

Oil prices slash Oman budget gap by nearly three-quarters

Government revenues rose 17.2 per cent to 1.13 billion rials as net oil revenue shot up 24.3pc

● Oman's original 2018 budget plan projected spending of 12.5 billion rials this year

● Brent oil price averaged \$67.48 a barrel in January-February

Reuters | Dubai



Sultan Qaboos of Oman (AFP)

Oman's state budget deficit shrank by nearly three-quarters in the first two months of this year as a rise in oil prices boosted export revenues sharply, official figures released this week showed.

The country has one of the weakest financial positions among the wealthy Gulf oil exporting states, so the data may reassure investors -- although

the figures also revealed Oman is making little progress in expanding non-oil revenues, leaving it vulnerable to any downturn in oil prices.

The government's deficit in January-February fell to 268.3 million rials (\$697m) from 997.8m rials a year earlier, the

\$697
million was the country's deficit in January-February period

Oman originally planned to introduce a 5pc value-added tax this year but has delayed that until at least 2019, partly because of concern about the negative impact on consumer spending.

state statistics agency said, resuming publication of the budget data after suspending it for six months. It did not give reasons for the suspension or for its decision to resume publication. Provisional and incomplete figures released by the central bank several weeks ago showed a fiscal deficit of 610.6m rials in the first two months.

Government revenues rose 17.2 per cent to 1.13 billion rials as net oil revenue shot up

24.3pc to 749.2m rials, the statistics agency said. The Brent oil price averaged \$67.48 a barrel in January-February this year, up from \$55.72 a year earlier.

But the budget figures showed non-oil sources of revenue were sluggish, with income from corporate tax, customs duties and miscellaneous other revenues all shrinking.

The deficit's plunge during January-February was also due to spending restraint by the government. Including expenditures under settlement, or funds that had been allocated but not yet disbursed, spending dropped to 1.40bn rials from 2.0bn rials, partly because of lower investment spending.

Oman's original 2018 budget plan projected spending of 12.5bn rials this year, revenues of 9.5bn rials and a deficit of 3.0bn rials, and assumed an average oil price of \$50 per barrel.

IMDB investigator is the new central bank chief

Kuala Lumpur, Malaysia | AFP

A Malaysian official who probed the IMDB mega-scandal which helped topple the corruption-plagued former regime has been appointed as the new central bank governor, the government said Friday.

Nor Shamsiah Mohamad Yunus is returning to Bank Negara Malaysia to take up the top job almost two years



Nor Shamsiah Mohamad Yunus

after leaving her post as deputy governor, a spokesman for the prime minister told AFP.

Muhammad Ibrahim quit as bank chief this month after claims emerged that the institution helped Najib Razak's regime by purchasing government land in a bid to cover debts racked up by sovereign wealth fund IMDB. The bank has insisted there was nothing untoward in the deal.

Shamsiah's five-year term will run from July 1

LIM GUAN ENG
FINANCE MINISTER

ADNOC to sign deal for stake in Indian refinery

Reuters | New Delhi

Abu Dhabi National Oil Co (ADNOC) will sign an agreement with Saudi Aramco and Indian companies on Monday for an up to 25 per cent stake in a planned \$44 billion refinery and petrochemical project in India, a government source said.

Major oil producers are targeting Asia, where fuel demand is growing, as a stable outlet for their oil.

India, the world's third biggest oil importer and consumer, aims to expand its refining capacity by 77 per cent to 8.8 million barrel per day (bpd) by 2030.

"The deal will be signed on Monday," said a government source.



Logos of ADNOC are seen at Gastech, the world's biggest expo for the gas

Abu Dhabi National Oil Company (ADNOC) plans to invest \$45 billion over the next five years to expand its refining and petrochemicals operations.

Saudi Aramco in April signed a deal with Indian state refiners for a 50 per cent stake in the planned 1.2 million barrels per



Indian Oil Corp, the country's top refiner, owns 25 percent stake in the project, while Hindustan Petroleum Corp. and Bharat Petroleum Corp have 12.5 percent stake each

day project to be built on the country's west coast.

Aramco had said in April it may introduce a strategic partner to share its 50 percent stake.

World markets shrug off opening salvos in trade war

London, United Kingdom

World stock market rose yesterday, seemingly unworried by a global trade war that got underway when Brussels slapped retaliatory tariffs on the United States.

Shares in European car manufacturers, however, slid after US President Donald Trump threatened new tariffs on the sector.

Oil prices continued to rise after the Organization of the Petroleum Exporting Countries said its members agreed on an output increase of one million barrels per day that Saudi Arabia had put forward at a key meeting in Vienna.

European stocks all closed solidly higher and Wall Street also had a strong morning as markets sought to claw back some of the week's losses seen on trade war fears.

Gains in energy sector stocks,



Representative picture (Courtesy of Financial Express)

inspired by surging oil, pushed the Dow Jones higher, traders reported, and was also behind much of London's closing gains.

Stocks were "looking to pare a weekly loss that has come courtesy of escalated global trade tensions, monetary policy uncertainty and European political turmoil," analysts at the Charles Schwab brokerage said.

Skidding car shares

As European Union tariffs on key US goods -- including jeans, bourbon and motorcycles -- came into effect, there were fears China and the US will carry through with their own threats, locking the world's three biggest economies in a potentially destructive face-off.

Key Figures

London - FTSE 100	▲ 1.7 pc at 7,682.27 points (close)
Frankfurt - DAX 30	▲ 0.5 pc at 12,579.72 (close)
Paris - CAC 40	▲ 1.3 pc at 5,387.38 (close)
EURO STOXX 50	▲ 1.1 pc at 3,441.60
New York - Dow Jones	▲ 0.7 pc at 24,628.26
Tokyo - Nikkei 225	▼ 30,725.15 0.8 pc at 22,516.83 (close)
Hong Kong - Hang Seng	▲ 0.2 pc at 29,338.70 (close)
Shanghai - Composite	▲ 0.5 pct at 2,889.76 (close)

The EU move was in retaliation to US President Donald Trump's decision to hit steel and aluminium imports from the bloc, as part of his "America First" protectionist policy that seeks to close big trade gaps with major world powers.

Trump then threatened Friday to impose a 20 percent tariff on cars imported from the EU, prompting carmaker shares to skid. Fiat Chrysler shares lost more than three percent

in Milan in an immediate reaction. In Germany BMW was down around two percent while Daimler and Volkswagen both dropped by more than one percent. Shares in French carmaker Renault -- which does not sell cars in the US -- and Peugeot were also weaker, but only marginally.

Washington and Beijing have meanwhile traded tit-for-tat threats on hundreds of billions of dollars worth of goods.

Singer Akon launches own cryptocurrency

IANIS | Cannes

Singer Akon is launching his own "AKoin" cryptocurrency in an effort to grow crypto-based apps in Africa to bring economic power back to the continent.

Akon, who is of Senegalese descent and has spent years running 'Lighting Africa' -- a project aimed at bringing solar power to African nations -- presented his plan for the digital cash currency at the Cannes Lions International Festival of Creativity, reports billboard.com.

With the cryptocurrency in place, Akon Crypto City -- a futuristic town being developed in 2,000 acres in Senegal -- would come to life. The city, gifted to Akon by President of Senegal Macky Sall would run entirely on AKoin and be within five minutes of a new international airport.

Intel CEO resigns over relationship with staff

New York, United States

Intel chief executive Brian Krzanich has resigned over a "past consensual relationship" with an employee that violated a company non-fraternization policy, the technology company announced Thursday.

"Given the expectation that all employees will respect Intel's values and adhere to the company's code of conduct, the board has accepted Mr. Krzanich's resignation," the company said.

A spokesman for the company, a leader in data storage, declined to provide additional details about the employee involved, citing privacy concerns.

Chief Financial Officer Bob Swan will serve as interim chief executive while the company searches for a replacement.

Largest US banks would survive recession: US Fed

Washington

The largest US banks are "strongly capitalized" and would survive a severe global economic recession, the Federal Reserve announced Thursday.

So-called stress testing by the central bank showed that in the event of pronounced economic troubles -- in which unemployment shot up to 10 per cent, GDP shrank and financial conditions worsened -- the nation's 35 biggest financial institutions would still be able to lend to households and businesses, according to the Fed. However, certain changes in December's sweeping tax overhaul and a harsher hypothetical scenario led to much steeper projected losses than were calculated last year.