

business

Iraq, Kurds ink deal to restart oil exports

● **Iraqi security units took the fields from Kurdish forces in October 2017**

● **Iraq is OPEC's second-largest oil exporter at 4.5 billion bpd.**

AFP | Kirkuk, Iraq

Iraq's central government has agreed with Kurdish authorities to resume oil exports from Kirkuk, the oil ministry said yesterday, a year after federal forces seized the lucrative fields.

Iraqi security units took the fields from Kurdish forces in October 2017, in retaliation for a controversial independence referendum in the Kurdish region. But since the pipeline to neighbouring Turkey ran through Kurdish-held territory, there was no way to take significant sums of oil out of Kirkuk, so exports stopped.

Yesterday, oil ministry spokesman Assem al-Jihad said Baghdad and Arbil had agreed on restarting them.

"The federal government and the government of the Kurdish



Representative picture



The Kurds took Kirkuk in 2014, as the Islamic State group swept across parts of Iraq's north

(autonomous) region of Iraq reached a preliminary agree-

ment to resume oil flows starting today from the Kirkuk fields through the KRI's pipeline to the Ceyhan port in Turkey," he said.

He said between 50,000 and 100,000 barrels per day (bpd) would be exported through the Kurdish pipeline.

A source from the state's North Oil Company confirmed that oil had begun pumping out of Kirkuk at 10:00 am (0700 GMT) on Friday morning, describing it a test.

"It began as an experiment with 50,000 bpd and will later reach an average of 80,000 bpd," the source added.

The Kirkuk fields have changed hands several times in recent years in a tug-of-war

over one of Iraq's most oil-rich regions.

The Kurds took Kirkuk in 2014, as the Islamic State group swept across parts of Iraq's north, and began exporting to Turkey from there through their own pipeline at around 420,000 bpd.

Last year, federal forces seized the fields but could only take around 30,000 bpd out by tanker truck to Iran.

The federal government had pledged to renovate their own parallel pipeline, but experts said it would take two years.

The announcement is one of the earliest victories for Iraq's new Prime Minister Adel Abdel-Mahdi, a previous oil minister known for his good relations with Kurdish authorities in Arbil.

It also comes less than two weeks after Washington re-imposed sanctions on Iran's oil, energy and finance sectors.

Baghdad was granted a 45-day waiver from the sanctions as long as it came up with a plan to wean itself off of Iranian-imported gas and electricity.

Oil exports make up almost the entirety of the government's revenue, bringing in \$8.5 billion last month.

ECB sees 'no reason' for eurozone slowdown

Frankfurt am Main, Germany

European Central Bank President Mario Draghi said yesterday he saw "no reason" why growth in the eurozone should wither, minimising a sharp slowdown in the third quarter.

"There is certainly no reason why the expansion in the eurozone should suddenly come to an end," Draghi said at a Frankfurt conference, in comments confirming his determination to end massive central bank support for the economy this year.

But he added that if bank lending dried up or inflation fell back, then that "should in turn be reflected in an adjustment in the expected path of future interest rates."

That would suggest interest rates could remain at historic lows beyond summer 2019, analysts said.

The ECB chief "just sent a clear signal of the ECB's willingness to err on the side of caution" before raising rates, ING Diba bank economist Carsten Brzeski commented.

Draghi repeated his assessment that risks to economic growth in the bloc were "broadly balanced" despite looming threats.

That judgement would back ECB plans to end in December



Mario Draghi

just 0.2 percent between July and September, with shrinking output in heavyweight economy Germany a major factor.

"A gradual slowdown is normal as expansions mature and growth converges towards its long-run potential," Draghi said.

He also underlined "one-off factors" such as cold weather, a flu outbreak, industrial action and the introduction of new car emissions tests that have braked production in the vital sector since September.

But the greater danger, he argued, was from "trade uncertainty... in particular relating to protectionism" that could further weigh on already sluggish global trade growth.

US industrial output gains in October

Washington, United States

Auto production and mining slowed sharply in October but not by enough to halt the continued and accelerating output by the US industrial sector, the government reported yesterday.

The production gains came despite the impact of back-to-back hurricanes in the past two months that crimped output, according to the Federal Reserve's monthly data, a strong sign for the US economy.

Industrial production rose just 0.1 per cent last month compared to the prior month, which was well below expectations, while output in September was revised down to a gain of 0.2pc.

The report said hurricanes dampened output in October and September, trimming about 0.1pc off the gains in each month.

But manufacturing remains robust, with an increase of 0.3 percent in the latest month offsetting the less weighty mining and utilities sectors, which declined 0.3pc and 0.5pc, respectively.

That fifth consecutive manufacturing gain came despite a 4.6pc plunge in motor vehicle production, which reversed the rise in September.

Excluding that decline in autos, as well as the drop in auto parts, manufacturing output would have increased 0.5pc.

The strong showing is a boost to the US economy, as overall output is up 4.1pc compared to October 2017.

Chilli powder thrown as Sri Lankan MPs brawl again

A Rajapakse loyalist was seen throwing chilli powder at legislators and police

● **Rajapakse lost a similar vote on Wednesday, but refused to step down**

Colombo, Sri Lanka

Sri Lanka's political crisis escalated yesterday with police having to escort the speaker into parliament and MPs throwing chilli powder and furniture at rivals.

The Indian Ocean nation has been paralysed since October 26 when President Maithripala Sirisena sacked Ranil Wickremesinghe as premier and replaced him with former strongman Mahinda Rajapakse.

Yesterday speaker Karu Jayasuriya was blocked from taking his chair for almost an hour by a group of legislators backing Rajapakse. Finally, Jayasuriya entered the red-carpeted chamber protected by dozens of unarmed officers and parliamentary staff.

Rioting MPs took away the ceremonial chair, but staff carried in an ordinary office chair as a makeshift replacement.

However, rioters grabbed that chair too, breaking it into pieces that were then used as projectiles to attack rivals and police.

A former parliament staffer said Friday's



Members of the Sri Lankan parliament backing former president and currently appointed prime minister Mahinda Rajapakse drag away the parliament speaker's chair in Colombo

scenes were unprecedented.

No confidence

Standing in a corner with a human shield of khaki-clad constables, the speaker, in his usual black and gold robes, used a wireless microphone to take a voice vote on a revised no-confidence motion against Rajapakse.

Rajapakse lost a similar vote on Wednesday, but refused to step down saying that vote was not taken properly. His party had acknowledged that they did not command a majority in the 225-member assembly despite attempts to engineer defections.

President Sirisena, who has the power to appoint a new prime minister, told political parties representing a majority of legislators on Thursday night to submit an amended motion to confirm the toppling of Rajapakse.

Rajapakse himself stayed away from the rioting and walked out of the chamber after the no-trust motion was passed against him.

A Rajapakse loyalist was seen throwing chilli powder at rival legislators and police. Several constables and legislators were taken to the parliament's medical centre for first aid.

Gamini Jayawickrema Perera, a legislator from ousted prime minister Ranil Wickremesinghe's party, said he was among those treated after chilli mixed with water was thrown at his face.

Leftist lawmaker Vijitha Herath said he suffered a forehead injury when a rival hit him with a hard-cover copy of the constitution that was on the speaker's table.

"I was also attacked with chilli water," Herath said. "Usually, chilli powder or water is the favourite weapon of bank robbers and gangsters."