Russian oil major turns to former juice king

Rosneft grows trading with partners under sanctions

MOSCOW/LONDON: A former Russian juice magnate who has crude terminals and other assets in the Caspian and Black Sea region says he is expanding cooperation with Kremlin-controlled Rosneft to help the oil major boost trading from Turkey to southern Europe.

Rosneft's partnership with David Yakobashvili and his Petrocas oil products trading and logistics firm is part of efforts to build new markets as the Russian oil major grapples with US and EU sanctions imposed in 2014 over Moscow's activities in Ukraine. Sanctions have stopped Rosneft, the world's biggest listed oil company by output, working with Western banks and scuppered its bid to buy a trading unit from Morgan Stanley. In response, Rosneft has built ties with global trading houses Trafigura and Glencore, as well as companies such as Petrocas that are based closer to home.

"We are pursuing joint strategic interests with Rosneft and are discussing joint involvement in infrastructure projects in the south Caucasus and beyond," Yakobashvili told Reuters.

"Petrocas helps (Rosneft) increase margins when selling refined products and delivering them to end users in Europe and Turkey," he said in an interview. Born in the former Soviet Union's republic of Georgia, Yakobashvili, 60, set up Petrocas in 2008 to supply Georgia and its neighbors with refined products. The initiative was part of an effort to diversify away from Russia. In 2010, Yakobashvili divested from what had been his main asset, juice and dairy firm Wimm-Bill-Dann. PepsiCo bought a controlling stake in the company in 2010 in a deal valuing Wimm-Bill-Dann at more than $5 billion.

Petrocas, which controls oil terminals and gas stations in the Caucasus and Black Sea area, operated mostly as a logistics company until Rosneft acquired 49 percent in the firm in 2014 for $144 million. "Petrocas has become a reliable partner to help solve logistical tasks in the Caspian Sea and the Caucasus," Yakobashvili said, adding it was now seeking to expand trading operations in more southern European nations. In 2014, Petrocas sold about 1million tons of oil products per year. That had grown to 3.5 million tons in 2016. Yakobashvili said this would expand this year as he targets markets in Greece, Italy, Bulgaria, Romania, Turkey and Germany. Petrocas was looking at starting crude oil trading and was talking to firms in Kazakhstan and Turkmenistan, he said.

Petrocas, which buys volumes from Rosneft at tenders, already has contracts with oil firms such as Kazakhstan's Kazmunaigaz, Austria's OMV, Greek Motor Oil Hellas, Italy's Saras and France's Total. Turkey is a key growth market for Petrocas, which plans to ship 900,000 tons of diesel in 2017 to Turkey's Demiroren Group under a long-term deal. — Reuters

Spain struggles to repopulate its deserted interior

SARNAGO, Spain: Sarnago lost its last resident 37 years ago but Jose Maria Carrascosa and his association are trying hard to revive the village, an uphill battle in one of Spain's most depopulated regions. A rural exodus, which began in the 1950s as people moved to find work in factories, has left some parts of Spain with just two people per square kilometre-the same density as in Siberia.

This is the case in parts of Castile, a vast region in central Spain where Sarnago is located, in the northern Aragon region and the southern provinces of Extremadura. It makes Spain a "strange country within Europe" since no other similarly sized nation on the continent has such demographic deserts, Spanish writer Sergio del Molino wrote in his travel book "La Espana Vacia" ("Empty Spain"), published last year.

"The depopulation here was brutal," said Jesus Hernandez, the mayor of San Pedro Manrique, a larger town of around 600 residents near Sarnago. The emigration from the region was especially fuelled by a decision in 1965 while Spain was in the grips of the dictatorship of Francisco Franco to plant 22,000 hectares (54,000 acres) of pine trees to feed the paper industry, which pushed out cereal farming.

Two years later, Carrascosa's father moved his family to Tudela, a town further east in the fertile Ebro Valley.

Not forgotten

But wind-swept Sarnago, which at one point was home to about 400 people including 30 children, has not been forgotten by its former residents, who have restored 25 of its 40 houses and now have running water and access to electricity. Carrascosa, who heads an association that seeks to reverse the village's fortunes, is proud of his three-bedroom home in Sarnago, which he visits regularly for short stays.

Through meetings, a magazine and social media, he encourages other former residents to maintain a link with the village too. The restoration of homes, though, has still not led to any permanent residents, mainly due to lack of public services in the village, located some 200 kilometres (135 miles) northeast of Madrid.

The nearest public health centre is four km away in San Pedro Manrique but offers only basic medical care. There is a primary school there as well, with 66 children, but no high school. Jesus Catalan, a 71-year-old pensioner, and his wife live in Sarnago from March to October but leave in winter when temperatures can drop to minus 15 degrees C (5 degrees F). "January and February are very hard and if there is a heavy snowfall you are trapped," he said. Rural tourism has grown in recent years in the region, which boasts picturesque tree-covered valleys, mountains and even dinosaur footprints.

Father of two Gonzalo Esteban, 42, moved to the nearby town of Yanguas, with just 40 residents, in 2001 with his wife from Valladolid, a city of 300,000 residents, 250 km away, to open a rural inn with a restaurant specialising in mushroom dishes. But Esteban said he was aware that the town, which has just seven young families including his own, could easily die out. — AFP

PITTSBURG: In this photo made on March 30, 2016, display signs designed to attract employment seekers line the booths of job recruiters at a Job Fair in Pittsburgh. — AP

US adds a robust 235K jobs; unemployment dips to 4.7%

Economy remains on a solid footing

WASHINGTON: US employers added a robust 235,000 jobs in February and raised pay at a healthy pace, evidence that the economy remains on solid footing nearly eight years after the Great Recession ended. The unemployment rate dipped to a low 4.7 percent from 4.8 percent, the Labor Department reported Friday. More people began looking for jobs, increasing the proportion of Americans working or looking for work to the highest level in nearly a year.

The strong job growth, decent pay gains and low unemployment rate make it all but certain that the Federal Reserve will raise short-term interest rates when it meets next week.

February's job gains were boosted by 58,000 additional construction positions, the most in nearly a decade. That figure was likely enhanced by unseasonably warm weather in much of the nation. Yesterday's report was the first to cover a full month under President Donald Trump. Trump has already tweeted cheerfully about a survey of private-sector hiring released earlier this week that suggested a robust job gain in February. That survey, by payroll provider ADP, concluded that private employers added 298,000 jobs in February, the biggest monthly gain in three years. An array of evidence suggests that the US job market is fundamentally healthy or nearly so. The number of people seeking first-time unemployment benefits - a rough proxy for the pace of layoffs - reached a 44-year low two weeks ago. And in January, employers added a vigorous 227,000 jobs, according to the government's figures, higher than last year's monthly average of 187,000.

Business and consumer confidence has soared since the presidential election, with many business executives saying they expect faster economic growth to result from Trump's promised tax cuts, deregulation and infrastructure spending. The US economy is also benefiting from steadier economies overseas. Growth is picking up or stabilizing in most European countries as well as in China and Japan. The 19-nation alliance that uses the euro currency expanded 1.7 percent in 2016, an improvement from years of recession and anemic growth. Germany's unemployment rate has fallen to 3.9 percent, although in crisis-stricken Greece, unemployment remains a painful 23 percent.

In the United States, employers have been hiring solidly for so long that in some industries, they're being compelled to raise pay. Hourly wages for the typical worker rose 3.1 percent in 2016, according to a report this week by the Economic Policy Institute. That's much higher than the 0.3 percent average annual pay gain, adjusted for inflation, since 2007, the EPI said. Minimum wage increases last year in 17 states and Washington, DC, helped raise pay among the lowest-paid workers, the EPI found. Pay increases for the poorest 10 percent of workers were more than twice as high in states where the minimum wage rose as in states where it did not. — AP