

US asks WTO on EU sanction amount

Geneva | Switzerland

The United States has asked the WTO to determine the amount it can impose in sanctions against the European Union for failing to comply with a ruling to remove subsidies for aircraft maker Airbus, a World Trade Organization official said Friday.

The United States submitted last week its request that a WTO arbitrator begin determining the amount, the official said, but a decision is not expected this year given the complexity of the case.

In May, the the appellate division of the WTO's Dispute Settlement Body ruled the EU had failed to remove illegal Airbus subsidies, handing a major victory to the United States and its national aviation giant Boeing in a multi-faceted dispute that has raged for 14 years.

Swiss, German drugmakers join US price freeze

Reuters | Zurich

European drugmakers Roche, Bayer and Merck KGaA became the latest companies to freeze prices in the United States for the rest of 2018 following criticism by President Donald Trump over the cost of medicine.

Roche did boost U.S. prices for nine key drugs by an average of 3 percent on July 1, but said it would hold off additional increases as discussions with the Trump administration continue over a longer-term solution to a longstanding healthcare costs.

The European announcements on Friday follow similar moves from Novartis, Pfizer and U.S. drugmaker Merck.

Some analysts doubted such freezes would have much overall impact, however, since the companies' pledges may take them out of Trump's immediate firing line while still leaving leeway to resume increases in 2019.

Turkey in talks on US sanction impact

Ankara | Turkey

Turkey yesterday hosted an American delegation for talks to address concerns about the potential negative impact on its economy of the looming reimposition of US sanctions against Iran.

US President Donald Trump decided in May to abandon the 2015 deal agreed with other world powers on Iran's nuclear programme and reimpose nuclear-related sanctions. The sanctions have alarmed Turkey which imports Iranian crude. "Our relevant authorities are carrying out necessary work for Turkey not to be negatively impacted by the upcoming sanctions," the Turkish foreign ministry said in a statement.

Oil up as drillers cut rigs

● **Drillers cut 5 oil rigs for a total of 858 rigs in the week to July 20**

Reuters | New York

Oil prices edged up yesterday as a weakening dollar and lower expected August oil exports from Saudi Arabia supported the market, offsetting concerns about US-China trade tensions and supply increases.

Despite the day's advance, prices remained on course for a third consecutive weekly decline as gains in supply had dragged on prices during the week.

Brent crude was up 34 cents at \$72.92 a barrel by 1:23 p.m. EDT (1723 GMT). Brent was on track to fall 3.2 percent in the week.

The expiring US West Texas Intermediate (WTI) crude for August delivery was up 79 cents at \$70.25 a barrel, while the more liquid September con-



Draugen is an oil field in the Norwegian Sea at a sea depth of 250 meters. Its is around 150 km north of Kristiansund and the fields operator is A/S Norske Shell

tract rose 10 cents to \$68.34 a barrel. US crude is set to end the week down 1 percent.

US drillers this week cut oil rigs by the most since March, with the rate of growth slowing over the past month with recent declines in crude prices.

Drillers cut 5 oil rigs for a total of 858 rigs in the week to July 20, according to a weekly report from Baker Hughes.

A weakening US dollar, following US President Donald Trump's criticism of the Fed-

eral Reserve's policy moves, has helped relieve some pressure on oil prices, said Phil Flynn, analyst at Price Futures Group in Chicago.

"The dollar was a one-way ticket for the last couple of weeks and basically reversed directions, giving us some strong support," Flynn said.

Prices also received a boost after OPEC's largest oil producer, Saudi Arabia, said it would temper its exports next month. Trade tensions continued to

weigh on the market, providing a ceiling for any gains, traders said. Trump said in a CNBC interview he was ready to slap tariffs on all \$500 billion of imported goods from China.

Lower oil demand in the United States and China caused by an economic slowdown due to the trade spat between the two countries would likely weigh heavily on markets, some analysts said.

"The impact on world economic growth of a levy of this



Brent is a major trading classification of sweet light crude oil. This grade is described as light because of its relatively low density, and sweet because of its low sulphur content

magnitude will be severe and will likely have a strong negative impact on markets," said Olaf van den Heuvel, chief investment officer at Aegon Asset Management.

The People's Bank of China on Friday reduced its midpoint for the yuan for the seventh straight trading day to the lowest in a year.

The yuan then retreated to a near 13-month low, although it rebounded later.

Signs of Russia and Saudi Arabia increasing oil production, as well as last week's surprise build in US crude stocks, have also weighed on prices, said Tariq Zahir, analyst at Tyche Capital Advisors.

"You're having supply come back on to the markets, so it's not surprising to see a little bit of weakness," Zahir said.

Space, not Brexit, is final frontier for Scotland

AFP | Farnborough, UK

Never mind Brexit: For a remote peninsula in the Scottish highlands, the buzz is all about hi-tech rocket launchers firing satellites into space.

In just three years' time, rockets will send satellites into orbit from the rugged stretch of coastline, under British government plans unveiled this week.

The sleepy county of Caithness and Sutherland has been selected as the site of the country's first ever space port, Britain announced at the Farnborough Airshow, a showpiece event for the global aerospace sector.

The UK Space Agency awarded a £2.5-million (\$3.3-million, 2.8-million-euro) grant towards the construction of a vertical space port facility in Sutherland, which will become operational in 2021.

The announcement has boosted hopes for an industry worried about the effects of Britain leaving the European Union and raised spirits in pro-EU Scotland, which was outvoted in the 2016 referendum.

"It is rocket science," Roy Kirk, area manager for Caithness and Sutherland at Highlands and Islands Enterprise (HIE), a development agency for Scotland's devolved government, said in an interview with AFP at Farnborough.

The launchers, made by established player Lockheed Martin and startup business Orbex, will stand 17 metres (56 feet) tall and will fire rockets that take just eight minutes to get into orbit. "We are delighted we have been



A model of the Aston Martin Vision Volante Concept aircraft is displayed at the Farnborough Airshow.

selected as a spaceport for vertical launch," said Kirk, adding that the site would also create tourism opportunities.

"The local economy will benefit." The space port would employ about 40 staff within three years of operation, but the supply chain around that would support nearer 400 jobs.

Satellite uses include navigation, weather forecasting, telecommunications and financial transactions, while they are also vital for defence and energy sectors.

The Sutherland facility will cost an estimated £17.3 million to build, including some £10 million from HIE.

The port will be well positioned geographically to launch satellite rockets over the North Pole.

'No different than before Brexit'

Prime Minister Theresa May's government is seeking to develop the UK space industry after its role in European space projects was called into question by Brexit.

ferent than it was before Brexit," Graham Turnock, head of the UK Space Agency, told AFP on the sidelines of Farnborough.

"We are actually looking to the opportunities for trade deals with the rest of the world after Brexit so we are very positive about that.

"We are still aiming to achieve 10 percent of the world space market by 2030. We are very confident that we can do that."

He also sought to dispel concerns that Britain's departure from the European Union in 2019 would hurt the industry.

"Obviously we are talking to the EU about our future participation in the space programmes.

"We have said that we'd very much like to continue to partic-

ipate in Galileo Copernicus, but it takes two sides to want to have that discussion."

Britain wants continued participation in the EU's Galileo satellite navigation system -- but Brussels rejects the idea.

UK Transport Secretary Chris Grayling meanwhile appeared at Farnborough to champion the space investment.

"After pioneering the development of those small satellites over many years, adding our own space ports means we can now move to offering customers a one stop shop in the United Kingdom," Grayling told delegates.

"A full package of services -- from design to build, right up to launch."



Visitors rest in deckchairs near an Airbus A380 passenger aircraft, operated by HiFly, at the Farnborough Airshow, south west of London.