**SPAIN’S REPSONL TO SELL 2.1 BILLION EUROS IN ASSETS**

**MADRID:** Spanish oil giant Repsol said yesterday it plans to sell 6.2 billion euros ($7.1 billion) in assets and slash investment in exploration and production over the next five years to help it preserve dividends and pay back debt. The announcement was part of Repsol’s new five-year strategic plan, which aims to reorganize the global player in the wake of a slump in oil prices and its $83.3 billion takeover of Canadian rival Talisman.

The deal, completed in May, boosted Repsol’s production but swelled its borrowing. Analysts have warned that without a debt reduction plan ratings agencies could downgrade the firm’s credit rating.

“The flexibility, strength, and adaptability of its asset portfolio will allow Repsol to undertake divestments of 6.2 billion in non-strategic assets and cut spending by 38 percent without altering its company profile,” Repsol said in a statement.

The company said the plan also includes an efficiency program which will involve squeezing supplier costs and deferring expenditures on new projects that will generate 2.1 billion euros a year of savings.

Repsol said that under the new strategic plan it will “be able to generate cash flow to finance its investment needs, maintain dividends, and pay off debt” even with crude prices remaining at $55 per barrel.

Like its rivals, Repsol has been hurt by a slump in oil prices to just $50 a barrel from last year’s peak of more than 115 dollars sparked by weaker Chinese demand, higher US supply and a decision by the OPEC cartel not to reduce its output. Repsol had already announced earlier this month that it planned to cut 1,500 positions, or six percent of its workforce, over the next three years as part of its effort to boost its refining margin.

In September it sold part of its piped-gas business to Gas Natural Distribution and Redexis Gas for 651.5 million euros, and its 10 percent stake in oil pipeline operator Compania Logistica de Hidrocarburos for 325 million euros.

Repsol said Wednesday its net profit would slump 22 percent to between 1.25 billion and 1.5 billion euros this year due to lower oil prices. Shares in Repsol fell 1.32 percent to 12 euros in late morning trade. The IBEX-35 index of most traded Spanish shares was up 0.61 percent.—AFP

**ITALY TO GET CASH BOOST WITH PM RENZI’S GIVEAWAY BUDGET**

**ROME:** Buoyed by a major breakthrough in his reform program, Italian Prime Minister Matteo Renzi yesterday unveils an expansionary 2016 budget designed as a shot in the arm for a still-sickly economy.

The youthful premier has already revealed much of the content of a package he says will contain up to 27 billion euros worth of tax cuts and new investment to foster growth, despite concerns in Brussels that the giveaway will slow the rate at which Italy is reducing its 2.2 trillion euro debt mountain.

Renzi revealed this week that he is to lift a cap on cash payments from 1,000 euros (1,140) to 3,000 euros. That move has been sanctioned despite fears it will encourage the growth of Italy’s huge black economy and weaken the fight against tax evasion, money laundering and fraud.

The new budget will be approved by the cabinet and simultaneously sent to Brussels, where the European Commission will assess its compatibility with the EU’s Stability Pact and debt rules, potentially demanding revisions before it becomes law.

With that possibility in mind, Renzi got his retaliation in first—highlighting the significance of this week’s vote by the Italian Senate to abolish most of its powers in a reform that should lead to Italy having much more stable and effective government.

“Every day that we add another piece to the complicated mosaic of reforms, Italy gains credibility,” he said in parliament on Wednesday. “Italy was always being called up for not implementing what it promised to do; now, day after day, reform is becoming a reality.”

The Senate reform, he told parliament, “gives us more authority and credibility at the European table, including the right to say that European policies of the last few years have not produced results.”

French bank Societe Generale said in a note to investors that Italy’s budget was likely to be broadly acceptable to Brussels. “It is unlikely, however, to obtain all the flexibility it is asking for,” the bank said, but added: “The deviation from the objective should not be significant enough for the Commission to ask for corrective measures.” —AFP

**SAN FRANCISCO:** High-end electric vehicle maker Tesla is taking a major step toward self-driving cars by installing new autopilot software yesterday in North America to automatically change lanes, manage speed and even hit the brakes.

Self-driving capabilities—previously limited to cars tested by technology titans such as Google—hit the streets “overnight” with the latest Tesla Version 7.0 software, the company said Wednesday.

The feature, unveiled Wednesday, is being added to thousands of Tesla’s Model S cars already on the road. By June 30, Tesla had already sold nearly 80,000 of the four-door sedans.

The so-called Version 7.0 software is due to hit the European and Asian markets next week after obtaining the required authorization.

“We’re being especially cautious at this early stage so we are advising drivers to keep their hands on the wheel just in case,” Tesla founder and chief executive Elon Musk told reporters.

“In the long term, people will not need hands on the wheel, and eventually there won’t be (steering) wheels or pedals,” Musk said. “Autopilot allows Model S to steer within a lane, change lanes by tapping a turn signal and manage speed using ‘traffic-aware’ cruise control.

The car can also scan for available parking spaces, alert drivers when one is spotted and then parallel park on command.

A year ago, the California-based company began equipping Model S cars with radar, cameras, ultrasonic senso
rs and other hardware to begin incrementally introducing self-driving capabilities.

But the new software has its limits. It still can’t recognize the color of traffic lights, though it can alert drivers to parking spots. On its website, Tesla acknowledged that “true driverless cars are still a few years away.”

“Tesla Autopilot functions like the systems that airplane pilots use when conditions are clear,” it explained. “The driver is still responsible for, and ultimately in control of, the car.”

The autosteering capability is still in beta for now in fiddling with the system. Tesla would be updating itself systematically across the whole network of cars once it’s ready.

Tesla sold about 11,580 Model S cars during the third quarter. Model X SUVs, which the group put on the market several weeks ago in a limited release, are also due to get the software.

But vehicle owners will have to pay an extra $2,500 for the autopilot software, either at the time of purchase or later.

**HAWTHORNE:** A Tesla Model S all-electric sedan is seen at the car’s unveiling in Hawthorne, California. Tesla added autopilot that can even parallel park to thousands of its Model S cars already on the road with a software update sent out over the air yesterday.—AFP

**Palo Alto:** An American flag is reflected in the grill of a Tesla Model S P85D at Tesla headquar
ters in Palo Alto, California, dur
ing the visit of Japanese Prime Minister Shinzo Abe. —AFP

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Driver still in charge

Alongside the connected car, autonomous driving is one of the new buzzwords in the automobile sector. Most automakers are rushing to position themselves as leaders in driverless technology, seen as the future in the industry.

What makes Tesla stand out, how
ever, is the fact that the cars are electric. The company boasts “supercar acceleration” that allows vehicles to go from zero to 60 miles per hour in 2.8 seconds. Among the best developed autopilot prototypes is Alphabet’s Google Car, already on the road in several US states.

The Google car uses the same tech
ology as its fleet of Lexus SUVs, which has logged about a million miles (1.6 million kilometers). Mercedes presented a futuristic car with a traffic-jam assist that allows the car to steer, brake and accelerate on its own at slow speeds.

“Stupidity Pact” because of their emphasis on fiscal austerity.

Renzi has already won admirers across the EU for the progress he has made in shaking up Italy’s labor market with a Jobs Act that is now seemingly having an impact in terms of falling unemployment.

He has pleaded for maximum leeway from Brussels on the interpretation of the deficit rules, maintaining the priority has to be growth for an economy which has barely grown this century.

The Senate reform, he told parliament, “gives us more authority and credibility at the European table, including the right to say that European policies of the last few years have not produced results.”

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