

## Turkish Airlines profits in Africa, where others fear to fly

When Turkish Airlines opened a direct daily route to a war-ravaged African failed state plagued by Islamist militants, industry insiders were sceptical.

Not anymore. "Somalia is one of our most profitable destinations worldwide," Mustafa Ozkahraman, Kenya country manager for Turkish Airlines, told Reuters in an interview. "Because we are the only (international airline). The first and the only one."

The Istanbul-based carrier is replicating the move across Africa, expanding to

destinations shunned by others. The move comes as political unrest at home last year pushed the airline into the red for the first time in 17 years.

In 2011, Turkish Airlines flew to 14 African cities. By the end of this year, it will operate 52 routes from Istanbul across Africa, after launching a route to Freetown, the capital of Sierra Leone.

From January to June, just under a tenth of total passenger and cargo revenues came from Africa, according to results for the first half of 2017 that showed a net loss

of \$434 million.

Rival Emirates has less than 30 routes. Last year, the Dubai-based airline cut one African flight and reduced the frequency of several others.

It cited weak economic conditions in Africa, where many countries dependent on revenues from commodities exports have seen economic growth fall below population growth.

But Turkish Airlines, which is 49 percent state-owned, is bullish on Africa, a continent of 1 billion people. (RTRS)

## Iran to ensure oil market stability

Iran will take any necessary steps to ensure the stability of the oil market, Oil Minister Bijan Zanganeh said on Wednesday after meeting Venezuelan counterpart Eulogio Del Pino in Tehran, according to SHANA, the news site of the Iranian oil ministry.

"We are prepared for any action that will help the stability of the oil market," Zanganeh said.

Zanganeh said compliance by members of the Organization of the

Petroleum Exporting Countries with an agreement to curb oil output had been about 98 percent in the past eight months and would improve in the future.

Zanganeh discussed a possible extension of the OPEC supply cuts until June 2018 with Del Pino, SHANA reported. Talks will be held with other OPEC members about extending the cuts at an Oct 4 meeting of the Gas Exporting Countries Forum in Moscow. (RTRS)

## Market Movements

13-09-2017

	Change	Closing pts		Change	Closing pts		
JAPAN	- Nikkei	+89.20	19,865.82	AUSTRALIA	- All Ordinaries	-2.40	5,804.00
GERMANY	- DAX	+28.80	12,553.57	S. KOREA	- KRX 100	-6.18	4,833.09
FRANCE	- CAC 40	+8.58	5,217.59	PHILIPPINES	- All Shares	-2.26	4,776.35
EUROPE	- Euro Stoxx 50	+10.58	3,523.14	HONG KONG	- Hang Seng	-78.16	27,894.08
INDIA	- Sensex	+27.75	32,186.41				

# Business

## QIA says most of future US investments in hi-tech and infrastructure

# 'Business as usual' for Qatar's \$300bn sovereign fund: CEO

DOHA, Sept 13, (AFP): The head of the Qatar Investment Authority said Wednesday that the lingering Gulf political crisis was having little impact on the \$300 billion sovereign wealth fund of the gas-rich nation.

In a rare public appearance, Sheikh Abdullah bin Mohamed bin Saud Al-Thani, chief executive at the QIA, said there was "no problem" for the fund despite the crisis passing the 100-day mark.

"We are still open for business and business as usual," Sheikh Abdullah said in an address at the Carnegie Mellon University in Qatar.

"We are fine," he added. Qatar has found itself regionally isolated since June 5 after Saudi Arabia, the United Arab Emirates, Bahrain and Egypt cut all ties, accusing Doha of bankrolling Islamist extremists and being too close to Iran.

The emirate denies the charges and has moved to realign itself politically and economically.

### Impact

Pressed on the impact of the crisis several times, Sheikh Abdullah said the QIA's exposure to those countries leading the boycott was "very, very small" and added that the fund would continue its recent policy of targeting hi-tech and infrastructure companies in the United States.

"The future is technology," he said.

Moody's Investor Service said on Wednesday the regional dispute was hurting the economies of all countries involved, with Qatar being impacted the most.

It estimated that around \$30 billion flowed out of Qatar's banking system in June and July and that Doha used \$38.5 billion in the two months to support the economy.

Among the companies in which the QIA was investing were those in the health sector using hi-tech solutions for cancer treatment, said Sheikh Abdullah.

In 2015 he announced that the QIA would invest up to \$35 billion in the United States over the following five years, after targeting high-profile acquisitions in Europe.

Last December it was also announced the fund would invest \$10 billion in US infrastructure projects.

He said Wednesday that around half of that \$45 billion had been invested.

The QIA has opened an office in New York and will do so soon in the Silicon Valley, he added.

"If you want to invest in the States, you have to have boots on the ground," he said.

Earlier this week it was announced that the QIA and Swiss commodities trader Glencore had sold a major part of a stake they had only recently acquired in Russian oil giant Rosneft to Chinese conglomerate CEFC. The QIA is considered one of the world's biggest sovereign funds, swollen by Qatar's massive gas and oil revenues.

## Airbus wins \$4 bln order from Cathay

PARIS, Sept 13, (AFP): Airbus said Wednesday it has finalised a more than \$4 billion order with Cathay Pacific for 32 of its A321neo aircraft to revamp the Hong Kong-based carrier's regional affiliate.

The single-aisle medium-haul jets will be operated by Cathay Dragon which flies from Hong Kong to a number of Asian destinations, Airbus said in a statement.

A preliminary agreement had been signed in August.

The A321neo planes "will replace and modernise Cathay Dragon's current in-service fleet of 15 A320s and eight A321s, with the additional aircraft allowing the airline to capture growth opportunities in the region," Airbus said.

Cathay Dragon currently covers 56 Asian destinations, including 28 in mainland China.

The A321neo can seat up to 240 passengers and uses more fuel-efficient engines to reduce fuel consumption by up to 20 percent per seat, Airbus said.

It competes with rival Boeing's 737 MAX 10.

LONDON, Sept 13, (RTRS): The global oil surplus is beginning to shrink due to stronger-than-expected European and US demand growth, as well as production declines in OPEC and non-OPEC countries, the International Energy Agency said on Wednesday.

The agency, which coordinates energy policies of industrial nations, raised its 2017 global oil demand growth estimate to 1.6 million barrels per day (bpd) from 1.5 million bpd.

"OECD demand growth continues to be stronger than expected, particularly in Europe and the US," the Paris-based IEA said.

"Based on recent bets made by investors, expectations are that markets are tightening and that prices will rise, albeit very modestly," the IEA said.

Robust demand in industrialised countries was a key factor behind global demand growing 2.3 million bpd in the second quarter, the highest quarterly year-on-year rise since mid-2015.

### Supply

On the supply side, global oil output fell by 0.72 million bpd in August due to unplanned outages and scheduled maintenance in OPEC member Libya as well as non-OPEC states such as Russia, Kazakhstan, Azerbaijan and Mexico, as well as in the North Sea.

It was the first fall in global production in four months.

OPEC's crude output fell in August for the first time in five months on renewed turmoil in Libya, with the cartel's production decreasing by 0.21 million bpd to 32.67 million bpd.

The 12 members of OPEC bound by a supply-cutting pact raised their compliance to 82 percent in August from 75 percent in July. Their compliance for the year so far was 86 percent.

As a result of output declines and stronger demand, global oil stocks are beginning to rebalance, according to

KUWAIT CITY, Sept 13, (RTRS): Kuwait's Oil Minister Essam al-Marzouq said on Wednesday that OPEC could hold an extraordinary meeting in mid-March if oil producers did not reach a decision to extend their supply cut pact when it next meets in November.

"In the coming November meeting, we may not reach a decision to extend ... the agreement and we could hold an extraordinary meeting in mid-March for this matter," Marzouq said at a joint news conference with his Venezuelan counterpart in Kuwait City.

OPEC and other producers, including Russia, have agreed to reduce output by about 1.8 million barrels per day until March 2018 in a bid to reduce global oil inventories and support oil prices.

An extension of at least three months is being discussed among oil producers before OPEC meets again in November.

Venezuelan Oil Minister Eulogio Del Pino said that "all options are open" regarding the global cuts agreement. "I have discussed with the Saudi and Kuwait oil ministers (ideas) other than extending the agreement and we are open on all the options," Del Pino said.

Saudi Arabian Energy Minister Khalid al-Falih and his Venezuelan and Kazakh counterparts have discussed a possible extension of the pact, the Saudi energy ministry said on Sunday.

Marzouq said that the joint OPEC, non-OPEC ministerial committee, known as the JMMC and headed by

the IEA.

"OECD commercial stocks were unchanged in July at 3.016 billion barrels, when they normally increase," the IEA said.

The global surplus of crude and



Essam Al-Marzouq

Kuwait, has not yet been asked to study whether to extend the pact or not.

The JMMC will meet on Sept 22 in Vienna and will urge oil producers participating in the agreement for full compliance with it, Marzouq said.

Del Pino also said his country would price its crude oil sales in currencies other than the US dollar, giving the Chinese yuan and Indian rupee as examples.

Several oil producing nations have repeatedly pledged to switch away from the US dollar for crude sales including Russia and Iran. Most attempts have been rebuffed by the global oil trading community which prefers to trade in dollars.

Del Pino will travel to Tehran on Wednesday to meet with his Iranian counterpart, he said.

stocks over the five-year average fell to 190 million barrels. OPEC cut its output in January 2017 by 1.8 million bpd to help inventories return to a 5-year average and prop up prices.

"OECD product stocks were only 35

## Shell set to end a century of oil production in Iraq

LONDON, Sept 13, (RTRS): Royal Dutch Shell is set to end a century of oil production in Iraq by withdrawing from two of the Arab state's flagship fields to focus on more profitable gas development.

Shell's retreat highlights the challenges foreign operators face with low-margin oil contracts in Iraq, an OPEC member that sits on some of the world's biggest oil reserves and wants to boost production after years of conflict hindered development.

The Anglo-Dutch firm said on Wednesday it had agreed with Iraq's oil ministry to relinquish operations at Majnoon field to the government after unfavourable changes to fiscal terms. The announcement confirmed an earlier Reuters report. Shell is also selling its 20 percent stake in West Qurna 1 oil field in the south of the country. The field is operated by Exxon Mobil.

Investment bank Lazard is running the sale for Shell, industry sources told Reuters. The bank did not immediately respond to a request for comment.

Shell said it was still committed to producing gas in Iraq, saying it would focus on developing and expanding the Basra Gas Company, which processes gas from the

Rumaila, West Qurna and Zubair fields. It has a 44 percent stake in the joint venture.

Shell produced almost 20 million barrels of oil from Iraq during 2016, which accounted for about 3.5 percent of the firm's total oil output last year, according to Shell's annual report. Precise terms of the contract terms are not public and Shell has not detailed its earnings from Iraqi oil.

But a source told Reuters last year Shell had found limited financial benefit in recent years from oil production in Iraq, where it is paid in crude but has limited say on strategy.

"The Oil Minister of Iraq formally endorsed a recent Shell proposal to pursue an amicable and mutually acceptable release of the Shell interest in Majnoon, with the timeline to be agreed in due course," a Shell company spokesman said. Shell took the decision after Iraq applied performance penalties on the Shell-operated venture "which had a significant impact on its commerciality," he said.

Battling a sharp fall in oil prices since 2014, Iraq asked foreign firms to cut spending on oil projects in order to reduce the cash-strapped government's contribution in shared ventures.

million barrels above the five-year average at end-July," the IEA said.

"Depending on the pace of recovery for the US refining industry post-Harvey, very soon OECD product stocks could fall to, or even below, the five-

year level," it said referring to Hurricane Harvey which hit the United States two weeks ago.

With ongoing rebalancing, the IEA raised its call on OPEC's oil by 0.1 million bpd for both 2017 and 2018.

## New Apple Watch that makes calls turn comic book fantasy into reality

# Apple unveils \$999 iPhone X, new Face ID technology

CUPERTINO, California, Sept 13, (Agencies): Apple on Tuesday unveiled a number of new phones, including its most expensive one yet, as well as new versions of its Apple Watch and its streaming TV device. Here's a rundown of the announcements.

### iPhone X

Apple is releasing a super-premium iPhone with a super-premium price tag, starting at \$999. The new iPhone X — pronounced like the number 10 — will have a screen with higher resolution and richer colors.

It will also lose a distinct home button to make more room for the 5.8-inch display. That's slightly more than the Plus model's 5.5 inches, though the phone's size is closer to the regular iPhone model.

The features are similar to what Samsung offers.

The new design will enable new ways to interact with the phone. Instead of pressing the button to get the home page, you swipe up instead.

Apple is also offering the ability to unlock the phone with facial recognition rather than a fingerprint or passcode. Though some Android phones offer this, Apple is adding sensors to improve performance and says it worked with mask designers during testing to improve security. An executive initially failed to unlock the phone this way in a demo Tuesday, though.

The new phone, which is coming Nov 3, will also permit animated emojis that mirror your facial movements and promises two more hours of battery life than what's in the current iPhone 7. Such an iPhone has been widely anticipated for the iPhone's 10th anniversary and comes just weeks after Samsung unveiled its own super-premium phone, the \$930-and-up Galaxy Note 8.

### iPhone 8

Apple is refreshing its lineup of iP-

hones with camera, display and speaker improvements.

The new phones promise to shoot pictures with better colors and less distortion, particularly in low-light settings. The display will adapt to ambient lighting, similar to a feature in some iPad Pro models. Speakers will be louder and offer deeper bass.

The new iPhone 8 will keep its predecessor's size — 4.7 inches — but have a higher starting price of \$699, up from \$649. The 5.5-inch iPhone 8 Plus starts at \$799, up from \$769. The new phones come out Sept 22.

Apple is bucking its traditional naming convention by calling the new

phones iPhone 8 rather than 7S. The S designation might have given consumers the impression that the new phones are mere incremental updates from the current iPhone 7.

The Plus version will continue to have two camera lenses and now has the ability to optimize lighting as you shoot.

Both versions will allow wireless charging. Many Android phones, including Samsung's, already have this.

### Apple Watch

Apple is coming out with a new smartwatch designed to be less dependent on the iPhone. A new model

will still require a companion iPhone, but comes with cellular access. That makes it possible to do more — like receiving messages — while the phone is at home. The watch will use the same number as the phone. The feature will require a \$5 or \$10 data add-on to an existing phone plan.

The new cellular model, called Series 3, will start at \$399. One without cellular goes for \$329, down from \$369 for the comparable model now. The original Series 1, without GPS, sells for \$249, down from \$269. The new watch comes out Sept. 22.

Existing Apple Watches will get a software update next Tuesday that will

provide more analysis of your heart rate. The Series 3 also delivers warnings for elevated heart rate when you don't appear to be active.

### Apple TV

A new version of the Apple TV streaming device will be able to show video with sharper "4K" resolution — a step up from standard high definition — and a color-improvement technology called high dynamic range. Many rival devices already offer these features. However, there's not a lot of video in 4K and HDR yet, nor are there many TVs that can display it.

Apple says it's been working with movie studios to bring titles with 4K and HDR to its iTunes store. They will be sold at the same prices as high-definition video, which tends to be a few dollars more than standard-definition versions. Apple says it's working with Netflix and Amazon Prime to bring their 4K original programs to Apple TV, too.

The 4K version of Apple TV will cost \$179 and ships on Sept 22. A version without 4K will cost \$149.

More than two years after releasing the Apple Watch, Apple Inc has finally been able to replicate 1940s comic strip technology, an advance that analysts say will spur sales.

The Series 3 of the Apple Watch features wireless LTE connectivity. That means customers will be able to make phone calls or send text messages from the watch without needing to have an iPhone nearby, as they do with earlier models.

The ability to make calls with a wristwatch has captured the imagination of tech enthusiasts at least since it was prominently featured in "Dick Tracy," the comic about a private detective who, starting in 1946, used calls from his wrist to help bust bad guys.

"This has been our vision from the beginning," Chief Operating Officer Jeff Williams said at the launch event.



An AirPower mat is seen charging multiple devices during a media event at Apple's new headquarters in Cupertino, California on Sept 12. (AFP)