

Hungary will have to buy Russian natural gas if Exxon waits on offshore project, says minister



HOUSTON (Reuters) – Hungarian Foreign Minister Peter Szijjarto said on Wednesday his country would again turn to Russia for natural gas supplies if Exxon Mobil Corp has not decided by September whether to invest in a massive Black Sea offshore project.

Romania's Black Sea reserves pose a potential challenge to Russian Gazprom's dominant role supplying Central and Eastern Europe, according to consultancy Deloitte. Tapping those fields could diversify the region's gas supplies and bring the Romanian government revenue of \$26 billion by 2040.

"Exxon Mobil can be the game changer in the energy supply of

Europe. But they should finally make their final investment decision,” Szijjarto told Reuters during an interview in Houston where he was opening a consulate office.

“If they don’t make that decision until September, I will have to make another long-term agreement with the Russians.”

Exxon and Austrian energy group OMV’s Romanian subsidiary, OMV Petrom SA, have put on hold a decision on tapping the natural gas field pending legal framework revisions. The field has been estimated to hold 1.5 trillion to 3 trillion cubic feet (42 billion to 84 billion cubic meters) of natural gas.

Exxon is weighing several factors while deciding whether to invest in the Neptun Deep project in Romania, spokeswoman Julie King said on Wednesday.

A decision would require “competitive and stable fiscal terms, a liberalized Romanian gas market that enables free trade, and sufficient interconnectivity with neighboring free and liquid markets, in each case, for the duration of our concession agreement,” King said.

Hungary’s landlocked location in Central Europe puts it at a disadvantage in getting access to needed imports of natural gas, which is used by 85 percent of the households in the country, Szijjarto said.

“The question of whether we will be able to diversify gas resources depends on four allies of ours: Croatia, Romania, the United States and Austria,” he said. “It’s a strange situation where we are encouraged by our friends and allies to diversify, but basically it’s up to them.”

Development of a liquified natural gas (LNG) terminal on the Croatian island of Krk, would help it diversify from the current, east-to-west logistics system established during the Cold War when the Soviet Union dominated Eastern and Central Europe, Szijjarto said.

Reporting by Erwin Seba; Editing by Peter Cooney

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A carbon dividend is better than carbon tax



By Mark Paul And Anthony Underwood/Sarasota

Climate change is the world's most urgent problem, and in the United States, the left, at least, is taking it seriously.

Earlier this year, Representative Alexandria Ocasio-Cortez of New York and Senator Edward Markey of Massachusetts, both Democrats, introduced a Green New Deal (GND) resolution, which offers a blueprint for decarbonising the US economy. But while a growing number of Democratic presidential contenders have endorsed their proposal, centrist Democrats and Republicans continue to cling to a different climate-policy approach.

The key centrist proposal, in keeping with the prevailing neoliberal dispensation, is a carbon tax. The idea is simple:

if you tax fossil fuels where they enter the economy – be it at a wellhead, mine, or port – you can fully capture the social cost of pollution. In economic parlance, this is known as a Pigovian tax, because it is meant to correct an undesirable outcome in the market, or what the British economist Arthur Pigou defined as a negative externality – in this case, the greenhouse-gas emissions that are responsible for global warming.

As a response to climate change, a carbon tax is immensely popular among economists from across the political spectrum, and it does have an important role to play. But it is far from sufficient. Rapidly decarbonising the economy in a way that is economically equitable and politically feasible will require a comprehensive package on the order of the GND. That means combining some market-based policies with large-scale private- and public-sector investments and carefully crafted environmental regulations.

Even in this case, including a standard carbon tax involves certain risks. Just ask French President Emmanuel Macron, whose country has been roiled by months of demonstrations that were initially launched in response to a new tax on diesel fuel. The lesson from the weekly “yellow vests” protests is clear: unless environmental policies account for today’s high levels of inequality, voters will reject them.

Nonetheless, as progressives push for more green investment, they will look to the carbon tax as a source of revenue. After all, depending on the size, it could raise almost a trillion dollars per year. But rather than a straightforward levy, they should consider implementing a carbon dividend, whereby carbon would be taxed, but the proceeds would be returned to the people in equal shares. Yes, this would preclude one option for funding the GND; but it would ensure that the transition to a carbon-free economy remains on track, by protecting the incomes of low- and middle-class households.

A common objection to a carbon dividend is that it would defeat the original purpose of a carbon price, which is to encourage people to reduce emissions. But this isn’t true. To

see why, suppose you are a low-income American, currently spending \$75 per month on gas. Assuming that your driving behaviour does not change, a carbon tax of \$230 per ton – the level needed just to put us on a path toward limiting global warming to 2.5°C above pre-industrial levels – would raise your monthly fuel expenditure by \$59, to \$134, or 79%. In this case, you unquestionably will feel poorer. This is what economists call an “income effect.”

Now imagine that a carbon dividend is in place: you would receive a monthly payment of \$187, more than offsetting the price increase, and leaving you feeling richer. But wouldn't this also leave you with a greater incentive to use gasoline? Economic theory suggests not.

Just because the price of gas increases does not mean that everything else in the economy will follow suit. Rather, goods and services that produce a lot of carbon dioxide emissions will become relatively more expensive than those that do not. Hence, you would have a choice between using the dividend to drive more and using it to increase your consumption of other things, from dinners with friends to new running shoes. Those social gatherings and shoes are your incentive to use less carbon. This is what economists call the “substitution effect.”

In this way, a carbon dividend would gradually nudge people, large businesses, and the government away from carbon-intensive consumption and toward activities and investments that reduce their emissions. Equally important, a carbon dividend would protect the poor. A straightforward carbon tax is inherently regressive, because it imposes the same cost on the poor as it does on the rich. But a carbon dividend inverts this effect, because every dollar that is returned will be worth more to a low-income household than it will be to a wealthy one.

Moreover, it is the rich who fly all over the world, heat and cool enormous homes, and drive inefficient sports cars. Because they lead far more carbon-intensive lifestyles than everyone else, they would contribute far more per capita to

the carbon dividend. More to the point, they would pay in much more than they get back, while the poorest 60% of Americans would get back more than they put in.

In short, a carbon dividend would distribute money from predominantly wealthy high polluters to predominantly low- and middle-income low polluters, all while reducing CO2 emissions. On its own, it would represent a smart step in the right direction – one that wouldn't invite a "yellow vest" reaction. But don't let anyone tell you it's a silver bullet. When it comes to climate change, there isn't one. – Project Syndicate

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<https://www.gulf-times.com/story/631897/A-carbon-dividend-is-better-than-carbon-tax>

Euro-Mediterranean, Regional Security Challenges: “How Defining Maritime Boundaries Would Bolster Stability”



ATHENS, Greece: Steps to define maritime borders between Lebanon and Israel would help stability throughout the East Mediterranean region, a leading energy expert told a key industry conference in Athens on Monday.

“In the past, borders were defined by wars; nowadays, with the UN and UNCLOS [or United Nations Convention on the Law of the Sea], all Maritime differences can be resolved peacefully,” Roudi Baroudi, a 40-year industry veteran, told the Athens Energy Forum. “With modern science and advanced imagery, new technologies give us unprecedented opportunities to reach our goals for Maritime Boundaries with a diplomatic/legal

approach.” Baroudi pointed out also that the Mediterranean countries have 95 Actual Maritime Boundaries out of which 31 only Treaties and 64 are unresolved.

Baroudi, who serves as CEO of Energy and Environment Holding, an independent consultancy based in Doha, spoke on the opening day of the two-day Athens Energy Forum (AEF) at the Grand Hyatt Athens hotel.

“With a multi-disciplinary approach – a mixture of law and science – we can get to fair and just Maritime partitioning without going to war,” he told the audience. “If we review the region’s current offshore oil and gas concession blocks, we quickly determine how these blocks are impacting certain un-demarcated Maritime Boundaries, and this is where the best law and the best science can give all countries a fair share.”

Speaking on the sidelines of the event, Baroudi said a diplomatic resolution of the Lebanese-Israeli maritime dispute and other maritime borders disputes between Cyprus, Turkey and Greece would have positive impacts across the region.

“This would send all the right signals to everyone with a stake in the East Med, from governments and their peoples to major energy companies and other investors,” he said.

“It would demonstrate by example – even more than last year’s landmark five-nation Caspian Sea deal – that even the most intractable disputes can be sidestepped if the principals are willing to be reasonable.”

Baroudi has advised companies and governments on several continents about how to approach energy issues, and has helped to formulate policy for key agencies of the European Union and the United Nations. He said any form understanding, direct or not, that allows both Lebanon and Israel to focus on developing their resources would confer significant benefits on the entire region.

“Even for countries not currently on the verge of becoming energy producers, the removal of a key source of friction between Israel and Lebanon would cast regional security in a more positive light, lowering the risk profiles of all business, trade, and investment activities,” he added. “And this is not to mention all the advantages that the Lebanon and Israel would gain from new revenues. Israel would make its own choices, of course, but Lebanon would have much more capacity to address pressing national objectives in terms of debt retirement, deficit reduction, health and education spending, and infrastructure development. Best of all, all of these measures would help alleviate poverty, another major source of local and regional instability.”

By all accounts, Baroudi’s remarks were delivered in the right room. As in previous years, the AEF attracted numerous executives and other key decision-makers from the private and public sectors like, including Greek Energy Minister George Stathakis.

“Of course it’s important to keep reminding the Lebanese and Israeli governments that if they want to exploit their respective energy resources to the fullest, the surest way forward is some kind of peaceful one. It may not even matter what route they take, just so long as they avoid armed conflict and the all the costs that would come with it,” he said on the sidelines of the forum. “But we also need to make sure that other players in the region realize that this matters for them as well: after all, if even an informal understanding on offshore resources can be reached between two of the world’s most mutually hostile neighbors, it would demonstrate that other rivalries also can be partially overcome for mutual benefit.”

This, Baroudi argued, would “bolster regional stability by encouraging other sets of Mediterranean neighbors – especially Cyprus and Turkey – to commit to peaceful means of dispute resolution”.

La fronde anti-éoliennes prend de l'ampleur



Par Marie-Estelle Pech

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ENQUÊTE – Le gouvernement souhaite doubler le nombre d'éoliennes sur le territoire dans les cinq prochaines années. Mais la contestation s'intensifie et réunit des opposants de tous bords.

Après les McDonald's et les champs d'OGM, la prochaine cible des écologistes ou des zadistes sera-t-elle l'éolien? En juin, un feu criminel détruisait une éolienne et en endommageait une autre à Marsanne, dans la Drôme. L'attaque a été revendiquée mi-juin par un site libertaire précisant «s'attaquer aux dominations». Du bourgeois au militant mélenchoniste en passant par l'anarchiste, le pêcheur et le châtelain, l'opposition à l'éolien est «de plus en plus composite», affirme Fabien Bouglé, porte-parole du collectif d'opposants Touche pas à nos îles! en guerre contre le projet de parc éolien au large de l'île de Noirmoutier, en Vendée.

Certes, cette opposition a historiquement débuté chez des pronucléaires situés bien à droite, «mais ça change», souligne cet élu versaillais, spécialiste du marché de l'art, qui témoigne avoir assisté à une lecture sur le sujet dans une «librairie anar de gauche» à Paris, et qui prophétise «une grande révolte populaire anti-éoliennes». D'autant que semble s'opérer une mutation: la contestation, jusque-là cantonnée aux citoyens et aux associations anti-éoliennes, trouve désormais des voix et des relais dans le monde politique pour porter le combat.

Ainsi Xavier Bertrand, ancien ministre du Travail et actuel président de la région des Hauts-de-France, qui a lancé fin juin un observatoire de l'éolien afin de mieux contrôler l'expansion des parcs dans sa région, qui «défigure complètement les paysages» et «coûte les yeux de la tête». Ou encore ces dix députés, tant de la majorité que de l'opposition, qui ont signé une tribune, «Stop aux nouvelles éoliennes!», dans nos éditions du 20 juin dernier.

Projet «antidémocratique»?

La France constitue aujourd'hui le quatrième parc d'Europe derrière l'Allemagne, l'Espagne et la Grande-Bretagne. Sa proportion d'électricité éolienne représente moins de 5 % de sa consommation mais, d'ici à 2023, les éoliennes terrestres devraient doubler, passant de 7300 à quelque 15.000. «C'est le deuxième gisement de vent d'Europe et la deuxième façade maritime. Le potentiel est considérable», selon Pauline Le Bertre, déléguée générale de France Énergie éolienne (FEE).

On compte 70 % de recours contre les permis de construire devant les tribunaux administratifs, contre 50 % il y a cinq ans

Si l'Allemagne a depuis longtemps compris «la nécessité impérative d'avoir une transition énergétique, en France, de

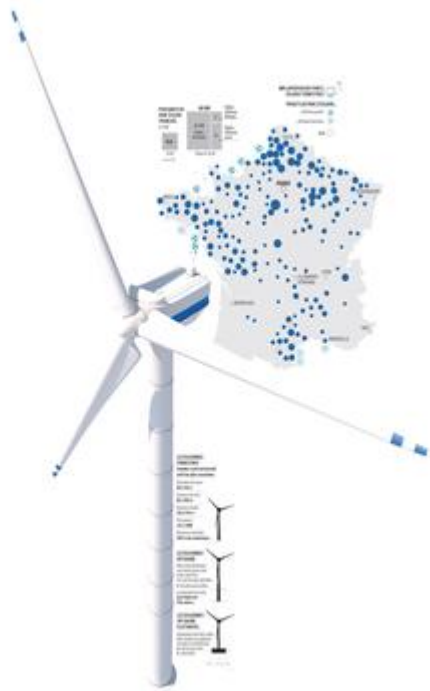
nombreuses associations jouent sur les angoisses des gens, propageant des idées reçues». Le degré d'opposition à l'éolien serait, selon elle, unique en Europe, lié à notre historique avec le nucléaire.

De fait, malgré le discours politique français très volontariste sur le sujet, malgré les sondages favorables à l'éolien menés auprès des Français, l'installation des éoliennes suscite de plus en plus d'opposition. On compte 70 % de recours contre les permis de construire devant les tribunaux administratifs, contre 50 % il y a cinq ans. Une perte de temps pour les promoteurs: la mise en route d'un parc est désormais d'environ neuf ans, contre quatre pour l'Allemagne.

Pour accélérer le processus, le gouvernement a décidé de supprimer le premier degré de juridiction, le tribunal administratif, pour passer directement à la cour administrative d'appel. Un projet de décret est actuellement en consultation devant le Conseil d'État. Cela se pratique déjà pour les projets éoliens en mer, les multiplexes de cinéma et les supermarchés. Un projet «antidémocratique» pour Fabien Bouglé, et qui, ces derniers mois, mobilise et durcit plus encore le front anti-éolien.

Biodiversité

Les associations d'opposants s'offusquent aussi d'un décret paru le 11 juillet qui permet de moderniser les parcs existants sans reprendre de zéro toutes les études d'impact. Que reprochent ces opposants à l'éolien? Sa laideur, sa proximité avec des habitations et des monuments historiques, ses nuisances sonores, ses lumières «aveuglantes», des installations entachées de multiples prises illégales d'intérêt de la part des élus. Les arguments sont multiples. Et parfois écoutés.



Des éoliennes ne seront ainsi pas installées en arrière-plan du paysage du Mont-Saint-Michel, pas plus que du côté du pont du Gard. Pauline Le Bertre, elle, indique qu'en France «les restrictions d'installation sont les plus élevées d'Europe. On multiplie les études d'impact liées à la biodiversité, le patrimoine, les habitations.» À l'entendre, une éolienne implantée à 500 mètres d'une habitation, le minimum réglementaire, «fait un bruit semblable à celui d'un frigidaire». Elle vante la compétitivité du mégawatt éolien, 64 euros contre 110 pour le nucléaire dernière génération. Inversement, Karine Poujol, à la tête de l'association Gardez les caps, considère que les 64 éoliennes prévues en baie de Saint-Brieuc provoqueront la mort de la biodiversité sous-marine, alors même que la zone est protégée Natura 2000. Elle anticipe un bruit «semblable à celui d'un décollage d'avion».

Loïk Le Floch-Prigent, ancien PDG d'Elf Aquitaine, défend les coquilles Saint-Jacques du cap Fréhel, qui pourraient être «très affectées» par ces installations fixées par 42 mètres de fonds. L'ancien industriel se défend de jouer pour le camp des pronucléaires, lui qui a «toujours défendu le fait qu'il fallait diversifier», rapporte-t-il au *Figaro*. Il met en doute cette politique qui «pénalise notre compétitivité en augmentant nos importations de matériel: 95 % des

investissements de l'éolien viennent d'Allemagne, du Danemark, d'Inde ou de Chine, tandis que deux tiers des exploitants viennent d'ailleurs». Ce printemps, la Cour des comptes affirmait que «le tissu industriel français a peu profité du développement des énergies renouvelables». Malgré des moyens considérables, qui se sont élevés en 2016 à 5,3 milliards d'euros. La prévision de dépense publique en 2023, elle, est de 7,5 milliards d'euros.

Caspian Sea nations to sign landmark deal



The leaders of the five states bordering the Caspian Sea meet in Kazakhstan on Sunday to sign a landmark deal on the inland sea which boasts a wealth of oil and gas reserves and sturgeon.

Azerbaijan, Iran, Kazakhstan, Russia and Turkmenistan are expected to agree a long-awaited convention on the legal status of the sea, which has been disputed since the collapse of the Soviet Union rendered obsolete agreements between Tehran and Moscow.

Talks in the port city of Aktau should help ease tensions in a militarised region where the legal limbo has scuppered lucrative projects and strained relations among nations along the Caspian's 7,000-kilometre (4,350-mile) shoreline.

The Kremlin said the convention keeps most of the sea in shared use but divides up the seabed and underground resources.

It does not allow military bases from any other countries to be sited on the Caspian.

'Once a frontier oil province'

Sunday's summit is the fifth of its kind since 2002 but there have been more than 50 lower-level meetings since the Soviet breakup spawned four new countries on the shores of the Caspian.

The deal will settle a long-lasting dispute on whether the Caspian is a sea or a lake—which means it falls under different international laws.

The draft agreement, briefly made public on a Russian government portal in June, refers to the Caspian as a sea but the provisions give it "a special legal status", Russian deputy foreign minister Grigory Karasin told Kommersant daily.

It is the Caspian's vast hydrocarbon reserves—estimated at around 50 billion barrels of oil and just under 300 trillion cubic feet (8.4 trillion cubic metres) of natural gas in proved and probable reserves—that have made a deal both vital and complex to achieve.

"Disputes arose when the Caspian was a frontier oil province,"

said John Roberts, a non-resident senior fellow at Atlantic Council's Eurasia Center, while it is "now well established, with major fields approaching peak... production."

'Expand cooperation'

Any deal will "expand the field for multilateral cooperation" between the five states, said Ilham Shaban, who heads the Caspian Barrel thinktank.

But some are likely to view it as more of a breakthrough than others.

Energy-rich but isolated Turkmenistan is particularly excited and President Gurganguly Berdymukahmedov has called for annual Caspian Sea Day celebrations from Sunday onwards.

Turkmenistan could benefit from a concession allowing the construction of underwater pipelines, which were previously blocked by the other states.

Nevertheless, analysts caution that Turkmenistan's long-held plan to send gas through a trans-Caspian pipeline to markets in Europe via Azerbaijan is not necessarily closer to becoming reality.

The plan was previously opposed by Russia and Iran, which could still attempt to block the pipeline—valued at up to \$5 billion—on environmental grounds.

"A deal in Aktau is not a legal prerequisite for the construction of the Trans-Caspian Pipeline," said Kate Mallinson, Associate Fellow for the Russia and Eurasia Programme at Chatham House.

"Neither will a major transport corridor to export Turkmen gas to Europe emerge overnight."

Kudos and caviar

As previous exclusive arbiters of Caspian agreements, Russia and Iran could be seen as the new deal's biggest losers.

But while Moscow has ceded ground on underwater pipelines "it gains political kudos for breaking a log-jam," enhancing its image as diplomatic dealmaker, said Roberts of the Eurasia Center.

Russia will welcome the clause barring third countries from having military bases on the Caspian, underscoring its military dominance there, said Shaban of Caspian Barrel.

Iran gets the smallest share of the Caspian spoils under the new deal, but could take advantage of new legal clarity to engage in joint hydrocarbons ventures with Azerbaijan.

In the past Tehran has resorted to hostile naval manoeuvres to defend its claims to contested territory.

Beyond military and economic questions, the agreement also offers hope for the Caspian's ecological diversity.

Reportedly depleted stocks of the beluga sturgeon, whose eggs are prized globally as caviar, may now grow thanks to "a clear common regime for the waters of the Central Caspian," Roberts said.

The deal could result "not only in stricter quotas for sturgeon fishing, but in stricter enforcement of these quotas," he added.

How Trump's Steel War on

Turkey Is Set to Change Trade Flows



By Thomas Biesheuvel, Elizabeth Burden, and Susanne Barton
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11:53 PM GMT+3

- U.S. plans to raise tariffs on Turkish aluminum and steel
- The country ranks as the world's sixth-biggest steelmaker

President Donald Trump's latest broadside against Turkish steel is a fresh blow to one of the country's most important industries and will reshape global trade flows.

Under a higher level of tariffs, Turkey will continue to lose American customers, once its most important steel market. The new tariffs won't put Turkish steelmakers out of business, but force them to find new markets, likely across North Africa or the Middle East, or displace other imports to Europe.

"It's certainly a challenge for Turkey's steel," Colin Hamilton, managing director for commodities research at BMO Capital Markets, said in an email. "They mainly import scrap, which has just become more expensive in Lira terms, and export products. "

The U.S. plans to double tariffs on the nation's steel to 50 percent, and raise the rate on aluminum to 20 percent, Trump said on Twitter Friday.

Turkey makes up 62 percent of bar used to reinforce concrete and masonry structures coming into the U.S. It also accounts for 37 percent of imported pipes for piling, which is used for foundation support and construction, and 14 percent of cold-rolled sheet. The tariffs will likely put U.S. steel companies in a favorable position, with Nucor Corp., Commercial Metals Co. and Steel Dynamics Inc. set to be among the big beneficiaries, according to Andrew Cosgrove, a senior analyst at Bloomberg Intelligence.

Turkey exported about 500,000 tons to the U.S. in the five months to May, compared with more than 1 million tons in the same period last year, according to data from the U.S. Census bureau. The U.S. has fallen from Turkey's main steel buyer to number three.

Steel, in its more basic form of slabs, sheet or reinforcing bar, is a highly liquid market and it's usually easy for a company to find a new buyer. Attacking imports has become a favorite tool of politicians from Europe to the U.S., causing flows to be rerouted. The global industry has been described as a game of whack-a-mole; if exports are blocked in one market, the action shifts elsewhere. Turkey ranks as the world's sixth-biggest steel producer. In aluminum, it's 31,

a tiny player. The U.S. imported about 4,500 tons of aluminum bars, rods and profiles from the country in 2017, according to World Bank statistics.

The U.S. measures are designed to add pressure on Turkey to

release an American pastor and will further squeeze an economy that's being engulfed by a financial crisis and plunging currency. An index of Turkish steel stocks sank almost 10 percent after the announcement, before recovering some of those losses.

In response to U.S. tariffs earlier this year, Turkey turned its exports toward European countries, such as Italy and Spain. The new U.S. tariffs will heighten fears that even more steel will head to the region, pressuring European producers. Regulators have introduced so-called safeguard measures, which slap tariffs on steel if imports exceed historical averages.

"The tariffs on Turkey itself won't form a big threat" to Europe, Philip Ngotho, an analyst at ABN Amro Bank NV, said by email. "Europe has measures in place to limit imports of steel into Europe, so that will continue to offer some protection from potentially cheaper and more steel from Turkey."

– *With assistance by Mark Burton, and Luzi-Ann Javier*

Greece's Credit Rating Upgraded by Fitch on Debt Sustainability



(Bloomberg) –Greece’s credit rating was raised by Fitch Ratings to the highest level since 2011 as the country approaches a successful exit from the ESM program and its sustained economic growth bodes well for debt sustainability. “Debt sustainability is also underpinned by a track record of general government primary surpluses, our expectation of sustained GDP growth; additional fiscal measures legislated to take effect through 2020 and somewhat reduced political risks,” the agency said.

Greece’s bailout program ends on Aug. 20, which is also the last day that the European Central Bank will still accept Greek bonds as collateral for providing cheap funding to Greek lenders, and the country is expected to take some time to secure an investment grade rating as it tries to convince investors that normality is back.

Without a program, Greece needs that rating from at least one agency to be eligible for the ECB’s funding facilities for its banks. Investment grade would also make the nation’s sovereign

bonds attractive to more investors, helping the government to regain sustainable access to markets.

Fitch upgraded Greece's long-term foreign currency debt to BB- from B, showing that the agency isn't that worried about the International Monetary Fund's glum assessment of the country's prospects.

"We expect fiscal performance to remain sound over the post-program period", Fitch said in the report, adding that public finances are improving. "GDP growth is gathering momentum," the rating agency said, forecasting a growth of 2 percent in 2018 and 2.3 percent in 2019.

With Greece exiting an eight-year period of bailout programs in just over a week, Greek governments must continue to implement reforms and stick to the fiscal path that has already been agreed with creditors to reassure investors.

"The domestic political backdrop has become somewhat more stable and the working relationship between Greece and European creditors has substantially improved, lowering the risk of a future government sharply reversing policy measures adopted under the ESM program," Fitch said.

Greek bonds are still vulnerable to external risks which makes sticking to the fiscal agenda and implementing reforms even more important for securing investor confidence. Greek 10-year note yields hit their highest level since June 22 this week amid uncertainty around Italy.

Among the major rating companies, Moody's Investors Service gives Greece the lowest grade and hasn't changed its rating since February, well before the conclusion of the last bailout review and the decision in June by euro-area finance ministers for further debt relief measures for Greece. S&P Global Ratings was the first to act after the Eurogroup decision and it raised its rating by one notch to B+.

Brexit : HSBC transfère sept succursales de Londres à Paris



Par Anne Bodescot

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La banque investit également lourdement en Asie pour accélérer sa croissance.

Dans la finance, les préparatifs en prévision du Brexit s'accroissent. La Grande-Bretagne redoute désormais une sortie de l'Union européenne (UE) sans accord avec Bruxelles. Ce qui compliquerait encore davantage le travail de ses banques sur

le Vieux Continent. Prenant les devants, HSBC a annoncé lundi que plusieurs de ses succursales européennes, jusqu'alors contrôlées depuis Londres, seront l'an prochain rattachées à sa filiale française.

Ses activités en République tchèque, Irlande, Italie, Luxembourg, Pays-Bas et Espagne seront pilotées depuis Paris par HSBC France, en principe à partir du premier trimestre 2019. Soit juste avant la sortie effective du Royaume-Uni de l'UE, prévue fin mars. «Ce que nous avons prévu depuis le début, depuis plus de deux ans, a été fondé sur le pire des scénarios», explique John Flint, le nouveau directeur général.

» LIRE AUSSI – Brexit: Bruxelles n'exclut pas une sortie sans accord

L'annonce a été faite quelques heures après la publication de résultats mitigés pour le groupe bancaire britannique. Après avoir mené un vaste plan de restructuration ces dernières années et fait des économies à tous crins, la banque a enregistré une hausse de 7 % de ses coûts sur les six premiers mois de l'année, en raison de ses investissements en Asie, où elle veut pousser plus encore son avantage. Elle y réalise déjà près de la moitié de son activité. «Nous sommes en train d'investir pour gagner de nouveaux clients, pour accroître notre part de marché et poser les fondations d'une croissance régulière des bénéfices», souligne John Flint. Aux manettes depuis février, il est d'ailleurs prêt à aller beaucoup plus loin, puisqu'il a dévoilé en juin un plan d'investissement sur trois ans de 15 à 17 milliards de dollars.

Les dépenses déjà engagées ces derniers mois par la banque ont permis d'embaucher afin de conquérir davantage de clients et de se renforcer dans les activités numériques, en particulier en Chine. Mais cette hausse des dépenses a été plus forte que celle du chiffre d'affaires, qui augmente de 4 % (2 % ajustés des éléments exceptionnels). Voilà qui explique l'accueil plutôt froid réservé aux résultats semestriels de la banque à

la Bourse de Londres, où le titre a terminé lundi en léger repli (- 1,06 %).

Pourtant, le bénéfice semestriel dévoilé lundi est légèrement supérieur aux prévisions, avec une progression de 2,5 %, à 7,173 milliards de dollars. En Asie, le bénéfice avant impôt du premier semestre a même bondi de 23 %, à 9,4 milliards de dollars, ce qui représente 88 % du bénéfice total du groupe.

Baisse des profits en Europe

Mais ces bonnes performances ont été contrebalancées par une baisse des profits sur d'autres marchés, en particulier en Europe, où l'activité est pénalisée notamment par la faiblesse des taux d'intérêt. Toutefois, le patron de HSBC espère toujours stimuler les revenus de son groupe dans les prochains mois, pour que, sur l'année, la progression des recettes soit plus forte que celle des coûts.

Mais la guerre commerciale entre les États-Unis et la Chine, qui préoccupe toujours les marchés financiers, lézarde la confiance dans la capacité de la banque à tenir cette promesse. Pour l'instant, HSBC affirme que cette guerre douanière n'a eu aucun effet sur son activité et ses clients. Le président du groupe, Mark Tucker, a même tenu à rappeler que le marché asiatique restait solide. Mais John Flint reconnaît que la croissance chinoise pourrait en être légèrement affectée.

Touchée par de nombreux scandales financiers ces dernières années, HSBC a aussi annoncé avoir trouvé un accord en juillet avec le département américain de la Justice. La banque paiera une pénalité financière de 765 millions de dollars pour mettre fin aux poursuites sur son activité dans les prêts immobiliers avant la crise financière de 2008.

Under Pressure From Trump, Saudis Put Brakes on Oil's Rally



أرامكو السعودية
Saudi Aramco



- Riyadh supports a gradual increase in oil output over summer
- Middle East oil producers worried about U.S. anti-trust laws

The world's largest oil exporter just made quite a policy

swerve. Within six weeks, Saudi Arabia has gone from advocating higher prices to trying to stop the rally at \$80 a barrel.

The U-turn scrambled the outlook for oil markets, hit the share prices of oil majors and shale producers and set up a diplomatic wrangle with other members of the Organization of Petroleum Exporting Countries.

What changed? The supply threats posed by the re-imposition of U.S. sanctions on Iran oil exports earlier this month and the quickening collapse of Venezuela's energy industry are both part of the answer, but they're secondary to Donald Trump. On April 20, the president took to Twitter to lambaste the cartel's push for higher prices. "Looks like OPEC is at it again," he tweeted. "Oil prices are artificially Very High!"



Donald J. Trump ✓

@realDonaldTrump

Looks like OPEC is at it again. With record amounts of Oil all over the place, including the fully loaded ships at sea, Oil prices are artificially Very High! No good and will not be accepted!

11:57 AM - 20 Apr 2018

Trump's intervention gave typically strident voice to a concern held more widely in the U.S. and other consuming countries: oil's rally from less than \$30 in early 2016 to more than \$80 this month risked becoming a threat to global economic growth.

On Friday, Saudi Oil Minister Khalid Al-Falih responded, saying his country shared the "anxiety" of his customers. He then announced a shift in policy that all but gave a green

light for a market sell-off, saying OPEC and its allies were “likely” to boost output in the second half of the year.

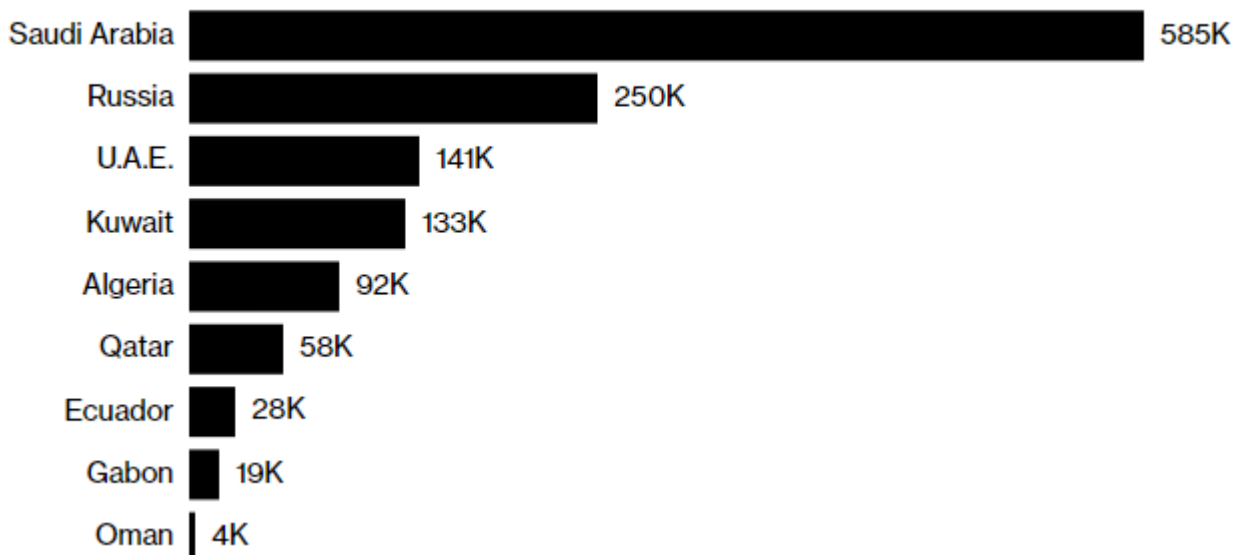
“The tweet moved the Saudis,” said Bob McNally, founder of consultant Rapidan Energy Group LLC in Washington and a former White House oil official. “The message was delivered loud and clear to Saudi Arabia.”

After Al-Falih’s comments, made following a meeting with his Russian counterpart in St. Petersburg, saw crude drop more than \$3 to below \$67 a barrel in New York on Friday. The bullish tone of recent market chatter, increasingly punctuated with talk about oil prices climbing past \$100, \$150 and even \$300, suddenly looks overdone.

Who’s Got the Juice?

Saudi Arabia and Russia could potentially return the most oil to the market.

■ Size of output cut since 2016 in barrels a day



It wasn’t just the U.S. Other major buyers of Saudi crude also put pressure on Riyadh to change course, albeit a little more diplomatically than Trump. Dharmendra Pradhan, the Indian petroleum minister, said he rang Al-Falih and “expressed my

concern about rising prices of crude oil.”

OPEC officials were in a meeting at the opulent Ritz-Carlton hotel in Jeddah on Saudi Arabia’s Red Sea coast when Trump tweeted his views and they immediately saw it as a significant intervention.

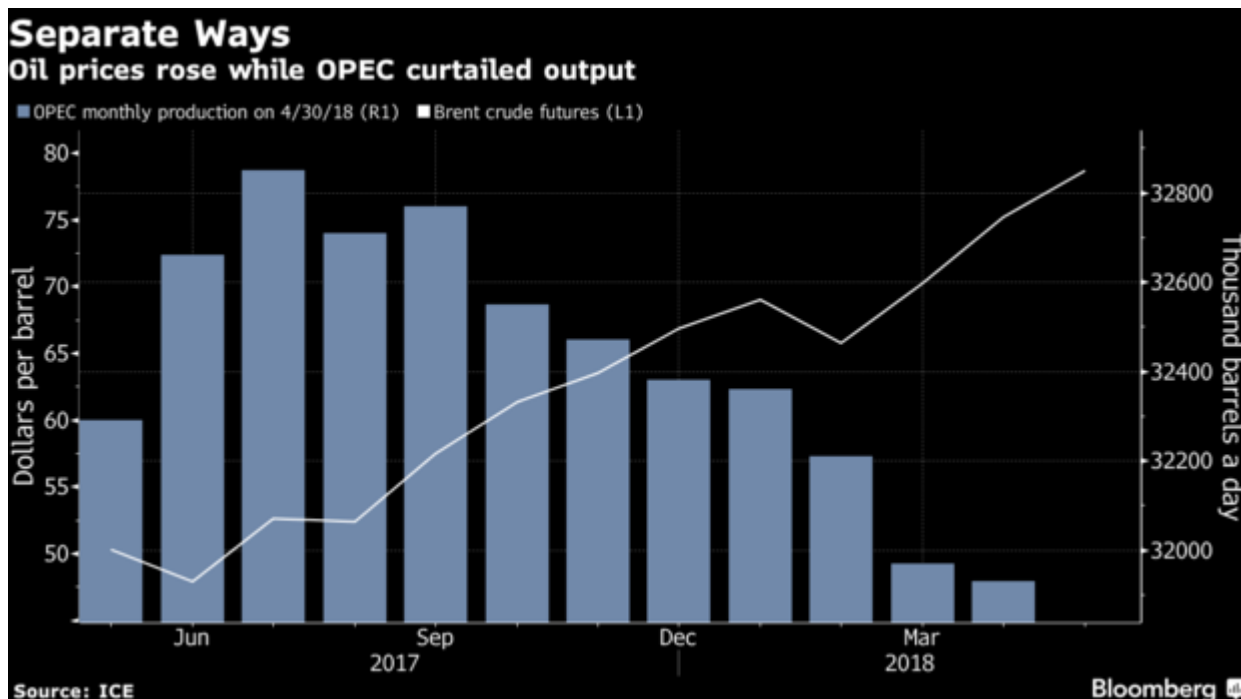
“We were in the meeting in Jeddah, when we read the tweet,” OPEC Secretary General Mohammad Barkindo said on Friday. “I think I was prodded by his excellency Khalid Al-Falih that probably there was a need for us to respond,” he said. “We in OPEC always pride ourselves as friends of the United States.”

To read a story on how consumers are responding higher prices, [click here](#).

Diplomats and oil officials in OPEC countries were also worried about the potential revival in Washington of the so-called “No Oil Producing and Exporting Cartels Act,” which proposes making OPEC subject to the Sherman antitrust law, used more than a century ago to break up the oil empire of John Rockefeller.

The bill first gained prominence in 2007 when George W. Bush was president and oil prices were flirting with \$100 a barrel and made a comeback several years later under Barack Obama. While it was opposed by those presidents, the risk for OPEC was that Trump “could break with his predecessors and support its passage,” said McNally.

In a sign that oil prices were climbing Washington’s agenda as gasoline prices approached the \$3 a gallon mark, last week a sub-committee in the U.S. House of Representatives held a rare hearing on the NOPEC act.



There are also indications that Russia, whose decision to participate in OPEC's cuts helped turnaround the oil market, has decided the rally has run far enough.

"We're not interested in an endless rise in the price of energy and oil," Putin told reporters in St. Petersburg on Friday. "I would say we're perfectly happy with \$60 a barrel. Whatever is above that can lead to certain problems for consumers, which also isn't good for producers."

OPEC and its allies will gather in Vienna for a policy meeting on June 22 to hammer out a deal. While Al-Falih and Russia's Novak have indicated that output will most likely increase, the details – how many barrels from which countries – are still a question mark.

"In an environment of low inventories and rising geopolitical outages, raising some supply is prudent," said Amrita Sen, oil analyst at Energy Aspects Ltd.

Oil producers are debating an increase ranging from 300,000 barrels a day at the low end, backed by Gulf producers including Saudi Arabia, and a larger increase of about 800,000 barrels a day favored by Russia, a person familiar with matter said on Friday.

“It’s too early now to talk about some specific figure, we need to calculate it thoroughly,” Novak said.

Even though Al-Falih’s comments brought about an immediate price reaction, there are still reasons for people to be bullish as traders await the impact of U.S. sanctions against Iran and wider political tensions in the Middle East.

And with global oil demand growing strongly, hedge funds will shift their focus on diminishing global spare capacity as OPEC returns barrels to the market. The U.S. government estimates the cushion at just 1.34 million barrels a day next year, below the 1.4 million reached in 2008 when oil prices surged to nearly \$150 a barrel.

In a letter to investors earlier this month, Pierre Andurand, the bullish oil hedge fund manager, warned that if Saudi Arabia needs to “offset production declines from Iran and Venezuela” global spare capacity would decline to perilous levels.

“Oil prices could potentially surge to record high levels to force demand destruction very quickly,” he wrote.

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