

Business

WEDNESDAY, NOVEMBER 17, 2021

Abu Dhabi's ADNOC to invest \$6 billion for more oil drilling

New investment to enable UAE to boost crude output capacity to 5m bpd by 2030

ABU DHABI: Abu Dhabi's national oil company announced yesterday a \$6 billion investment in crude oil drilling as it ramps up production capacity. The announcement comes a day after the United Arab Emirates (UAE) said a recent UN climate summit in Glasgow was a "success" but that the world needs to keep investing billions in oil and gas. The UAE is one of the world's top crude exporters, with an average of 4.2 million barrels per day.

The Abu Dhabi National Oil Company (ADNOC) said the \$6 billion investment would "enable drilling growth as it boosts its crude oil production capacity to 5 million barrels per day by 2030". The ADNOC investments include contracts with multiple companies, some lasting for a decade, according to a statement released on the second day of the Abu Dhabi International Petroleum Exhibition and Conference. Both the UAE and neighboring Saudi Arabia, the world's number one oil exporter, have announced net zero carbon goals, despite efforts to ramp up oil production.

The UAE has said it hopes to be carbon neutral by 2050. Nearly 200 countries at the COP26

summit pledged Saturday to speed up the fight against rising temperatures, after two weeks of negotiations.

However, UN Secretary General Antonio Guterres warned that "climate catastrophe" is still knocking at the door. But Sultan Al-Jaber, the UAE's minister of industry and advanced technology, said the COP26 summit "a success", speaking at the opening session of the Abu Dhabi conference on Monday.

He forecast that the oil and gas industry would have to invest "over \$600 billion every year until 2030" just to keep up with the expected demand. "Yes, renewable energy is the fastest growing segment of the energy mix, but oil and gas is still the biggest and will be for decades to come," he said.

"While the world has agreed to accelerate the energy transition, it is still heavily reliant on oil and gas," UAE Energy Minister Suhail Mohamed Al-Mazrouei said indications point to an oil supply surplus in the first quarter of 2022. "2022 will be a year of balance between supply and demand," he said on Monday. —AFP



Jazeera Airways to buy 28 A320neo aircraft valued in excess of \$3.3bn

DUBAI: Airbus has signed a Memorandum of Understanding (MoU) with Jazeera Airways, the Kuwait-based carrier, for twenty A320neos, eight A321neos and 5 further options. The deal is valued in excess of at \$3.3 billion at list prices - the actual deal remains confidential.

The MoU was signed by Rohit Ramchandran, Jazeera Airways Chief Executive Officer and Christian Scherer, Airbus Chief Commercial Officer and Head of Airbus International. Marwan Boodai, Chairman Jazeera Airways said, "Jazeera Airways is pleased to extend its long-term relationship with Airbus further with this significant new order. We will effectively double our current fleet size to 35 aircraft by 2026. The airline has pulled out of the pandemic strongly in Q3 with a return to profitability. We have exciting expansion plans ahead, which will further boost our contribution to the Kuwait economy and in particular the travel sector."

"We are proud to extend our partnership with Jazeera Airways through this latest agreement which will add an additional 28 Airbus aircraft to its all Airbus fleet", said Christian Scherer, Airbus Chief Commercial Officer, and Head of Airbus International. "The A320neo Family is without doubt the best platform to support Jazeera Airways' growth plans. This is the perfect illustration of how Airbus helps escort the growth of its successful customers."



DUBAI: Rohit Ramchandran and Christian Scherer during the signing of the memorandum of understanding.

Rohit Ramchandran, CEO Jazeera Airways added, "By taking both A320neo and A321neo versions we will have great flexibility to extend our network to medium and longer haul destinations from Kuwait, offering passengers more choice to travel and enjoy popular destinations as much as underserved ones"

Jazeera Airways commenced operations in 2005 and has since emerged as a leading carrier in the region. It is operating regionally and internationally serving Middle East, Europe and Asia's

top destinations from its home base Kuwait. The Kuwaiti airline supports the country's 2035 vision to further economic expansion and transformation into a commercial hub. The A320neo Family incorporates the very latest technologies including new generation engines, Sharklets and aerodynamics, which together deliver 20 percent in fuel savings and CO2 reduction compared to previous generation Airbus aircraft. The A320neo Family has received more than 7,400 orders from over 120 customers.

UK unemployment drops as vacancies hit new high

LONDON: Britain's unemployment rate has fallen further with the economy reopen following a pandemic lockdown, with vacancies hitting a fresh peak, data showed yesterday. The unemployment rate dropped to 4.3 percent in the three months to the end of September, the Office for National Statistics said in a statement.

That compared with a rate of 4.5 percent in the quarter to the end of August, the ONS added. At the same time job vacancies in the three months to the end of October hit a new record high at 1.17 million. This was despite the UK government ending in September its furlough jobs support program that kept millions of private sector workers in their roles during the pandemic.

"It might take a few months to see the full impact of furlough coming to an end, as people who lost their jobs at the end of September could still be receiving redundancy pay," noted Sam Beckett, head of economic statistics at the ONS. "However, October's early estimate shows the number of people on the payroll rose strongly on the month and stands well above its pre-pandemic level."

The number of people on UK company payrolls surged by 160,000 last month, the official data showed. —AFP



DUBAI: Emirates president Tim Clark said the airline expects to return to profitability "in the next 18 months" as the sector bounces back from the COVID pandemic.

Emirates expects to return to profit in 'next 18 months'

DUBAI: Aviation giant Emirates expects to return to profitability "in the next 18 months" as the sector bounces back from the COVID pandemic, its president Tim Clark said yesterday. The Dubai-based carrier said last week it was on the path to recovery as six-month losses dropped by more than half from a year earlier.

"The profitability of Emirates is a well-known fact... We'll restore that in the next 18 months, we're already on path to do that," Clark told reporters at the Dubai Air Show, the industry's first large gathering since the pandemic. "We were burning through \$250 million a month. We stopped that. We're now a

growing business again. "In the last four weeks, we've been profitable, even with 80 A380s on the ground."

Emirates posted an April-September loss of \$1.6 billion, compared with \$3.4 billion during the same period in 2020. Emirates specializes in long-haul flights, with its fleet solely composed of large A380 and B777 aircraft, dozens of which it grounded amid a lack of passenger traffic.

However, Clark said he was "fairly bullish" about the recovery. "As soon as it comes back, you will have 18 months of resurgence of demand, the likes of which you've never seen," he said.

Clark said that he expected global traffic to return to pre-crisis levels by 2023-2024, growing at about four percent every year after that. But with many airlines having sold off their older aircraft or downsized their fleet to cut costs, "capacity will not be there in international airlines to meet that demand", he said. This is the "biggest problem going forward over the next five to 10 years". —AFP

German regulator halts Nord Stream 2 approval process

BERLIN: Germany's energy regulator said yesterday it was temporarily halting the approval process for Russia's controversial Nord Stream 2 gas pipeline, saying the operating company first needs to become compliant with German law. The move is the latest setback for the 10-billion-euro project (\$12 billion), which has been dogged by delays and become a geopolitical hot potato.

The Baltic Sea pipeline is set to double Russian gas supplies to Germany, which the EU's top economy says is needed to help it transition away from coal and nuclear energy. But opponents say the recently completed pipeline will increase Europe's energy reliance on Russia.

Crucially, the pipeline also bypasses Ukraine's gas infrastructure, depriving the country of much-needed transit fees. The dispute comes as Europe, which receives a third of its gas from Russia, is battling surging energy prices just as the continent heads into the colder winter season.

Germany's energy regulator said in a statement that "it would only be possible to certify an operator of the Nord Stream 2 pipeline if that operator was organized in a legal form under German law."

The certification procedure "will remain suspended until the main assets and human resources" have been transferred from the Nord Stream 2 parent company to its German subsidiary, that will own and operate the German part of the pipeline, it added. Critics have accused Moscow of intentionally limiting gas supplies to Europe and driving up prices in an effort to hasten the launch of Nord Stream 2, a claim Russia denies. Russian gas giant Gazprom said last week that it had begun implementing a plan to restock European gas storage facilities.

Germany's energy regulator has four months, until January 2022, to give its green light for Nord Stream 2. After that, the European Commission still needs to give its recommendation. —AFP

