Nigerian oil trade union suspends strike

ABUJA: A Nigerian union representing oil workers has suspended a strike that some feared would lead to fuel shortages and disrupt crude production, one of its leaders said yesterday. The strike by about 10,000 members of the Petroleum and Natural Gas Senior Staff Association of Nigeria (PENGASSAN), which includes refinery workers and office staff, began today over issues that include oil sector reforms and pay.

A prolonged drop in global crude prices and a spate of attacks by militants on oil and gas facilities in the southern Niger Delta region briefly pushed oil production to 30-year lows, hitting the economy hard over the past few months. Last week the Nigerian National Petroleum Corporation (NNPC) cautioned people against panic buying. There have been no signs of fuel shortages so far. The strike "has been suspended in the early hours of today, around 04:00 am (0300 GMT)," said Lumumba Okugbawa, PENGASSAN acting general secretary, adding that "some understandings" had been reached.

Talks with government officials, including the oil minister, the labor minister and NNPC's new group managing director, were held on Monday and Tuesday. The agreement to suspend the strike was reached in the early hours of yesterday. "The suspension is not just on paper. People have returned to work," said NNPC spokesman Garba Deen Muhammad. A communique issued after the meeting and seen by Reuters shows that issues discussed included joint venture funding and cash call arrears, which the union said had stalled the creation of new jobs and investment in the sector. Cash calls are the government's financial obligations to joint venture projects between NNPC and international and local oil companies.

The communique stated that "the meeting was satisfied on the new model of the new joint venture arrangement" put in place by the petroleum ministry and NNPC as well as the payment structure "to pay off the arrears of the old joint venture cash calls inherited by the new government". Reforms to be carried out once the Petroleum Industry Bill is passed into law were also discussed. The bill to overhaul the industry has been in the works for a decade. It will cover environmental, tax and revenue-sharing rules. The communique also showed that members of the Nigeria Union of Petroleum and Natural Gas Workers (NUPENG) took part in the talks and signed up to the agreement, even though NUPENG members had worked during the PENGASSAN strike. — Reuters

India coal mining ambition hurts indigenous group

MUMBAI: India's drive to ramp up coal output to meet growing energy needs has resulted in members of the Adivasi tribe being displaced from their ancestral lands and forced to wait years to be resettled, Amnesty International said yesterday. The global human rights group said the Adivasi had suffered disproportionately from India's push for coal. One in six of the 87,000 Indians who have been displaced over the past 40 years by state-owned Coal India Ltd (CIL) is Adivasi, Amnesty said.

Laws to protect vulnerable communities such as indigenous groups are poorly implemented and regularly flouted, it said. "Adivasi communities, who traditionally have strong links to land and forests, have suffered disproportionately from development-induced displacement and environmental destruction in India," Amnesty said in a report. "The domestic Indian legal framework does not fully recognize the rights of indigenous peoples," it said. Coal accounts for more than 60 percent of India's electricity capacity, and the government plans to nearly double annual coal output by 2020, opening a new mine nearly every month.

Many of India's coal reserves are located in the central and eastern states of Chhattisgarh, Jharkhand and Odisha where more than a quarter of the country's Adivasi population lives. "Coal is essential for our national security and we have to go where the coal is," said N Das, a chief general manager at Coal India, the country's top coal producer. "We follow all the laws, work closely with the local communities, provide jobs, set up welfare initiatives and take steps to minimize the environmental impact of mining," he told the Thomson Reuters Foundation.

Serious impacts

Adivasis are among the most marginalized communities. They make up about 8 percent of India's population of 1.2 billion, but about 40 percent of the 60 million people displaced by development projects in past decades, the government estimates. Adivasis are routinely shut out of decisions on the acquisition of their lands for coal mines with many evicted, poorly compensated and made to wait years for resettlement, Amnesty said.

"The violations of their rights to consultation and consent around land acquisition, environmental impacts, indigenous self-governance and the use of traditional lands-has led to serious impacts on their lives and livelihoods," it said. Acquisition of land for public-sector coal mining is governed by the Coal Bearing Areas Acquisition and Development Act (1957), a law analysts say is antiquated and falls well short of international human rights law and standards.

A 2014 law on land acquisition for development projects aimed for greater transparency by requiring the consent of affected families, and a social impact assessment study. But the law exempts land acquired for public-sector coal mining. Amnesty said in some cases legal requirements were adhered to but carried out in a way that did not help Adivasi communities. For example, the intent to acquire land for the Kusmunda mine in Chhattisgarh was announced in the official government gazette and in a newspaper, yet more than a third of the residents near the mine were not literate, Amnesty said.

An environmental impact assessment hearing was poorly publicised and monitored by security personnel, it said. "We've lived next to this mine for almost 30 years, and watched our wells go dry, forests disappear and fields become unproductive," Amnesty quoted a villager, Mahesh Mahant, as saying. "What is the point of this environmental public hearing, except to tell us that we're not fit to live here anymore?" Amnesty also highlighted the environmental damage, soil erosion and pollution caused by coal mining in India, which is largely open cast.

Among the 10 cities with the most air pollution, four are in India, according to the World Health Organization, with the use of coal in power generation a leading source of pollution. "We should be looking at ways to increase the efficiency of existing mines, rather than open new mines," Sreedhar Ramamurthi at the non-profit Mines, Minerals & People, told the Thomson Reuters Foundation. "The very nature of coal mining is so harmful," he said. "We must ensure stringent compliance of laws and resolve the issues of rehabilitation and resettlement to mitigate the damage." — Reuters

TAIPEI: A notice notifying customers on the suspension of ATM machines is seen as a security guard keeps watch at a branch of Taiwan's First Commercial Bank in Taipei, after more than $2 million were stolen from over thirty ATMs in Taiwan. — AFP

Taiwan seeks 2 Russians in $2 million ATM malware heist

Banks freeze withdrawals at about 1,000 ATMs

TAIPEI: Taiwan investigators suspect two Russian nationals hacked into a major domestic bank's ATMs last weekend, using malware to withdraw more than $2 million from dozens of machines in the country's first recorded case of its kind. Combining cybercrime with daylight robbery after a typhoon battered greater Taipei, the suspects may have used a cellphone to trigger 41 First Bank ATMs to dispense fat wads of bills, investigators said yesterday.

In each case, the still-at-large suspects took the money and left quickly, filmed on close-circuit TV cameras. As Taiwan officials continue to piece together how the crime was committed, the theft shows growing boldness in attacks on ATMs in Asia. In May, a gang stole $13 million from Japanese ATMs in a three-hour, 14,000 withdrawal spree. Since discovering the theft on Monday, a range of Taiwan's biggest state-run banks have frozen withdrawals from nearly 1,000 ATMs of the kind used in the heist, supplied by Germany's Wincor Nixdorf.

About 4 percent of Taiwan's national ATM network of 27,200 machines is affected, leaving customers obliged to use other machines. The Ministry of Justice's Investigation Bureau yesterday said two Russian suspects have been identified, but declined to disclose their names. It said it believed the pair left Taiwan early on Monday, and was still investigating whether a possible third one might have been involved.

"So far we think it could have been done remotely, such as via a cellphone, laptop or hacked First Bank staff PC," said Lin Cheng-hsien, a spokesperson for the bureau. First Bank reported T$70 million ($2.2 million) was stolen from its ATMs in hits that investigators said took place at various times during both daytime and nightfall. Investigators have identified three different malware programs that were used to trigger withdrawals. "After testing the malware, we confirmed hacked ATMs will dispense cash immediately according to the malware," the bureau said in a statement.

The raid on Wincor machines comes as its agreed 1.7 billion euro ($1.88 billion) acquisition by U.S. peer Diebold moves closer to its expected closure this summer, creating a global leader in ATMs with a market share of about 35 percent. Wincor said it had been informed about concerted attacks on its ATMs in Taiwan. "Attacks follow a similar pattern, irrespective of their make or brand, and we as well as the banks are aware of them," a Wincor official in Germany told Reuters by email. "The details of the attack are being examined by the police, banks as well as experts from Wincor Nixdorf. To support the local teams we have sent security experts."

Officials of Taiwan's banking regulator, the Banking Bureau, declined to comment on the details of the incident, beyond saying First Bank will have to take the loss. It said, however, First Bank's users will not be affected and it will ask local banks to establish monitoring system of their ATMs over the next month. At least four major state-run financial institutions, including First Bank, Chang Hwa Bank, Taiwan Cooperative Bank and Chunghwa Post Co., suspended cash withdrawals service on their ATMs as a precaution. They didn't say when the service would be restored, nor whether the suspension might affect their financial performance. — Reuters

China's exports, imports fall; trade outlook dim

Exports down 4.8%; Imports fall 8.4%

BEIJING: China's exports fell more than expected in June as global demand remained stubbornly weak and as Britain's decision to leave the European Union clouds the outlook for one of Beijing's biggest markets. Imports also shrank more than forecast, suggesting the impact of a flurry of measures to stimulate growth in the world's second-largest economy may be fading, after encouraging readings in May.

"The uncertainty of Brexit is likely to weigh on demand for China's exports to the EU, similar to the situation when the European bebt crisis in 2011-12 intensified," ANZ economists Raymond Yeung and Louis Lam wrote in a note. "Clearly, China's external outlook will still face tremendous challenges." Exports fell 4.8 percent in June from a year earlier and were down 7.7 percent in the first half of 2016, the General Administration of Customs said yesterday, adding that China's economy faces increasing downward pressure and the trade situation will be severe this year.

Imports dropped 8.4 percent from a year earlier. That resulted in a trade surplus of $48.11 billion in June, versus forecasts of $46.64 billion and May's $49.98 billion. Economists polled by Reuters had expected June exports to fall 4.1 percent, matching May's decline, and expected imports to fall 5 percent, following May's 0.4 percent dip. The import decline in May was the smallest since late 2014, raising hopes that China's domestic demand was picking up.

However, China's imports of iron ore, crude oil, copper and soybeans all eased in June from the preceding month. "The world economy still faces many uncertainties. For example, Brexit, expectations of an interest rate hike by the Federal Reserve, volatile international financial markets, the geopolitical situation, the threat of terrorism ... these will affect the confidence of consumers and investors globally and curb international trade," customs spokesman Huang Songping told a news conference.

"We believe China's trade situation remains grim and complex this year. The downward pressure is still relatively big."

June industrial output, investment and retail sales will be released on Friday, along with second-quarter gross domestic product, which is expected to show a slight loss of momentum from earlier in the year.

Outlook dark

Exports to the United States - China's top export market - fell 10.4 percent in June on-year, while shipments to the European Union - its second biggest market - fell 3.6 percent. Still, China's steel exports were the second-highest on record, pointing to sluggish demand at home but also likely to signal even greater tensions with its major trading partners. European Commission President Jean-Claude Juncker told his Chinese counterparts in Beijing yesterday that overcapacity in the steel sector is a very serious problem.

Fresh weakness in the yuan currency appears to have done little so far to help China's struggling exporters. The yuan fell about 3 percent versus the dollar and nearly 6 percent against a broader basket in the second quarter, though Chinese officials have said repeatedly they will not purposely devalue the currency to boost exports. Analysts at ANZ said currency depreciation impacted the headline growth numbers. Exports in yuan terms rose 1.3 percent.

The data also showed first-half imports from Hong Kong surged 130 percent. Analysts say large jumps in such imports in the past have been a channel for capital outflows through fake invoicing as companies worry about the yuan weakening. But spokesman Huang said that the increase in imports from Hong Kong was mainly driven by gold, noting that imports actually fell 2 percent after stripping out gold imports. "Although gold imports are rising fast, the imported value is not very big. We cannot reach a conclusion on large-scale capital outflows due to surging imports from Hong Kong," said Huang. — Reuters

LIANYUNGANG: Workers in the process of making soft toys at a toy factory in Lianyungang, in eastern China's Jiangsu province. — AFP

Malaysia slashes interest rates first time in 7 years

KUALA LUMPUR: Malaysia yesterday cut interest rates for the first time in seven years in a shock move as the economy struggles with weak exports and an uncertain global outlook. The decision to slash borrowing costs by 25 basis points to 3.00 percent follows similar moves by Singapore and Indonesia and comes as major central banks around the world look to ease monetary policy to kickstart growth.

"Exports are projected to remain weak following more subdued demand from Malaysia's key trading partners," Bank Negara said in a statement. The benchmark rate has been kept steady since July 2014, when it was raised by 0.25 percentage point, but it is the first cut since 2009. "It is a pleasant surprise. The policy cut is in tandem with other regional economies. It would support much needed growth," Kenanga Research economist Wan Suhaimi Saidi said. Malaysia's economy expanded 4.2 percent in the first quarter, its slowest rate since a 1.1 percent contraction in the third quarter of 2009 during the global financial crisis.

The figure was also the fifth straight quarter of slowing growth, adding to pressure on policymakers as the price of oil-a key export-remains subdued, denting revenues and putting severe pressure on the ringgit. The move comes just over two months into the tenure of new bank governor Muhammad Ibrahim, who replaced Zeti Akhtar Aziz after 16 years at the helm. Zeti was respected for her steady hand during her time in office but was widely seen to be at odds with Prime Minister Najib Razak over allegations he faces linked to state-owned fund 1Malaysia Development Berhad (1MDB). — AFP

Saudi consortium closes $1.825 billion refinancing

RIYADH: A consortium of electricity companies led by Saudi Arabia's ACWA Power has completed refinancing of more than $1.825 billion in debt for its Rabigh 1 power project, ACWA Power said yesterday. The consortium, which includes state-run Saudi Electricity Company (SEC) and Korea Electric Power Corporation (KEPCO), runs the 1240 MW fuel oil-fired plant on the western coast of Saudi Arabia. The refinancing consists of a conventional international tranche and two Islamic riyal-denominated parts, it said in a statement.

A dollar-denominated portion worth more than $300 million was provided by a group of Korean insurance companies, including Samsung Life and Dongbu Insurance/Hyundai Asset Management, as well as banks including Natixis, Credit Agricole and Standard Chartered. Saudi's Alinma Bank and Al Rajhi Bank provided a riyal-denominated sharia-compliant tranche of 3.2 billion riyals ($850 million). A separate 2.4 billion riyal loan came from National Commercial Bank, Banque Saudi Fransi, Arab National Bank, Samba Financial Group and Saudi British Bank (SABB).

Reuters reported in December that Rabigh Electricity Company, the special purpose vehicle which controls the project, was in talks with banks to raise a loan worth up to $2 billion to replace the capital invested to construct the plant. The Rabigh 1 plant cost $2.5 billion to build and has been in full commercial operation since 2013. It was the first in the kingdom where the contract to build and operate the project was awarded in an open tender process by SEC, which promised to purchase all power produced by the plant for a period of 20 years. — Reuters