

business

Alcoa trims profit outlook on tariff costs

New York | United States

Aluminum company Alcoa cut its full-year profit forecast yesterday, due in part to Trump administration tariffs, sending shares lower in after-hours trading.

Alcoa now expects operating earnings of between \$3 billion and \$3.2bn, \$500million below the prior range estimated.

The reduction in outlook is due to "current market prices, tariffs on imported aluminum, increased energy costs, and some operational impacts," said Alcoa, which imports aluminum from Canada.

The Trump administration announced tariffs on imported steel and aluminum earlier this spring and later removed an exemption on Canada, Mexico and the European Union at the end of May. The tariffs on Canadian exports went into effect June 1.

The levies resulted in higher costs of \$15m in the second quarter, the company said. Earnings for Q2 came in at \$75m, unchanged from the year-ago period.

Xi arrives in Abu Dhabi

China, UAE sign trade, oil deals ahead of President Xi Jinping visit

● Abu Dhabi is the first stop on Xi's tour, which also includes Senegal, Rwanda and South Africa.

AFP | Dubai, United Arab Emirates

President Xi Jinping arrived in Abu Dhabi yesterday for a three-day visit, after the announcement of oil and trade deals between China and the UAE.

Crown Prince Sheikh Mohammed bin Zayed said he was "delighted" to welcome Xi, posting photos on Twitter of the Chinese president receiving flowers on landing in the emirate.

"This is a historic visit and represents a new stage of cooperation in all fields, which will bring growth, development and prosperity to the people of our nations," said the crown prince of the UAE capital.

Abu Dhabi is the first stop on Xi's tour, which also includes Senegal, Rwanda and South Africa.



Shaikh Mohammad Bin Rashid and Shaikh Mohammad Bin Zayed with Chinese President Xi Jinping in Abu Dhabi

rica.

The Chinese president's arrival followed the Gulf state earlier on Thursday publishing details of new deals clinched with Beijing.

State-owned Abu Dhabi National Oil Co. said it had awarded two contracts worth \$1.6 billion (1.4 billion euros) to BGP Inc., a subsidiary of China National Petroleum Co., for a seismic survey in the emirate.

The survey is to search for oil and gas in onshore and offshore sites covering an area of 53,000 square kilometres (20,463 square miles), the statement

said.

State-run CNPC already has two concession rights contracts with ADNOC worth around \$3 billion.

The UAE's state-owned DP World also announced an agreement by the two countries to build a new trade zone in Dubai. The deal between the global port operator and the Zhejiang China Commodities City Group will see a "traders' market" built at Dubai's Jebel Ali free zone.

The project is part of China's trillion-dollar "One Belt, One Road" infrastructure initiative, an ambitious plan to revive the

ancient Silk Road trading routes with a global network of ports, roads and railways.

The new facility will cover three square kilometres at the Jebel Ali site, which is the Middle East's largest trade zone, DP World said in a statement.

The market will host a vast range of goods from food and cosmetics to building materials and technology.

DP World, which operates in 40 countries, did not announce the value of the deal or provide a timeframe for its construction.

China is the United Arab Emirates' top trading partner,

Trade zone facts

▶ The project is a part of China's trillion-dollar "One Belt, One Road" infrastructure initiative

▶ China and the UAE have signed an agreement to build a new trade zone in Dubai, the Emirates' state-owned port operator said yesterday ahead of President Xi Jinping arriving in Abu Dhabi.

▶ DP World, Zhejiang China Commodities City Group signed deal

▶ "Traders' market" at Dubai's Jebel Ali free zone.

▶ The new facility will cover three square kilometres (1.2 square miles)

▶ Will host a vast range of goods from food and cosmetics to building materials and technology

with non-oil trade in 2017 rising 15 percent year-on-year to over \$53.3 billion -- more than 90 percent of it Chinese exports to the UAE, according to Abu Dhabi's finance ministry.

Aramco in talks to buy stake in SABIC

● Aramco said in a statement that it was in "very early-stage discussions"

Reuters | Dubai

Saudi Aramco said yesterday it is looking to buy a strategic stake in Saudi petrochemical maker SABIC, a move that could boost the state oil giant's market valuation ahead of a planned initial public offering.

Aramco said in a statement that it was in "very early-stage discussions" with the kingdom's Public Investment Fund (PIF) to acquire the stake in SABIC via a private transaction. It has no plans to acquire any publicly held shares, it said.

Riyadh-listed SABIC, the world's fourth-biggest petrochemicals company, is 70 percent owned by the PIF, Saudi Arabia's top sovereign wealth fund. It has a market capitalisation of 385.2 billion Saudi riyals (\$103 billion).

The size of the stake Aramco

is interested in acquiring is not known.

Aramco said it had been evaluating a number of acquisition opportunities, both local and global, in line with its strategy of rebalancing its portfolio by moving further into downstream, particularly the petrochemical sector.

In a separate statement, the PIF said that talks on a sale were in the early stages. "There is a possibility that no agreement will be reached in relation to this potential transaction," the PIF said.

Aramco wants to develop its downstream business as the government prepares to sell up to 5 percent of the world's largest oil producer, possibly by next year. Boosting its petrochemicals portfolio further could help attract investors for the IPO.

Shares in SABIC, the largest listed company in the Gulf, were down by 0.3 per cent at 0945 GMT on Thursday.

Aramco invited the banks to pitch for a potential SABIC deal last month, the sources said, declining to be identified due to commercial sensitivities.

Russia exits biggest US gov't debt holders list

New York | United States

Russia has exited the list of the biggest foreign holders of US government debt, according to Treasury Department data released this week.

In May, Russia held \$14.9 billion worth of Treasury notes and was no longer among the top 33 countries, according to the data.

That's well below the \$48.7 billion held by Russia in April, which made the country the 22nd biggest holder of US

notes. In April, Moscow held \$96 billion in US debt, placing 16th on the list.

"The Treasury market is the deepest and most liquid in the world, and demand remains robust," a Treasury spokesman said. "We do not comment on individual investors or investments."

Among the top 33 countries, China and Japan by far the leaders with more than \$1 trillion each, according to the data, which was released Tuesday.

Airbus fetes first flight of its new 'whale in the sky'

Toulouse | France

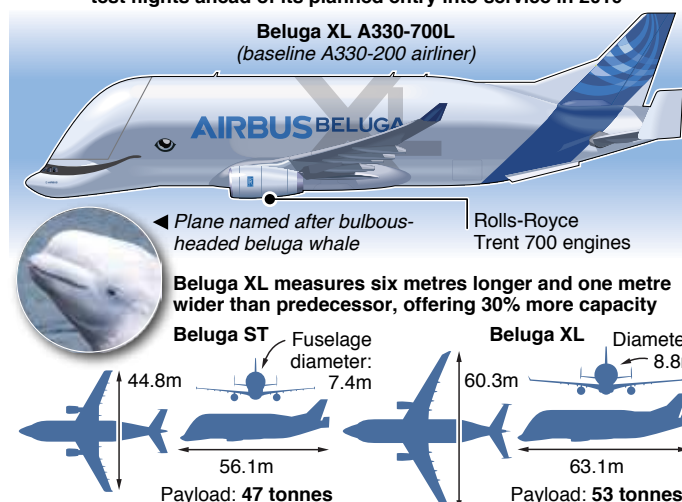
European aerospace giant Airbus conducted yesterday the first test flight of the giant new Beluga XL, an even bigger version of the company's workhorse transport plane which has been in service since the mid 1990s.

Decorated for the occasion as a "whale in the sky", the plane's crew took off at exactly 10:30 am to a cheering crowd of 10,000 people at Airbus's facility in Toulouse, southern France.

The A330-743L Beluga XL has grown six metres (20 feet) longer and one metre wider from the Beluga ST, stretching its carrying capacity by 30 percent.

Airbus says that at 19 metres tall the plane is as big as a three-storey house and can carry

The Airbus Beluga XL, a new generation of super-transporter sporting a bigger "bubble" than its Beluga ST predecessor, is undergoing test flights ahead of its planned entry into service in 2019



The crew of an Airbus 'BelugaXL' aircraft salute Airbus employees at Toulouse-Blagnac on July 19, 2018, after its maiden test flight of some four hours.

up to 51 tonnes of cargo, the equivalent of seven adult male elephants -- though animals can-

not be transported because the hold is not pressurised.

The five planes being devel-

oped will be used to ferry around parts for building Airbus's other range of planes at its production

sites across Europe.

Two wings of the A350 long-haul passenger jet can now be

carried, instead of just one previously, for a maximum distance of 4,000 kilometres (2,500 miles).