



Italian banks on knife edge as PM Renzi bows out

Four more domestic SMEs join Qatar Shell global supply chain

By Santhosh V Perumal
Business Reporter

Four more Qatari small and medium enterprises (SMEs) have now become part of the Qatar Shell's global supply chain, which ought to augur well for the private sector in the days to come.

The SMEs – Buzwair Scientific and Technical Gases (BSTG), Al-Ahed Trading and Contracting Company (AATC), Second Dimension International Marketing (SDIM) and Q-Advice – have been awarded contracts for varying duration by Qatar Shell in association with Qatar Development Bank (QDB).

BSTG's five-year contract is for carbon monoxide and industrial gases; AATC's five-year contract is for white metal bearing refurbishment; SDIM's five-year contract is for active and healthy lifestyle corporate social responsibility (CSR) programme delivery, while Q-Advice's three-year contract is for language translation services.

A fifth contract, for compressor dry gas seals refurbishment and testing services, will be announced at a later date, officials said.

This is the fourth year of the 'SME Business Opportunity,' resulting in a total of 18 contracts with local SMEs. The total aggregate value of those contracts is estimated at QR100mm.

Those awarded contracts have up to 18 months to build their capacity to be able to handle the contracts and cater to Qatar Shell's required standards. QDB plays an important role by providing the SMEs and entrepreneurs with management, advisory and financial support.

Amro Ahmed, Qatar Shell's commercial excellence and local content



The contract winning SMEs with QDB and Qatar Shell officials.

and SME Manager, signed the agreements with the chief executives of the Qatari SMEs in the presence of Abdulaziz bin Nasser al-Khalifa, chief executive of QDB and Michiel Kool, managing director and chairman of Qatar Shell Companies.

"This initiative is part of QDB's efforts to facilitate access to local contracts for small and medium businesses, especially with international companies. Our continuing partnership with Qatar Shell provides SMEs with the chance to make a significant impact on their business by joining the Qatar Shell supply chain, and also gives those companies the opportunity to expand regionally and globally," al-Khalifa said.

The awarding ceremony is the culmination of a process that began in May when more than 250 Qatari SMEs attended the annual 'Qatari SME Business Opportunities Workshop.' Forty-three companies expressed interest to bid, and of those, 26 were invited to tender for six business op-

portunities on offer with 18 submitting formal bids.

"We are guided by the Qatar National Vision 2030 and want to contribute to the development of the private sector in Qatar. In support of our valued partner Qatar Petroleum, and in close collaboration with QDB, we aim to provide specific opportunities for local SMEs and entrepreneurs," Kool said.

These four contracts show Qatar Shell's confidence in the ability of local SMEs to be an active and integral part of its supply chain, and "we look forward to helping them grow in the future," according to him.

Founded in 2009, BSTG – a member of the European Industrial Gases Association and a founding member of the Middle East Gases Association – has a product portfolio covering traditional laboratory ultra-high-purity carrier and calibration gases for a wide range of environmental, food and beverage, oil industry, and other chemical and petrochemical indus-

tries, as well as accessories and after-sales support.

AATC, founded in 1995, offers a wide range of services to the oil, gas and energy industries, including in petrochemical, fertiliser, water desalination and sewage treatment plants, as well as refineries.

SDIM opened its Doha office in 2010 as part of the Dallah Group. As the regional office of the Canada-based international firm, it focuses on several sectors, including sports and experiential marketing, concept creating, evaluation and contract negotiation, athlete and property management, grassroots and schools programmes, live event production and promotion, cause marketing, custom applications, and CSR.

The 10-year-old Q Advice Group specialises in a number of business solutions, including total business management, project management, public relations services, sponsorship and agency representation, and marketing services. **Page 16**

Qatar foreign trade surplus in Q3 drops 39% to QR24.17bn

By Santhosh V Perumal
Business Reporter

A double-digit decline in exports mainly led Qatar's foreign trade surplus plunge 39% year-on-year to QR24.17bn during the third quarter (Q3) of 2016, according to official data.

Total exports (including exports of domestic goods and re-exports) declined more than 24% to QR51.49bn, but imports also fell about 4% to QR27.32bn, according to figures released by the Ministry of Development Planning and Statistics.

The year-on-year decrease in total exports during Q3, 2016 was mainly driven by lower shipments of mineral fuels, lubricants and related materials, chemicals and related products and machinery and transport equipment.

The yearly fall in imports reflected lower imports of machinery and transport equipment and manufactured goods.

In Q3, Asia was the principal destination of Qatar's exports and the first origin of imports, representing 71.2% and 30% respectively, followed by the European Union, accounting for 11% and 28.3%, and the Gulf Cooperation Council with 8.8% and 15.3%.

Among Asia, Japan was the major destination of the exports with QR9.9bn (a share of 19.2% of Qatar's total exports), followed by South Korea with QR7.7bn (15%), and India with QR6.9bn (13.3%).

On the other hand, China was the principal origin of the imports with QR2.8bn (10.3% of Qatar's imports), followed by Japan with QR1.7bn (6.1%) and India with QR1.2bn (4.4%).

The foreign merchandise trade balance with this economic area amounted to QR28.4bn, while the total trade

(exports plus imports) amounted to QR44.8bn.

Within the European Union, the reporting exports of QR1.8bn (3.5% of Qatar's total exports), followed by Italy with QR1.2bn (2.3%) and Spain with QR0.5bn (1.1%). Imports from Germany were at the top of the European countries with QR2.6bn (9.7% of Qatar's imports), followed by Italy with QR1.1bn (3.9%), and the UK with QR0.9bn (3.3%).

In Q3 2016, foreign merchandise trade balance with the EU showed a deficit of QR2.1bn, while total trade amounted to QR13.4bn.

In Q3, Asia was the principal destination of Qatar's exports and the first origin of imports, representing 71.2% and 30% respectively

Among the GCC countries, the UAE was the first partner country reporting exports of QR3.1bn (6.1% of Qatar's total exports) and imports of QR2.3bn (8.5% of Qatar's imports). Exports to UAE were followed by Kuwait with QR0.8bn (1.5%) and Saudi Arabia QR0.4bn (0.7%).

Imports from Saudi Arabia were QR1bn (3.8%) and Oman with QR0.4bn (1.5%) were in second and third place, respectively. Foreign merchandise trade balance with the GCC countries registered a deficit of QR0.3bn, while the total trade stood at QR8.8bn.

In the third quarter, other surpluses were registered in the foreign merchandise trade balance with other Arab Countries, QR1.3bn (5.3%) of Africa-except Arab countries of QR0.5bn (2.2%). A deficit was registered in the merchandise trade balance with the US of QR3.5bn (14.5%) and with other American countries of QR0.6bn (2.3%).

Qatar seeks new LNG demand amid global supply glut

Japan's Jera and Qatar's Nebras Power partner on generation; Jera could potentially divert LNG from Qatar to power plants

Bloomberg
Tokyo

One of the world's largest buyers of liquefied natural gas is considering diverting cargoes originally planned for domestic use in Japan to help the fuel's biggest producer develop demand centres as the industry explores new ways to absorb a global oversupply. Jera Co signed an agreement last month with Qatar's Nebras Power to invest in overseas power plants. The Tokyo-based company sees options to jointly supply LNG with Qatar's facilities, including potentially diverting cargoes it receives from the state-owned producer, said Hiroki Sato, a senior executive vice president with Jera.

"If you invest in a project together there are no winners or losers – just partners," Sato said in a December 2 interview in Tokyo. "By increasing partnerships, we are developing the entire industry."

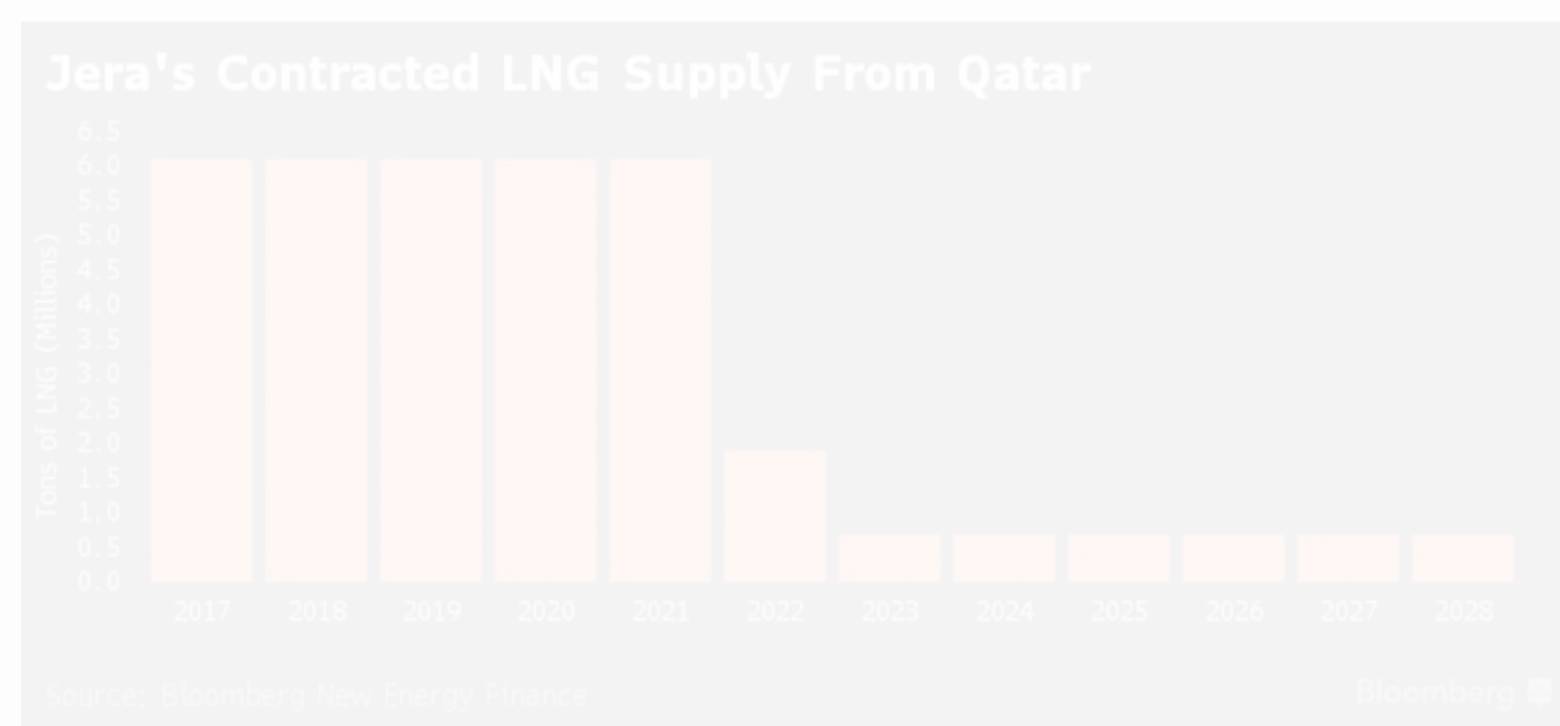
Producers are taking stakes in downstream assets like pipelines and power plants to secure demand in an industry where Northern Asian spot LNG prices have fallen more than 60%

from a peak in February 2014 amid a glut. French energy giant Total has invested in regasification terminals and may invest in an independent power plant, chief executive officer Patrick Pouyanné said in April. LNG sellers will benefit by allowing buyers more flexibility to resell cargoes because it will make the market more efficient and stimulate demand. Jera chairman Hendrik Gordenker said in a December 1 interview. Japan's Fair Trade Commission is investigating whether supply contract clauses that restrict resales violate competition laws.

By 2020, between 10% to 20% of Jera's roughly 40mm-tonne portfolio of LNG will have little or no destination restrictions, Sato said. The company has stakes in power plants in the US, Thailand and Oman, according to its website.

Jera, a joint venture between Tokyo Electric Power Co Holdings and Chubu Electric Power Co, is one of the world's largest buyers of LNG and Qatar is the largest producer of the super-cooled fuel. Nebras Power is the international investment unit of Qatar Electricity & Water Co, which owns most of the country's power and desalination plants. Qatar's didn't respond to an e-mailed request for comment.

Japan is expected to have an LNG surplus by the end of the decade and companies are seeking to find



customers for excess cargoes. Forty of the country's 42 operable reactors that were shut for safety checks following the March 2011 Fukushima disaster remain offline and uncertainty over their restarts has clouded the country's

fuel supply forecasts. The deal with Nebras Power isn't Jera's only tie-up to offload excess fuel. The company signed an agreement earlier this year with Electricite de France to sell as much as 1.5mm metric tonnes of LNG

between June 2018 and December 2020. Jera plans to more than triple its overseas power generation capacity to about 20,000MW by fiscal year 2030 from about 6,000MW now. Japan's LNG consumption is expected to fall to

72mm tonnes in 2020 and 62mm tonnes in 2030, compared with 153mm tonnes in 2015, according to data compiled by the government and the International Energy Agency. Bloomberg QuickTake on LNG: Page 2