

# business

## Japan could end Iran oil loading from October

Tokyo

Japanese oil refiners may have to stop loading Iranian crude oil from Oct. 1 if Japan's government does not secure an exemption from US sanctions, the president of the Petroleum Association of Japan (PAJ) said. If payments to Iran cannot continue after a 180-day "wind-down period" ending on Nov. 4, it is possible that Japanese buyers will have to make their last order for Iranian oil in August for September-loading cargoes.

## IMF urges Lebanon to make fiscal adjustment

Beirut

Lebanon requires "an immediate and substantial" fiscal adjustment to improve the sustainability of public debt that stood at more than 150pc of GDP at end 2017, the IMF executive board said. Lebanon's debt to GDP ratio is one of the highest in the world. "Directors stressed that fiscal adjustment is essential, which will require strong and sustained commitment," the statement said.

## US spending bill would halt Turkey's purchase of F-35s

Washington

A US Senate committee on Thursday including a provision to block Turkey's purchase of Lockheed Martin F-35 Joint Strike Fighter jets unless it drops a plan to buy S-400 missile defense systems from Russia.

The measure is an amendment to the Fiscal Year 2019 State, Foreign Operations and Related Programs Appropriations Act.

# OPEC says 1m barrels per day

Oil production will be increased starting next month dismissing the objections raised by Iran

● The real increase will be around 770,000 bpd, according to OPEC member Iraq

● The United States, China and India had urged Vienna-based OPEC to release more supply

AFP/ Reuters | Vienna

OPEC members have agreed on a combined increase in crude oil output of one million barrels per day, the oil minister of the cartel's kingpin Saudi Arabia said yesterday.

"I am pleased that at the end of the day we reconciled around the one million figure that we have been talking about," said Khaled al-Faleh after a meeting of the Organization of the Petroleum Exporting Countries.

Support for the increase, which had been proposed by Saudi Arabia against objections from Iran, was unanimous, he said.

Saudi Arabia, backed by non-member Russia, has argued that it is time to raise production in order to meet growing demand and appease major



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KHALED AL-FALEH  
SAUDI OIL MINISTER



As a group we can meet the 100 percent compliance. As individual countries, it is challenging

SUHAIL BIN MOHAMMED AL-MAZROUI  
UNITED ARAB EMIRATES ENERGY MINISTER



We are going to have a compromise with Saudi Arabia and the (United Arab) Emirates, to manage the market and not to have a difficulty, not to make a difficulty, for Iran

BIJAN ZANGANEH  
IRAN OIL MINISTER

## Prices rose sharply

Reuters | London

Oil prices rose sharply yesterday as OPEC agreed a modest increase in output to compensate for losses in production at a time of rising global demand.

Benchmark Brent crude jumped \$2.29 a barrel, or 3.1 per cent, to a high of \$75.34 before slipping to around \$74.60 by 1345 GMT. US light crude was \$1.90 higher at \$67.44.

The group agreed OPEC and its allies led by Russia should increase production by about 1 million barrels per day (bpd), or 1 pc of global supply, OPEC sources said.

The real increase will be smaller because several countries that recently underproduced oil will struggle to return to full quotas, while other producers may not be able to fill the gap.

The deal looked to be broadly in line with expectations.

Analysts had expected OPEC to announce a real increase in production of 500,000 to 600,000 barrels per day (bpd), which would help ease tightness in the oil market without creating a glut.

## Be careful says Iraqi oil ministry to producers

Reuters | Baghdad

OPEC oil producers should be careful before altering its deal on production levels so output does not exceed market needs, which would lead to lower prices, Iraqi's

oil ministry said yesterday. Any change would mean higher output exceeding demand "leading to lower oil prices and damaging producers' economies," the ministry said in a statement.

consumer countries like the United States, India and China.

"I think it will contribute significantly to meet the extra demand that we see coming in the second half," the Saudi minister said.

The 24 nations in the supply-cut pact, known as OPEC+, agreed in late 2016 to trim production by 1.8 million barrels a day but they have actually been keeping some 2.8 million barrels per day off the market.

# India looks to revive rupee payment system for Iran oil

Reuters | New Delhi

India is looking to revive a rupee trade mechanism to settle part of its oil payments to Iran, fearing foreign channels to pay Tehran might choke under pressure from US sanctions, two government sources said.

During a previous round of sanctions, India devised a barter-like scheme acceptable to Washington to allow it to make some oil payments to Tehran in rupees through a small state bank. Iran used the funds to im-

port goods from India.

"We are looking at reviving rupee mechanism ... we have to prepare ourselves," one of the sources said, adding that the current payment mechanism might not work from November.

A commerce ministry official said India's central bank had yet to decide on moving back to the rupee payment mechanism.

In May, US President Donald Trump withdrew from a 2015 nuclear accord with Iran and ordered the reimposition of US sanctions. Some US sanctions

take effect from Aug. 6 while those, notably affecting the oil sector, will be effective from Nov. 4.

Refiners in India currently use State Bank of India and Germany-based Europaeisch-Iranische Handelsbank AG (EIH) to buy Iranian oil in euros, according to IOC and other companies.

SBI, India's top banker, has written to the Indian refiners and the government to say it would not be able to handle oil payments to Iran from Nov 4, an official at SBI said.

## New Delhi hopes to open Iran's Chabahar port by 2019

New Delhi

India is trying to make Chabahar Port in Iran operational by 2019, the government said in a statement on Friday, despite a threat of renewed US sanctions against Tehran.

The Indian-backed Chaba-

har port complex in Iran is being developed as part of a new transportation corridor for land-locked Afghanistan that could potentially open the way for millions of dollars in trade and cut its dependence on Pakistan, its sometimes-hostile neighbour.

# Elon Musk's Tesla to close a dozen solar facilities in nine states

Tesla has been burning through cash as it tries to hit a target of producing 5,000 Model 3 electric sedans per week

Reuters | Los Angeles/San Francisco

Electric car maker Tesla Inc's move last week to cut 9 percent of its workforce will sharply downsize the residential solar business it bought two years ago in a controversial \$2.6 billion deal, according to three internal company documents and seven current and former Tesla solar employees.

The latest cuts to the division that was once SolarCity - a sales and installation company founded by two cousins of Tesla CEO Elon Musk - include closing about a dozen installation facil-

ities, according to internal company documents, and ending a retail partnership with Home Depot Inc that the current and former employees said generated about half of its sales.

About 60 installation facilities remain open, according to an internal company list reviewed by Reuters. An internal company email named 14 facilities slated for closure, but the other list included only 13 of those locations.

The company said that cuts to its overall energy team - including batteries to store power - were in line with the broader 9 percent staff cut. The operational closures, which have not



Tesla faces investor pressure to turn a profit without having to tap Wall Street

been previously reported, raise new questions about the viability of cash-strapped Tesla's solar business and Musk's rationale for a merger he once called a "no



Elon Musk, Chairman of SolarCity and CEO of Tesla Motors (file)

brainer" - but some investors have panned as a bailout of an affiliated firm at the expense of Tesla shareholders. Before the merger, Musk had served as

chairman of SolarCity's board of directors.

The installation offices that the internal email said were targeted for closure were located

in California, Maryland, New Jersey, Texas, New York, New Hampshire, Connecticut, Arizona and Delaware.

The company also fired dozens of solar customer service staffers at call centers in Nevada and Utah, according to the former Tesla employees, some of whom were terminated in last week's cuts. Those employees spoke on condition of anonymity.

"It's been a difficult few days - no one can deny this," a Tesla manager wrote in a separate internal email, sent to customer service employees shortly after the cuts were announced.