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Qatar not happy with high gas prices: Energy minister

Al-Kaabi reiterates Doha has no plans to return to OPEC

DOHA: Qatar, the world's biggest liquefied natural gas exporter, said yesterday it was not pleased with current global prices which have surged to record peaks. "I am unhappy about gas prices being high," Energy Minister Saad Al-Kaabi told a press conference.

High prices, he said, "are negative for the customer, and the customers being satisfied is the most important thing to me." Kaabi added: "If the customer is unhappy, he's not going to buy."

Low energy prices during the COVID-19 pandemic were expected to wipe out Qatar's budget surplus and lead to a deficit for 2021, the government had forecast in December. Gas prices have since soared while oil has struck multi-year highs, fuelling global fears over spiking inflation and rocketing domestic energy bills. Kaabi said Qatar's production was "maxed out" at 77 million tons per year.

"We have never 'less than' maxed out... we've not gone down, we've not gone up," he said. "We're just consistent. We're producing what we can." European and UK gas prices surged last week to record peaks, energized by fears of runaway demand in the approaching northern hemisphere winter.

Europe's reference Dutch TTF gas price hit 162.12 euros per megawatt hour and UK prices leapt to 407.82 pence per therm on October 6, before easing. Gas demand is also heightened in Asia, particularly from China, a major customer for Qatar. In 2019, the same year Qatar walked out of the OPEC oil cartel, the Gulf emirate said it aimed to increase its liquefied natural gas output to 126 million tons by 2027, based on a rise in its proven reserves. That was at the height of a diplomatic rift and economic blockade-settled early this year-of Doha by its neighbors.

At the press conference where he announced a name change for state-owned Qatar Petroleum to QatarEnergy, Kaabi reiterated that Qatar has no plans to return to the Organization of the Petroleum Exporting Countries (OPEC).

"It (oil) is not our main business. That's why we opted to get out. Some people made it political," he said. "We see, going forward, we're always going to be more of a gas company and country... it doesn't fit our strategy."

Gas has helped fuel Qatar's rise to become one of the world's richest countries, transforming one of the smallest Arab states and helping it to successfully bid for the 2022 football World Cup finals. — AFP

DOHA: Qatar's Minister of State for Energy Affairs Saad Sherida Al-Kaabi announces that Qatar Petroleum changed its name to Qatar Energy, during a press conference in Doha yesterday. — AFP

Sri Lanka president admits govt 'not delivering' as prices soar

COLOMBO: Sri Lankan President Gotabaya Rajapaksa admitted his government is "not delivering" as shortages persist of food, medicines and other essential items because of a dire foreign exchange squeeze. "The people may have a sense of displeasure towards me and the government for not delivering as they expected," Rajapaksa's office quoted him as saying on Sunday.

"I accept that. Not only me, but all ministers and Members of Parliament should accept it," he told troops in a speech marking the 72nd anniversary of the military's founding. A shortage of foreign currency has hindered the ability of the island nation of 21 million people to import goods, prompting the government to declare a state of emergency and impose rationing. On Friday, the government removed price restrictions on essential foods in a desperate bid to end hoarding of staples such as rice, sugar, lentils and milk powder.

Within hours of Rajapaksa's remarks on Sunday, the government also announced an 85 percent hike in the price of liquified petroleum gas used in cooking stoves, starting yesterday. The prices of wheat flour and cement were also increased by nearly 10 percent. The state-run Petroleum Corporation said it was asking the government to substantially increase retail prices for all fuels to offset losses of $350 million in the first eight months of this year.

COLOMBO, Sri Lanka: Workers unload gas cylinders from a truck at a gas outlet in Colombo yesterday. —AFP

Private economists and international rating agencies say Sri Lanka's economic woes predate the pandemic. Foreign reserves were $7.5 billion when Rajapaksa took office in November 2019 but had fallen to $2.5 billion by the end of September, raising concerns about Colombo's ability to service its huge foreign debt.

Soon after coming to power, Rajapaksa slashed sales taxes by half and drastically reduced taxes on corporate profits and personal income, hoping it would boost investments and strengthen the economy. But instead Sri Lanka recorded its worst economic performance last year with a 3.6 percent contraction in output fuelled largely by the fallout from the pandemic on tourism.

The government banned imports of non-essential goods, including vehicles, in March 2020 because of the currency shortages. — AFP

IEA chief pleads for 'real global action' on climate

PARIS: As head of the organization that advises countries on energy policy, Fatih Birol has a blunt message to governments ahead of a crucial climate summit: He wants "real global action", not just words. "I want to see a plan," Birol, the executive director of the International Energy Agency, said. In an interview, he discussed his hopes for the two-week COP26 meeting that will be held in Scotland from October 31.

What do you expected from the summit?

"There are three major outcomes I hope to see. The first one is: when we look at the countries today, who made commitments for net zero (emissions) by 2050, even if those commitments were to be fulfilled, we are far from reaching our climate goals. Therefore I would hope to see a reinforcement of those commitments. "Number two, and for me it's the fault line of the entire climate debate, it is financing clean energy investments in emerging countries. More than 80 percent of the emissions in the next 20 years will come from emerging countries, and only less than 20 percent of the clean energy investments go to emerging countries. It is the reason why it's urgent that the advanced economies, including the G20 countries, should make sure that the financing of clean energy investments in emerging countries are one of the key outcomes coming from COP26 meeting.

Fatih Birol

"The third one is a political one. The government leaders attending the COP meeting should give an unmistakable signal to the investors around the world saying 'you investors if you invest in the old energy sources, you are going to risk losing money. Because we are determined as the governments of this world to bring the world in a clean energy future'."

Is momentum building up before the COP?

"There's an excellent political momentum around the world from China to the United States, from Europe to African countries. But now this political momentum should need to be transformed into real global action, instead of sporadic government initiatives here and there. "It is excellent to have those targets but I'd like to see the milestones to reach those targets and how they are going to finance (them). "I want to see a plan, an energy plan. Of course it's a good start to have this pledge, to have this commitment to 2050. But how is it going to happen?"

"How do we deal with coal? Today one third of the emissions come from the coal use in electricity generation. This is the main issue. "The problem is in Asia, especially China, India, Indonesia. Two big countries make (up) almost close to half of the world population and in all of them more than 60 percent of the power comes from coal. How do we retire them (coal plants) before the investment is paid back? This is a key issue." —AFP

Still no decision on whether IMF chief keeps her job

WASHINGTON: The International Monetary Fund said Sunday it still had not decided whether its embattled chief would keep her job, with the lack of clarity over Kristalina Georgieva's future threatening to overshadow the body's fall meetings this week. An investigation by a law firm has concluded that the Bulgarian managing director manipulated data in favor of China while in a senior role at the World Bank.

The IMF board met again with representatives of the firm, WilmerHale, and with Georgieva over the weekend. The board said in a statement published late Sunday that it made "further significant progress today in its assessment with a view to very soon concluding its consideration of the matter".

It added: "The Executive Board has consistently expressed its commitment to a thorough, objective, and timely review." The 24-member board-which usually makes decisions by consensus-could meet again later, according to two sources familiar with the matter. The week-long fall meetings of both the IMF and the World Bank were also scheduled to start, when Georgieva, 68, is due to speak during a roundtable, as well as give a press conference tomorrow. The storm at the top of the fund could pull focus from topics nominally at the top of the agenda, such as threats to global economic growth and helping countries bounce back from the COVID-19 pandemic.

WilmerHale's controversial findings center on the drafting of the 2018 and 2020 editions of the World Bank's report ranking countries according to their ease of doing business. The World Bank's ethics committee called in the law firm when the report proved controversial, and led to the resignation of the bank's former chief economist Paul Romer.

WilmerHale found that Georgieva-along with her associate Simeon Djankov, a former Bulgarian finance minister who created the "Doing Business" report, and Jim Yong Kim, then president of the World Bank-pressured staff to change the calculation of China's ranking to avoid angering Beijing.

The push came while bank leadership was engaged in sensitive negotiations with Beijing over increasing the bank's lending capital. Georgieva-who took over as head of the fund in October 2019 — has repeatedly denied the WilmerHale report's conclusions. There was no immediate reaction from her on Sunday. Her fate divides members of the IMF, with Europe and Africa wanting her to stay in post, while the United States and Japan are reluctant to see her continue, according to several sources familiar with the matter.

Several leading economists have come to Georgieva's defense. In a statement released by a PR agency retained by Georgieva, six former World Bank officials called her "a person of the greatest integrity and committed to development". And in an opinion piece published late September in Project Syndicate, an online media outlet, Nobel laureate and former chief economist at the World Bank Joseph Stiglitz called the efforts to impeach Georgieva a "coup" and the WilmerHale report "a hatchet job". — AFP

WB chief calls for debt relief for poor countries

WASHINGTON: Debt loads in low-income countries surged 12 percent to a record $860 billion in 2020 amid the pandemic, prompting World Bank President David Malpass yesterday to call for a "comprehensive plan" to deal with the issue.

"Sustainable debt levels are vital for economic recovery and poverty reduction," he said. Efforts to combat COVID-19 exacerbated already-rising debt levels, and addressing the problem will require relief from lenders, Malpass said. The situation is urgent since the Debt Service Suspension Initiative (DSSI) launched by G20 nations early last year, allowing countries to defer debt payments while dealing with the pandemic, expires at the end of the year.

"We need a comprehensive approach to the debt problem, including debt reduction, swifter restructuring and improved transparency," Malpass said. World Bank data released yesterday showed the deterioration in debt indicators was widespread and impacted countries in all regions, across all low- and middle-income countries.

"Many developing countries entered 2020 in a vulnerable position, with public external debt already at elevated levels," the report said, and then governments provided unprecedented resources to try to contain the virus and the economic fallout. The World Bank and IMF likewise ramped up support, especially for the most vulnerable countries.

In 2020, net inflows from multilateral creditors to low- and middle-income countries rose to $117 billion, "the highest level in a decade," the report said. "The risk now is that too many countries will emerge from the COVID-19 crisis with a large debt overhang that could take years to manage," Malpass said in the report. —AFP