Nigeria's former oil minister battles slew of graft cases

Lid off scale of corruption in country's oil sector

LAGOS: Nigeria's former oil minister faces charges only at home but her name crops up in a growing number of international cases that lift the lid on the scale of alleged corruption in the country's oil sector. Since leaving office in 2015, Diezani Alison-Madueke has been implicated in bribery, fraud, misuse of public funds, and money laundering cases in Nigeria, Britain, Italy and the United States.

The first female president of the global oil cartel OPEC — who was one of Africa's most prominent politicians- has always denied the allegations, which involve billions of dollars syphoned from oil deals and state coffers.

But former US State Department Nigeria specialist Matthew Page suggested that a US civil forfeiture case to seize $144 million (124 million euros) of assets from allegedly ill-gotten crude contracts may just be the start of Alison-Madueke's legal troubles.

"Although this is the first attempt by US law enforcement to go after assets allegedly stolen by Diezani and her henchmen, it almost certainly will not be the last," he told AFP. Nigeria's President Muhammadu Buhari, elected in 2015 on a promise to eliminate graft, has said that "mind-boggling" sums of public money were stolen by previous administrations. Officials in Abuja say they are talking with US prosecutors about repatriating the money if the civil forfeiture claim is successful.

Diezani Alison-Madueke

This file photo taken on April 20, 2017 shows a view of an illegal oil refinery destroyed by members of the NNS Pathfinder of the Nigerian Navy forces in the Niger Delta region near the city of Port Harcourt. — AFP

String of cases

Alison-Madueke served under president Goodluck Jonathan from 2010 to 2015 and was Nigeria's first female minister of petroleum resources. But her tenure was dogged by scandal. On her watch, the former central bank governor Lamido Sanusi was sacked for claiming the state-run Nigerian National Petroleum Corporation (NNPC) had failed to remit $20 billion. In one case heard in Nigeria in February, Alison-Madueke was accused of diverting some $153 million from the NNPC coffers.

In another ongoing trial, some 23 billion naira ($73 million) of NNPC money is alleged to have been used to influence the 2015 presidential election to keep Jonathan in power.

Prosecutors in Lagos this week began proceedings to recover $1.76 billion of assets owned by Kola Aluko and Jide Omokore, whose companies were awarded oil contracts by Alison-Madueke.

A similar asset recovery case was filed last week in Houston, Texas, seeking the seizure of luxury property, including a New York apartment and superyacht, bought by the businessmen. On Wednesday, another judge ordered the forfeiture of Alison-Madueke's $37.5 million luxury Lagos property, saying it was purchased with ill-gotten funds. Meanwhile, Italian prosecutors allege that she and Jonathan received kickbacks from oil majors ENI and Shell as part of a $1.3-billion deal for an offshore oil block in Nigeria. Charges relating to the same oil block deal have also been filed against the oil majors and some senior Nigerian politicians. Jonathan and Alison-Madueke are not named in the suit but the former president is under pressure from parliament to answer questions about the so-called Malabu deal. Finally, Diezani-Madueke was arrested in London in October 2015 in connection with a British probe into international corruption and money laundering, but she was freed on bail.

'Morale booster'

As the international cases pile up, anti-graft campaigners hope the growing body of evidence will boost current President Muhammadu Buhari's faltering war on corruption. Several high-profile figures in Jonathan's government have been charged with corruption since Buhari came to power, however so far there have been no major convictions. Still, some activists believe the overseas cases will serve as a powerful example of justice. Debo Adeniran, of the Coalition Against Corrupt Leaders lobby group, said the latest cases involving Alison-Madueke, Aluko and Omokore could be a "morale booster".

"Once a conviction is got abroad, the right signal will be sent to all looters that the judgment day has come," he said. "The fight against corruption will receive a boost. At last, the chickens are coming home to roost."

Dolapo Oni, an oil analyst with Ecobank, said that in contrast to Nigeria's sluggish courts, the overseas corruption cases may be concluded faster. But whatever positive impact that may have, fears remain that with Buhari on indefinite medical leave, his anti-corruption war is losing momentum. Leading Nigerian lawyer Festus Keyamo said the cases demonstrated the need fundamentally to overhaul the NNPC-and to investigate just how far up corruption went in the ruling elite. "The big unanswered questions: is it possible one Minister allegedly stole so much without the knowledge, connivance & approval of the C-in-C (commander-in-chief)?", he tweeted. — AFP

Green bonds: Coming of age

By Gordon French

The green bond market turns ten years old this year and is rapidly heading towards adulthood. As it comes of age, this market will be an increasingly critical source of capital for projects that will help the global economy limit the impact of climate change.

It's not been an entirely easy childhood so far. The first-ever "green bond," a EUR 600 million issue in July 2007 , was followed by, well, not very much in the same vein for several years. It took until 2013 for green bond issuance to vault the $10-billion-a-year mark — and even that is a tiny amount compared with the overall bond market.

Ten years on, however, the baby of the capital markets has grown spectacularly. Over $90 billion was raised via green bonds last year - more than double the 2015 amount. That included the first ever sovereign green bond, a EUR 750 million issue by Poland. And in January this year, France issued a EUR 7 billion, 22-year green bond - a milestone in terms of its size and long tenor - and all the more remarkable because investor demand, at more than EUR 23 billion, far outstripped the size of the offering.

Climate change is an urgent threat to the planet, and major injections of capital are required to finance less carbon-intensive technologies and infrastructure. Think wind turbines and solar-energy farms. Think low-carbon transport systems. Think technologies that will make buildings - and entire cities-ever more energy- and water-efficient.

The green bond market may be a late developer, but it is now critical to financing a lower carbon economy. It enables companies to tap the growing pool of cash globally that is looking for climate-friendly investment opportunities, converting those funds into capital for environmentally sustainable projects.

At present, green bonds still account for less than 1 percent of the overall global bond market. But here's why we believe the market is rapidly growing up:

First, there have been profound changes in the way businesses, consumers and investors perceive the risks stemming from pollution and rising global temperatures. The 2015 Paris Agreement established an overwhelming global consensus on the need to address climate change. It required the nearly 200 signatories to develop their own national plans to meet the target of limiting the increase in global temperatures to two degrees Celsius or less over pre-industrial times. This has galvanized global green-tech investments and financing.

Second, technological advances are making more and more low-carbon alternatives (from alternative energy technologies, to electric vehicles and batteries) economically viable. Green investments are increasingly not just ethically but also financially sound. Third, the authorities in China and India have thrown their considerable weight behind efforts to green their economies. By launching green bonds for the first time in 2015, Chinese and Indian institutions added geographical diversity to a market that had until then been dominated by the likes of Scandinavia, the United States and Britain. Last year, more than $33 billion-worth of Chinese green bonds were issued. That's over one-third of the global total - and up from just $1 billion in 2015. Indian volumes are more modest, at just over $1 billion last year, but the country is likewise going through a paradigm shift in low-carbon technologies.

The increasing momentum behind green bonds means issuers and investors can no longer afford to ignore them.

True, there is lingering skepticism over the "greenness" of specific bonds. Are proceeds really deployed to finance climate-related or environmental projects? Or are they headed towards projects or companies whose "greenness" is debatable? Who assesses whether a particular issue is as "green" as another? Many investors are still put off by the lack of consistency and transparency on those fronts, while issuers shy away from the extra efforts (and costs) of disclosing, reporting and certifying "green" ventures.

But the extras tend to be overestimated, and progress is being made on standardization and monitoring. For example, Standard & Poor's in April launched a tool designed to evaluate not just whether a bond is green, but how green it is. Meanwhile, the advantages of issuing a green bond are substantial - though perhaps not yet as widely recognized as they should be.

For a start, issuing green bonds allows companies to tap the growing demand for such instruments among pension funds, sovereign wealth funds and other investors who are concerned about their portfolios' exposure to high-carbon and unsustainable issuers and activities. As of early 2016, there were some $23 trillion of assets professionally managed under responsible investment strategies. That's up 25 percent since 2014, and represents more than a quarter of all professionally-managed assets globally. Likewise, a recent HSBC survey found that two-thirds of global institutional investors want to put more capital into low-carbon and climate-related investments.

What's more, the launch of a green bond allows an issuer to demonstrate they are aware of and preparing for the long-term challenges of global warming. And, by requiring them to identify, minimize and monitor their climate risk profile, it can help them embed low-carbon thinking in their corporate culture and business strategy. Over the long term, this could well create an advantage over less well-prepared companies in terms of valuation and business prospects.

Given what's at stake, the green bond market's coming-of-age can only be welcome. Happy 10th birthday. *Note: Gordon French is Head of Global Banking and Markets, Asia Pacific, HSBC.

ECB survey finds markets expect lower inflation

FRANKFURT AM MAIN: Financial experts in the European Union have lowered their inflation expectations for the coming years, a European Central Bank survey publish showed, reflecting the institution's complicated path to its price stability target. In its quarterly survey of professional forecasters, the ECB found average price growth predictions had been revised down 0.1 percentage points for 2017, 2018 and 2019.

Forecasters now expect inflation to reach 1.5 percent this year, followed by 1.4 percent next year and 1.6 percent in 2019. The latest survey results are largely in line with the ECB's own predictions, although central bank staff expect inflation to slow slightly in 2018 to 1.3 percent. ECB policymakers use the central bank's powers to try and hold inflation at its target of close to, but below 2.0 percent-the level believed to be most favorable to growth. The bank has intervened massively in the economy in recent years to fend off the threat of deflation, offering cheap loans to banks, setting interest rates at historic lows and buying tens of billions of euros per month in government and corporate bonds.

But while central bank governors believe their policy has boosted economic growth in the 19-nation eurozone-reaching 0.6 percent in the first quarter of 2017—there has been little sign of a corresponding surge in inflation. That pattern was reflected in Friday's survey, with forecasters upping their growth predictions for the coming years even as they saw rate of inflation turning out lower. The private-sector experts match the ECB's expectations for 1.9-percent growth this year and 1.8 percent in 2018, but remain slightly less confident for 2019 with a 1.6-percent prediction — 0.1 percentage points lower than the central bankers. The survey of 56 professional forecasters was conducted on July 3-7. —AFP

Multiple rounds of NAFTA talks possible, says Mexico minister

MEXICO CITY: There could be between six to nine rounds of negotiations between the United States, Canada and Mexico in the event a quick deal is reached on a revamp of the North American Trade Agreement, Mexican Economy Minister Ildefonso Guajardo said.

Guajardo told reporters in Mexico City on Friday the NAFTA members were looking at avoiding gaps of more than three weeks between negotiating rounds with a view to making quick progress. "If we calculate the times toward the end of the year, we're saying that this would give us a universe of rounds that could be between six and nine rounds," Guajardo said.

Reuters this week reported the three countries had agreed an aggressive timetable to broker a deal on NAFTA in order to avoid politicizing Mexico's presidential election in July 2018, forecasting rounds held at three-week intervals.

The first round of talks on renegotiating NAFTA is due to begin in Washington on Aug 16. Two Mexican officials said the neighboring countries aimed to hold seven rounds of negotiations, and US officials told Reuters that Mexico wanted the talks wrapped up by year-end 2017. Guajardo noted that it was in the interests of the negotiators to wrap up talks in good time lest a new government take office in Mexico and refuse to honor the terms. US President Donald Trump has pushed for a renegotiation of NAFTA, threatening to dump it if he cannot rework the accord to the benefit of the United States. He argues it has fueled a trade deficit with Mexico and cost thousands of US jobs. — Reuters

Spain's business leaders worried about Catalan secession

BARCELONA: Almost three quarters of Spanish business leaders fear Catalonia's plans for an independence referendum on Oct 1 could harm the country's economy, according to a study by Deloitte published in Spanish newspaper El Pals.

Madrid has condemned as illegal plans by the northeast region's government to hold a referendum on seceding from Spain and, if the yes vote wins, declare independence unilaterally within 48 hours.

Last week, the Spanish government said Catalonia would lose access to some public funds if it used the money to prepare for the unsanctioned plebiscite. Nationwide 74 percent of 265 business leaders surveyed believe the Catalan independence movement threatens the Spanish economy, while 43 percent of those based in Catalonia itself agree, according to the Deloitte Survey of Companies study commissioned for El Pais.

Despite concerns about the political deadlock over Catalonia, confidence in Spain's continued economic growth remains high, according to the poll. Eight out of 10 directors polled said the economy had improved in the first half of the year. Seven out of 10 expect to bill more in the second half of the year than in the first six months. Spain has surpassed expectations for GDP growth this year. Last week the International Monetary Fund said it expected Spain's economy to grow by around 2.5 percent in 2018, up from its previous forecast of 2.1 percent. —Reuters

EXCHANGE RATES

Al-Muzaini Exchange Co.

ASIAN COUNTRIES	
Japanese Yen	2.706
Indian Rupees	4.713
Pakistani Rupees	2.887
Srilankan Rupees	1.971
Nepali Rupees	2.953
Singapore Dollar	228.800
Hongkong Dollar	38.886
Bangladesh Taka	3.731
Philippine Peso	5.978
Thai Baht	9.052
GCC COUNTRIES	
Saudi Riyal	80.974
Qatari Riyal	83.400
Omani Riyal	788.591
Bahraini Dinar	806.300
UAE Dirham	82.673
ARAB COUNTRIES	
Egyptian Pound - Cash	21.100
Egyptian Pound - Transfer	16.830
Yemen Riyal/for 1000	1.219
Tunisian Dinar	125.910
Jordanian Dinar	428.480
Lebanese Lira/for 1000	2.023
Syrian Lira	2.164
Morocco Dirham	32.111
EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	303.450
Euro	351.400
Sterling Pound	399.190
Canadian dollar	241.120
Turkish lira	86.640
Swiss Franc	317.920
Australian Dollar	241.090
US Dollar Buying	302.250
GOLD	
20 Gram	249.070
10 Gram	127.450
5 Gram	64.570

Dollarco Exchange Co. Ltd

Rate for Transfr	Selling Rate
US Dollar	303.100
Canadian Dollar	240.555
Sterling Pound	395.155
Euro	354.530
Swiss Frank	289.630
Bahrain Dinar	803.920
UAE Dirhams	82.920
Qatari Riyals	84.135
Saudi Riyals	81.720
Jordanian Dinar	427.420
Egyptian Pound	16.954
Sri Lankan Rupees	1.972
Indian Rupees	4.715
Pakistani Rupees	2.877
Bangladesh Taka	3.746
Philippines Pesso	5.976
Cyprus pound	167.275
Japanese Yen	3.710
Syrian Pound	2.415
Nepalese Rupees	2.950
Malaysian Ringgit	71.725
Chinese Yuan Renminbi	45.280
Thai Bhat	10.050
Turkish Lira	86.255

Bahrain Exchange Company WLL

CURRENCY	BUY	SELL
	Europe	
British Pound	0.388332	0.398332
Czech Korune	0.005357	0.017357
Danish Krone	0.042850	0.047850
Euro	0. 343465	0.352465
Norwegian Krone	0.033509	0.038709
Romanian Leu	0.076252	0.076252
Slovakia	0.009055	0.019055
Swedish Krona	0.032446	0.037446
Swiss Franc	0.310701	0.321701
Turkish Lira	0.081072	0.091372
	Australasia	
Australian Dollar	0.231960	0.243960
New Zealand Dollar	0.216182	0.225582
	America	
Canadian Dollar	0.234840	0.243840
Georgina Lari	0.137053	0.137053
US Dollars	0.299350	0.303770
US Dollars Mint	0.299850	0.303770
	Asia	
Bangladesh Taka	0.003390	0.003974
Chinese Yuan	0.043319	0.046819
Hong Kong Dollar	0.036779	0.039529
Indian Rupee	0.004247	0.004935
Indonesian Rupiah	0.000018	0.000024
Japanese Yen	0.002619	0.002799
Kenyan Shilling	0.002912	0.002912
Korean Won	0.000259	0.000274
Malaysian Ringgit	0.067235	0.073235
Nepalese Rupee	0.002983	0.003153
Pakistan Rupee	0.002676	0.002966
Philippine Peso	0.005931	0.006231
Sierra Leone	0.000037	0.000043
Singapore Dollar	0.215993	0.225993
South African Rand	0.017354	0.025854
Sri Lankan Rupee	0.001602	0.002182
Taiwan	0.009838	0.010018
Thai Baht	0.008667	0.009217
	Arab	
Bahraini Dinar	0.797806	0.806306
Egyptian Pound	0.015158	0.021066
Iranian Riyal	0.000084	0.000085
Iraqi Dinar	0.000190	0.000250
Jordanian Dinar	0.423391	0.432391
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000151	0.000251
Moroccan Dirhams	0.019702	0.043702
Nigerian Naira	0.000392	0.001027
Omani Riyal	0.781762	0.787442
Qatar Riyal	0.079060	0.084000
Saudi Riyal	0.079833	0.081133
Syrian Pound	0.001286	0.001506
Tunisian Dinar	0.121146	0.129146
Turkish Lira	0.081072	0.091372
UAE Dirhams	0.081148	0.082848
Yemeni Riyal	0.000986	0.001066