

Business

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Revival of 'NOPEC' bill poses new risks to oil market, says OAPEC

Bill an attempt to put pressure on OPEC+ to roll back output decision

KUWAIT: The Organization of Arab Petroleum Exporting Countries (OAPEC) said the revival of 'NOPEC' anti-OPEC bill is an attempt to pressure OPEC+ to make it change its decision to reduce its total production. Some members of the US Senate on March 8, 2023 put forward the 'NOPEC' bill, the long-standing legislation that would allow the US to take the dramatic step of suing OPEC nations.

In a statement OAPEC said on Monday that the supporters of the bill claim that OPEC seeks to set global oil prices, which leads to higher prices for consumers around the world.

The supporters of the draft law did not notice that, if approved, it would lead to a significant inability of supplies to meet future demand in the global oil market, especially in light of the presence of a number of factors, the first of which is the limited surplus production capacity resulting from the lack of investment in the oil sector, which in turn has been exacerbated because of attempts to dispense with fossil fuels.

The second is the decline in strategic stocks to critically low levels due to their use by IEA member states over the past year as a tool to influence oil market balances in the aftermath of the Russian-Ukrainian crisis, which has proven ineffective over time, the statement added.

The last of which is the repercussions of the Russian-Ukrainian crisis on crude oil production in Russia, which recently decided to reduce its production by 500,000 b/d during March 2023 in response to the embargo imposed on its oil exports.

OAPEC quoted Abdulaziz bin Salman, Minister of Energy of the Kingdom of Saudi Arabia, who said in a press interview with Energy Intelligence that "these policies add new risks and greater ambiguity to the oil market, at a time when there is a great need for clarity and stability, as it will inevitably lead to an exacerbation of market instability and fluctuations,



OAPEC
Organization of
Arab Petroleum
Exporting Countries

and this will negatively affect the petroleum industry. He reaffirmed that "the OPEC + group has done its best and succeeded in achieving stability and high transparency in the oil market, especially compared to all other commodity markets."

It is worth noting that this is not the first time that the use of the "NOPEC" law has been hinted at, and previous versions of the bill have failed, the latest of which was its approval by the Judiciary Committee in the US Senate on May 5, 2022, but it was not approved by both houses. Senators and representatives, and it did not reach the stage of being endorsed by the American President.

The bill faces significant opposition from players in the global oil industry, including the American Petroleum Institute, which indicated that this law would lead to more production than market needs, which could lower prices to the point that American energy companies find it difficult to promote production, and threatens US energy security.

In the context of responding to the attempt to revive the "NOPEC" bill and the G7 countries to put a ceiling on the price of Russian oil, Prince He also explained that "the NOPEC draft law does not take into account the importance of possessing a reserve of productive capacity and the consequences of not owning this reserve on the oil market.

"We would like to emphasize here that the OPEC countries have not set oil prices at all since the be-



ginning of the eighties of the last century, and all that they mainly aim at is to ensure the stability and balance of the global oil market, through cooperation and coordination with some of the major oil-producing countries from outside within the "OPEC + group," the statement said.

This is what it has already succeeded in achieving over the past years, during which the global oil market was subjected to severe shocks, the latest of which was the coronavirus pandemic and the Russian-Ukrainian crisis. We also stress that the "OPEC + group, which includes six of the OAPEC member states, has shown its willingness and ability to act in a proactive manner to support the fundamentals of the

global oil market when facing any developments and uncertain challenges that the oil market may face.

The most recent of which was the step taken by a number of member states of the OPEC + group in a coordinated manner, represented in voluntary reduction of oil production by about 1.649 million b/d in addition to the agreed reduction by 2 million b/d according to the decision taken in October 2022, which is a precautionary measure. In order to ensure the stability and balance of the oil market, the decision to voluntarily cut OPEC + countries had a major role in the rise in crude oil prices in the futures markets by about 8 percent, which is the largest rise in one day in more than a year.



KUWAIT: Kuwait Capital Markets Authority unveils the strategic plan for 2023 to 2027.

CMA seeks to qualify as developed market on FTSE Russell index

KUWAIT: Kuwait's Capital Markets Authority (CMA) implemented a new automated system for reports of electronic trading accounts through its electronic portal to improve supervisory work and facilitate daily reports. Over the next four years, the authority plans to build the capital market system to qualify as a developed emerging market on the Financial Times Stock Exchange Russell index, said Ahmed Al-Mulhim, chief commissioner of Kuwait CMA during a meeting.

The new system further aims to gather data from electronic trading service providers and report it to the authority through electronic trading accounts and daily income recording reports. Also during the meeting, CMA unveiled its strategic plan (2023-2026/2024-2027) in response to the requirements of the next phase of development, keeping pace with local and international changes. This was in accordance with the state's directives of Kuwait Vision 2035.

On March 30, 2022, the Authority began work on

preparing its third strategy by holding a workshop in the presence of the Executive Director and forming a specialized team to implement many of the main tasks and outputs within the scope of the work on preparing the Authority's third strategy.

In August 2022, Kuwait's CMA became a member of the Global Financial Innovation Network (GFIN), an international network that seeks to support financial innovation for the benefit of consumers, acts as a regulatory tool, and focuses on emerging technology. The Network acts as a monitoring tool and focuses on emerging technology. It also aims to support financial innovation and establish a framework for cooperation between regulatory agencies and relevant institutions that support innovation to exchange experiences and innovation methodologies.

The new system also aims to gather data from electronic trading service providers and report it to the authority through electronic trading accounts and daily income recording reports. In December last year, the stock exchanges in both Kuwait and Saudi Arabia signed a deal that will see both entities extending their cooperation in areas of mutual interest in a move to bolster the growth of capital markets. The deal between Boursa Kuwait and Tadawul Group, the owner of the Kingdom's main stock, was for developing financial technology and products as well as environmental, social, and governance reporting and implementation. — Agencies

Pakistan, China reopen trade route after 3-year gap

ISLAMABAD: The major trade route between China and Pakistan, Khunjerab Pass, was reopened on Monday after three years as the COVID-19 restrictions came to ease. The Khunjerab Pass connects Pakistan's northern Gilgit Baltistan region to China's Xinjiang Uyghur Autonomous region and is being used for trade purposes between the two countries.

The high altitude trade route between the two neighboring countries was closed in 2020 following the COVID-19 pandemic. The trade route will be open from April 1 to November 30 every year,

and will remain closed from December 1 to March 31 due to extreme weather conditions and high altitude. The closure of the border for three years caused financial issues for the local business community and left many workers jobless. Prime Minister of Pakistan Muhammad Shehbaz Sharif has expressed his pleasure over the reopening of the Khunjerab Pass, saying it would help increase bilateral trade between Pakistan and China.

In a statement, Shehbaz said that the reopening of the pass removes a hurdle that would further expedite the pace of work on the China-Pakistan Economic Corridor (CPEC). He termed the occasion a welcome one for boosting trade with China and expressed his resolve to move ahead on CPEC with dual speed. The premier also appreciated the relevant authorities of the two countries and team members over the restoration of trade and travel facilities. — KUNA

Turkey's inflation slows to 50% ahead of election

ISTANBUL: Turkey's annual inflation rate slowed to 50 percent in March, official data showed on Monday, delivering another boost for President Recep Tayyip Erdogan ahead May elections. The inflation rate slowed for a fifth consecutive month from a high of more than 85 percent, according to the state statistics agency.

The official rate stood at 50.5 last month, down from 55.2 percent in February. The slowdown was led by a drop in the cost Turkey's energy imports, the figures showed. But analysts warn that consumer price increase may start speeding up again unless Turkey radically alters its economic policies.

New York Times loses Twitter verification on main account

WASHINGTON: Twitter has removed the gold "verified" marker from the New York Times' main account, as CEO Elon Musk bashed the news organization as "propaganda" on Sunday and the platform transitioned to a paid verification scheme. Musk took over the microblogging platform last year and made a priority of opening the "blue checkmark," indicating an authentic account, to paying subscribers. The site announced it would start winding down "legacy" blue checkmarks from April 1.

The New York Times was among news media companies, firms and charities that had already lost their blue tick and were tagged as verified business accounts with a gold tick under Musk's new system.

To retain the gold tick after the rollout of the subscription service dubbed Twitter Blue, these groups would have to pay a monthly fee of \$1,000 in the United States, and \$50 for each additional affiliated account. The New York Times said it would not pay for a verified business account and would subscribe for a blue tick only for journalists finding it essential for their reporting needs.

As of Sunday, the organization's main account, with nearly 55 million followers, had lost its gold checkmark, though affiliate accounts, such as for its travel and opinion sections, retained the ticks. Many media groups and personalities who also announced they would not pay for Twitter Blue, including basketball star LeBron James, have retained blue or gold checkmarks on their accounts.

In the early hours of Sunday, Musk targeted the New York Times in several tweets, saying, "The real tragedy of @NYTimes is that their propaganda isn't even interesting" and calling its main feed the "equivalent of diarrhea" and "unreadable." According to Travis Brown, a Ber-

lin-based software developer who tracks social-media platforms, only a few dozen accounts have so far been unverified, suspended or had profile elements removed since Saturday.

He said there had been a recent jump in the number of accounts that had made the switch from legacy to the new system—some 60,000 in the past week—but that they were "mostly small accounts, and very few had legacy verification." Since its creation in 2009, the blue tick became a signature element that helped the platform become a trusted forum for newsmakers and campaigners.

But Musk and his fans said the decision of who got the coveted checkmark was made by fiat in a secretive procedure, and they called it a symbol of an unfair class system. The changes under Musk put pressure on companies, journalists and celebrities who used Twitter as their main channel of communication and relied on the blue and gold ticks for credibility. They also raise the specter of imposters and jokers paying for an officially verified, but totally fake account. — AFP



WASHINGTON: In this photo illustration created on April 2, 2023, the profile image of The New York Times Twitter account is reflected in tweets by Twitter CEO Elon Musk, in Washington, DC. — AFP