the dollar and 0.7 percent against the euro, after August inflation data came in below market expectations.

The yen held at a five-week low versus the greenback yesterday, as investors cut bets on the global economy. Yen has turned positive in the past week for the first time since February. The comparable US dollar index is up 4.8 percent for the past 24 hours.

Against the dollar, the yen fell to a six-week low on Friday as US-China trade tensions and US protectionism continued to weigh on US demand for the yen.

Europe unveils new economy czars amid Trump tech & budget fights

Yen pinned at 5-week lows as investors cut bets on economic gloom

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