

Rosneft back in profit in second quarter

Reuters | Moscow

Russia's largest oil producer Rosneft made a second-quarter profit of 43 billion roubles after reporting a loss in the previous three months thanks to a rise in oil prices, it said yesterday.

Rosneft, headed by Igor Sechin, a long-standing ally of President Vladimir Putin, is the first big Russian oil company to report financial results for the second quarter, when oil prices started to rebound after hitting a 21-year low in April.

The oil market, under pressure from overproduction and the fallout from the coronavirus crisis, has been on a recovery path thanks to a global deal between OPEC and other leading oil producers, including Russia, to cut oil production.

The company, which accounts for more than 40pc of Russia's total oil output, said it produced 4.04 million barrels of oil per day (bpd) in the second quarter, down 13pc from the previous quarter, due to the global output reduction deal.

Didier Casimiro, Rosneft's first vice president, told investors on a call that the company had increased daily oil production in early August by around 6pc from July, in line with the easing of output curbs by the OPEC+ group.

Rosneft expects the company's, and Russia's overall, oil production to remain stable in August-December.

A company official also said Rosneft's capital expenditure may increase to 1 trillion roubles in 2021 from a downward-



Rosneft is headed by Igor Sechin, a long-standing ally of President Vladimir Putin

ly revised 750 billion roubles in 2020.

Back to profit

Rosneft gave a dollar figure of \$700 million for its April-June earnings, saying the conversion was calculated using average monthly Central Bank of Russia exchange rates for the reporting period.

The company, in which BP owns a 19.75pc stake, sustained a loss of 156 billion roubles (\$2.13 billion) in the first quarter, when the oil price fell by two-thirds.

"As prices for crude oil and refined products had improved, our financial metrics demonstrated a positive dynamic in the course of 2Q 2020. This provides us confidence that the company's financial results will stage a recovery in the upcoming periods," Sechin said in a statement.

In the second quarter of 2019, Rosneft had reported a net profit of 194 billion roubles.

Indonesia prez urges economic 'reboot', boost to health care

● Widodo proposed a 2,747.5 trillion rupiah (\$186.65 billion) 2021 budget

● He said the fiscal deficit should dip to 5.5pc of GDP

● Indonesia has recorded the highest death toll due to coronavirus in Southeast Asia

Reuters | Jakarta

Indonesia must use the coronavirus pandemic to reboot Southeast Asia's biggest economy, President Joko Widodo said yesterday, as he proposed a \$187 billion 2021 budget that includes spending more on healthcare, including vaccines, and infrastructure.

Widodo made the remarks in his annual state of the union and budget speeches to parliament. Due to coronavirus precautions, less than half of the lawmakers were present for his address, with the rest watching online.

Likening the current economic situation to "a computer crash", he said Indonesia, along with other countries, must "shutdown, restart and reboot".

"We must capitalize on the crisis as a momentum to make a big leap," he said.

Widodo proposed a 2,747.5 trillion rupiah (\$186.65 billion) 2021 budget, up 0.3 per cent from this year. He said the fiscal



Indonesian President Joko Widodo wearing a protective mask waves to journalists as he arrives at the parliament building in Jakarta

deficit should dip to 5.5pc of GDP, from 6.34pc in 2020, the highest in more than a decade as the government sought to shield the economy from the pandemic. Indonesia has recorded the highest death toll due to coronavirus in Southeast Asia, though authorities have been pushing

to reopen the economy.

Economic growth should rebound to 4.5pc-5.5pc next year, Widodo said, compared with government projections of stalled growth this year and a 5pc rise in 2019.

The budget showed "the government is pretty optimistic

\$1.7bn

Widodo, who allocated \$1.7 billion for COVID-19 vaccines and research, said accelerating reform of the health sector was a top priority

about its expectation for economic recovery even as we see globally that the recovery in developed economies has been pretty slow," said Josua Pardede, an economist with Bank Permata.

Widodo, who allocated \$1.7 billion for COVID-19 vaccines and research, said accelerating reform of the health sector was a top priority, along with strengthening food supply chains, including with a newly planned food estate on Borneo island.

He also highlighted plans to slash oil imports by using fuel made from palm oil, including by expanding the green diesel state oil firm Pertamina successfully made from 100pc palm oil.

The so-called D100 would absorb a minimum of 1 million tonnes of farmer-produced palm for 20,000 barrels of production capacity per day, Widodo said, without giving a timeframe.

Cash and food assistance, tax breaks and programmes to support small firms would continue next year, though would fall to \$24 billion, compared with \$47 billion this year. To aid economic recovery, \$28 billion of infrastructure spending was proposed.

Retailers launch coalition to fight counterfeits on Amazon

Reuters | Washington

The Retail Industry Leaders Association (RILA), whose members include companies such as Walmart Inc and Target Corp, said yesterday it has joined over a dozen trade groups to form a coalition to fight counterfeit goods on online platforms such as Amazon.com Inc.

The coalition, called The Buy Safe America Coalition, will back legislation that would require digital marketplaces to verify information about third-party merchants on their platform, RILA said.

The lobbying push comes at a time when Amazon has been under scrutiny from lawmakers and the White House over the sale of counterfeit items.

Porsche plans new plant for car bodies

Reuters | Prague

Volkswagen's Porsche plans building a new plant to make car bodies in Slovakia, where it may create up to 1,200 jobs, Slovak newspaper Dennik N reported yesterday.



The sport cars maker already has one plant in the country and it has been constructing a development centre.

Slovakia is the world's biggest per capita car producer, with 1.1 million vehicles in 2019.

India grants five month extension to renewable project completion

Reuters | New Delhi

India has granted five month extension to Aug. 24 to all renewable energy projects that were under implementation on the March 25, when the country went under nearly a seven week complete lock-

down, a government statement said yesterday.

"This blanket extension, if invoked by the RE (renewable energy) developers, will be given without case to case examination and no documents/evidence will be asked for such extension," said the statement.

US-China trade deal review postponed -sources

● China is well behind the pace of purchases of US exports needed to meet first-year targets

● US signaled that they are satisfied with the pace of purchases

Reuters | Washington

A review of the US-China trade deal initially slated for Saturday will be delayed due to scheduling issues and no new date has been agreed, according to sources familiar with the plans.

US Trade Representative Robert Lighthizer, US Treasury Secretary Steven Mnuchin



US Trade Representative Robert Lighthizer points at markers on the floor as he leads Chinese Vice Premier Liu He and Treasury Secretary Steven Mnuchin to their position for a family photo at the Xijiao Conference Center in Shanghai, China

and Chinese Vice Premier Liu He had been expected to meet via videoconference today, the six-month anniversary of agreement's taking effect.

One source familiar with the talks said the delay stemmed from continued meetings of senior Communist Party leaders at the seaside town of Beidaihe on China's northeast coast.

Specific dates for the secretive party conference, normally held in August, are never published.

The delay did not reflect any substantive problem with the trade deal, the source said, adding: "The new date has not been finalized yet."

The US Trade Representative's office did not respond to a Reuters query about plans for the review.

China is well behind the pace of purchases of US exports need-

ed to meet first-year targets for major increases in its purchase commitments. It was slated to buy \$77 billion more than in 2017 this year, and \$123 billion over the 2017 level in 2021.

Trump administration officials have signaled that they are satisfied with the pace of purchases in recent weeks and have no plans to abandon the trade deal, which also includes some increased access for US financial services firms in China, strengthened intellectual property protections and removal of some agricultural trade barriers.

The trade deal has emerged as a lone source of stability amid significant strain in the US-China relationship over the coronavirus pandemic, human rights crack-downs and US sanctions on Chinese companies and phone apps.