

SAUDI ELECTRICITY MAY DELAY JEDDAH PLANT EXPANSION

NEW PLANT NEAR RIYADH IN THE PIPELINE

KHOBAR, Saudi Arabia: Saudi Electricity Co (SEC) will likely delay the planned expansion of its Jeddah South power plant, but is still expected to start tendering for a plant near Riyadh by the end of the year, industry sources told Reuters.

The utility, the Gulf's largest, faces multiple challenges as it tries to keep up with rampant growth in power demand even as lower oil revenues constrain government spending on infrastructure projects. The fuel to be used in any new plant is also an issue given Saudi Arabia wants to prioritise exports of crude oil by cutting domestic liquid burning and using natural gas instead.

Jeddah South's expansion had been due to be funded at state level, but the Riyadh scheme is earmarked as an independent power producer (IPP) project, meaning private sector developers would shoulder the financing burden. State-controlled SEC did not respond to an emailed

request for comment. Jeddah South, for which the first phase started in May, would help meet growing electricity demand in the western region, particularly from the holy cities of Makkah and Madina.

SEC in April first invited companies to bid to build the extension to the plant, which aims to nearly double its capabilities by adding as much as 1,400 MW of capacity, but the date to submit technical bids has been extended twice. The current bid deadline is Sept. 25, but this will likely be extended further, said the sources who declined to be identified as the information isn't public.

"Officially SEC did not put (the plan) on hold, it just keeps extending it," said one of the sources.

Many Gulf companies typically avoid formally suspending or cancelling a project due to a resultant loss of prestige. Instead, deadlines are repeatedly pushed back until interest wanes, or conditions change to make the scheme

viable once more. Two of the sources said the extension of the bidding was because fuel allocations had not yet been agreed. The first phase of the Jeddah South plant was oil fired.

The world's largest oil exporter burns a significant amount of crude in power generation, particularly during peak summer months, so the kingdom wants to substitute this for natural gas to ensure more oil can be exported - important when Saudi is facing another substantial budget shortfall in 2016. However, despite prioritizing gas for power generation, supplies in Saudi Arabia are stretched, constraining expansion.

A new plant in Riyadh is still expected to go ahead. Known as PP15, it will be SEC's largest plant, with a capacity of more than 5,000 MW. The company is expected to invite expressions of interest from interested developers towards the end of this year, sources said. — Reuters

News

In brief

Kuwait oil price down 31 cents to \$43.87 pb

KUWAIT: The price of Kuwaiti oil went down 31 cents Monday to settle at \$43.87 per barrel as opposed to \$44.18 pb last Friday, said Kuwait Petroleum Corporation (KPC) yesterday. The price of oil in the world markets went down in fear of production inflation in the Middle East and the hike in the US dollar exchange rate backed by anticipations over an increase of the interest rate in the US by the end of the year. The future contracts of the West Texas brand went down by 66 cents to reach \$46.98 pb. The future contracts of the Brent mix also went down by 66 cents to reach \$49.26 pb.

US dollar stable against KD at 0.301

KUWAIT: The US dollar's exchange rate against the Kuwaiti dinar was stable at 0.301, whereas the euro's rate went down to KD 0.337 compared to Monday's exchange rates, said the Central Bank of Kuwait (CBK) yesterday. The rate of the pound sterling went down to KD 0.394, as well as the Swiss franc which also went down to KD 0.307. The Japanese yen went up to KD 0.002.

Qatar central bank invites bids for 1bn riyal T-bills

DUBAI: The Qatar central bank has invited banks to bid in a 1 billion riyal (\$275 million) Treasury bill auction to be held today, according to a document seen by Reuters. The bills would be sold in three-, six- and nine-month tranches, with results of the monthly sale to be revealed on Thursday, the document showed. Between January and March, the central bank cancelled monthly sales of T-bills because of tightening liquidity in the banking system due to low oil and gas prices. But since then, liquidity has improved somewhat, and the sales have resumed. In the last sale on Aug 2, it issued 1.2 billion riyals of bills.

Saudi Bank Al Bilad prices 2bn riyal sukuk issue

DUBAI: Saudi Arabia's Bank Al Bilad priced an Islamic bond issue worth 2 billion riyals (\$533 million) at 200 basis points above the three-month Saudi interbank offered rate, the lender said in a bourse statement yesterday. The sukuk have a tenor of 10 years, with the bank having the right to call the bond at the end of the fifth year. They were sold through a private placement. Bank Al-Bilad, one of the smaller lenders in Saudi Arabia, said funds raised would support its capital base in line with Basel III standards.



MAZAR-I-SHARIF: An Afghan street vendor sells second hand shoes on his cart stall along the roadside in Mazar-i-Sharif. —AFP

OVER A MILLION INDIAN WORKERS TO GO ON STRIKE

NEW DELHI: More than a million Indian workers in banking, telecoms and other sectors will go on strike on Friday, seeking higher wages and to protest against Prime Minister Narendra Modi's labour reforms and a plan to close some loss-making firms. Trade unions including the All India Trade Unions Congress and Centre of Indian Trade Unions rejected a government appeal on Tuesday to call off the strike, saying it failed to address their demands.

Since taking charge in May 2014, Modi has implemented a raft of economic reforms and is trying to ease labour laws to attract foreign investment and make it easier to do business in the country.

The government aims to raise 560 billion rupees (\$8.35 billion) through privatisation this fiscal year, and shut down some companies. Losses at 77 state-run companies exceeded \$4 billion in the last fiscal year. Tapan Sen, general secretary of the Centre of Trade Unions, said there had not been any "tangible proactive steps" by the government to address union demands such as a rollback of privatisation in sectors like defence and railways, and an increase in minimum wages.

He said the strike would go on despite Finance Minister Arun Jaitley's promise on Tuesday that the government would release state employees' bonuses for the last two years, and increase minimum wages for unskilled laborers.

The unions also oppose a government directive to state-run pension funds to put more money into stock markets. Another major union, the Bharatiya Mazdoor Sangh, which is loosely affiliated with the Hindu nationalist group Rashtriya Swayamsevak Sangh, the ideological parent of Modi's Bharatiya Janata Party, is not joining the strike. Some workers at Coal India Ltd are due to join the strike but company officials said they did not expect any shortfall in supplies for power companies as there was an oversupply of the fuel. —Reuters

OIL PRICES RISE ON US WEATHER FEARS, OPEC SPECULATION

LONDON: Oil futures rose yesterday supported by production suspensions in the US Gulf due to an expected tropical storm and speculation that producers meeting in Algeria next month will act to prop up prices. Brent crude futures were trading at \$49.53 per barrel at 1142 GMT, up 27 cents from the previous close.

US West Texas Intermediate (WTI) crude was up 36 cents at \$47.34 a barrel. Oil and gas operators in the US Gulf of Mexico have shut output equal to 168,334 barrels per day (bpd) of oil and 190 million cubic feet per day of natural gas as a precaution against a tropical storm, the US Bureau of Safety and Environmental Enforcement said on Monday. Oil prices have also been taking direction from speculation that a meeting next month in Algeria of major producers, including members of the Organization of the Petroleum Exporting Countries, could yield a production deal to support prices.

"Prices are still finding support from the expectations of an agreement on production caps being reached at the late-September meeting," Commerzbank said in a note. Saudi Arabian Energy Minister Khalid Al-Falih told Reuters last week he

does not believe an intervention in oil markets is necessary since the "market is moving in the right direction".

Iraq - which exported more crude this month from its southern ports than in July - will continue ramping up output, its oil minister said on Saturday. A Nigerian militant group has said it has ended attacks on the nation's oil and gas industry that have reduced the OPEC member's output by 700,000 barrels a day to 1.56 million bpd.

But the prospect of a recovery in oil production from Libya happening any time soon was tempered after the head of the country's National Oil Corp. said budgetary delays from the new government were undermining oil production. "Oil prices are caught between concerns about oversupply and a strong dollar on the one hand and the prospect of further jawboning from OPEC members that some form of production freeze could be on the cards," CMC Markets senior analyst Michael Hewson said.

The huge global oil oversupply that has weighed on prices for the past two years may not clear until the second half of 2017, Shell's chief energy adviser Wim Thomas told Reuters. — Reuters

IRAN PLANS FIRST PHASE OF OIL DEAL TENDERS FROM SEPT

BEIRUT: Iran plans to hold an oil and gas bidding round for foreign firms from late September, Ali Kardor, managing director of the National Iranian Oil Company (NIOC), was quoted as saying by the oil ministry's news agency SHANA yesterday.

The first tender, which is likely to be for the South Azadegan oil field in southwestern Iran, will take place between Oct. 14 and Oct 21, Kardor said.

"It's likely that letters will be sent to foreign companies next week as per regulations so that the companies can present their information," Kardor said. Iran needs foreign investment to repair and upgrade its oil and gas fields and is also seeking the transfer of technology to its oil industry after a decade of isolation.

Three contracts are expected to be signed by the end of the year which will bring in approximately \$10 billion in revenue for the country, Kardor said. The launch of the Iran Petroleum Contract (IPC) for oil and gas development deals has been postponed several times as hardline rivals of President Hassan

Rouhani resisted any deal that could end the so-called buyback system under which foreign firms are banned from owning stakes in Iranian companies.

The new contracts are divided into three main categories: exploration, development of discovered fields that would lead to production, and enhanced oil recovery (EOR) to increase output.

The duration of the contract is up to 20 years from the start of development and can be extended for five years if EOR techniques are applied on a field. Under the new contract model there will be technological assistance for storage facilities, equipment construction and to Iranian oil services companies, SHANA reported. Iran has also signed seven new initial agreements with foreign oil companies, Kardor said according to SHANA.

The contracts to study Iranian oilfields were signed with firms including Austria's OMV, France's Total, Germany's Wintershall, Indonesia's Pertamina, Russia's Lukoil and Zarubezhneft, he said. — Reuters

EXCHANGE RATES

AL-MUZAINI EXCHANGE CO.

ASIAN COUNTRIES

Japanese Yen	2.964
Indian Rupees	4.513
Pakistani Rupees	2.889
Srilankan Rupees	2.081
Nepali Rupees	2.824
Singapore Dollar	223.120
Hongkong Dollar	39.009
Bangladesh Taka	3.857
Philippine Peso	6.525
Thai Baht	8.776

GCC COUNTRIES

Saudi Riyal	80.723
Qatari Riyal	83.152
UAE Dirham	786.253
Bahraini Dinar	803.910
UAE Dirham	82.416

ARAB COUNTRIES

Egyptian Pound - Cash	29.550
Egyptian Pound - Transfer	34.458
Yemen Riyal/for 1000	1.215
Tunisian Dinar	138.020
Jordanian Dinar	427.150
Lebanese Lira/for 1000	2.017
Syrian Lira	2.0157
Morocco Dirham	31.614

EUROPEAN & AMERICAN COUNTRIES

US Dollar Transfer	302.550
Euro	339.610
Sterling Pound	397.400
Canadian dollar	233.180
Turkish Lira	103.080

Swiss Franc	310.630
Australian Dollar	230.540
US Dollar Buying	301.350

GOLD

20 Gram	265.930
10 Gram	135.880
5 Gram	68.790

DOLLARCO EXCHANGE CO. LTD

Rate for Transfer	Selling Rate
US Dollar	302.750
Canadian Dollr	232.670
Sterling Pound	396.840
Euro	339.210
Swiss Frank	298.125
Bahrain Dinar	800.340
UAE Dirhams	82.655
Qatari Riyals	83.870
Saudi Riyals	81.455
Jordanian Dinar	426.600
Egyptian Pound	33.996
Sri Lankan Rupees	2.080
Indian Rupees	4.508
Pakistani Rupees	2.884
Bangladesh Taka	3.852
Philippines Peso	6.509
Cyprus pound	159.565
Japanese Yen	3.955
Syrian Pound	2.405
Nepalese Rupees	3.815
Malaysian Ringgit	75.510
Chinese Yuan Renminbi	45.675
Thai Bhat	9.730
Turkish Lira	102.445

BAHRAIN EXCHANGE COMPANY

CURRENCY BUY SELL

CURRENCY	BUY	SELL
Europe		
British Pound	0.390042	0.405042
Czech Korune	0.004511	0.016511
Danish Krone	0.041404	0.046404
Euro	0.0333115	0.0342115
Norwegian Krone	0.032440	0.037640
Romanian Leu	0.075907	0.075907
Slovakia	0.009007	0.019007
Swedish Krona	0.031561	0.036561
Swiss Franc	0.302739	0.313739
Turkish Lira	0.097522	0.107822
Australasia		
Australian Dollar	0.219874	0.231874
New Zealand Dollar	0.212521	0.222021
America		
Canadian Dollar	0.227041	0.236041
Georgina Lari	0.136578	0.136578
US Dollars	0.298300	0.303000
US Dollars Mint	0.298800	0.303000
Asia		
Bangladesh Taka	0.003286	0.003870
Chinese Yuan	0.043732	0.047232
Hong Kong Dollar	0.036896	0.039646
Indian Rupee	0.004301	0.004690
Indonesian Rupiah	0.000018	0.000024

Japanese Yen	0.002871	0.003051
Kenyan Shilling	0.002975	0.002975
Korean Won	0.000258	0.000273
Malaysian Ringgit	0.071425	0.077425
Nepalese Rupee	0.002806	0.002976
Pakistan Rupee	0.002666	0.002956
Philippine Peso	0.006317	0.006617
Sierra Leone	0.000050	0.000056
Singapore Dollar	0.216724	0.226724
South African Rand	0.015065	0.023565
Sri Lankan Rupee	0.001640	0.002220
Taiwan	0.009381	0.009581
Thai Baht	0.008364	0.008914
Arab		
Bahraini Dinar	0.795553	0.804053
Egyptian Pound	0.023725	0.028843
Iranian Riyal	0.000084	0.000085
Iraqi Dinar	0.000181	0.000241
Jordanian Dinar	0.422358	0.431358
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000150	0.000250
Moroccan Dirhams	0.019592	0.043592
Nigerian Naira	0.001246	0.001881
Omani Riyal	0.779035	0.784715
Qatar Riyal	0.082250	0.083700
Saudi Riyal	0.079553	0.080853
Syrian Pound	0.001281	0.001501
Tunisian Dinar	0.134353	0.142353
Turkish Lira	0.097722	0.107822
UAE Dirhams	0.080907	0.082607
Yemeni Riyal	0.001367	0.001447