



Top Arab group remains committed to Bahrain

MANAMA: The Talal Abu-Ghazaleh Organisation (TAG-Org), the largest Arab group of professional service firms, remains completely committed to Bahrain.

The group has 73 offices across the Middle East and Africa and representative offices in Europe and North America.

In June last year the organisation opened its new state-of-the-art corporate headquarters in Sanabis.

"We remain committed to Bahrain and I for one feel very secure and very confident in the future of the kingdom," said organisation chairman Talal Abu-Ghazaleh.

"I regard myself as both a Jordanian and a Bahraini and nothing is going to change that.

"In Bahrain, there is a culture of stability and it is a model for any small country with limited resources," he said.

"The leadership here is strong and shows a willingness to address problems," he added.

"Many years ago, His Royal Highness Prime Minister Prince Khalifa bin Salman Al Khalifa, said to me that I pleased him because I upset him," he said.

"That is the mark of a true statesman



■ HRH the Premier with Mr Abu-Ghazaleh at a meeting

because he wants to know the facts and hear the problems," he added.

"The way forward for Bahrain and other countries in the region is our ability to co-exist.

"The solution to problems is realising we need to agree to disagree because complete conformity is not good and it is healthy to disagree so long as this is done constructively and positively for the benefit of all.

"We in the Arab world are going through a process of change that is a renaissance which will create a renaissance in the West as the economic balance between East and West changes," he said.

"I believe we have to look at the current global economy with new eyes," he added.

"It used to be that when the US sneezed, the world caught pneumonia. That is not longer the case.

"The US sneezed and the East is doing fine. We both need each other but now things are more of a partnership because we need each other.

"Let me be controversial," he added.

"There is no global crisis. There is a social and economic crisis in some countries in the West. There is no crisis in Qatar, Bahrain or Saudi Arabia.

"What we need is wise leadership and to be able to move forward through evolution rather than revolution.

"This process will take long years and may be a painful one with people making economic and social sacrifices," he said.

"We need cultural change, a new set of standards and belief in the future across the globe.

"This will undoubtedly be resisted by some vested interests and factions looking for new regimes but it is the way forward if we understand each other's points of view and agree sometimes to disagree but still work together," he added.

Operating in an area of the world that is experiencing radical and unprecedented change, TAG-Org is "well aware of and experienced in all aspects of the economic environment, including the social and regulatory factors governing it," he said.

"We recognise the need to systematically develop Arab institutions to build a solid future.

"TAG-Org is meeting this challenge by providing highly experienced specialists who anticipate economic and social trends and evaluate alternatives to determine the most creative solutions for present and future problems," he added.

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as a marker of our continued and positive differentiation within the industry.

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Firm planning bids over concessions

ABU DHABI: The UAE's ADCO oil concessions will be put to tender when they come up for renewal in 2014, the director-general of Abu Dhabi National Oil Company said yesterday.

The concessions system allows oil and gas producers to acquire equity hydrocarbons from the Opec member country.

Multi-national companies, predominantly Western oil firms, have held large stakes in the concessions for decades, but the upcoming expiry of concessions could provide an opportunity for Asian firms to boost their presence.

"Abu Dhabi Company for Onshore Oil Operations (ADCO) concessions will be put to bidding because firms will be screened and those that meet the minimum requirements would be invited to bid," Abdulla Nasser Al Suwaidi said on the sidelines of an energy conference in Abu Dhabi.

"Later, any company that submits the best offer technically and on price, will be chosen."

He said no firms had been selected yet but existing partners are among the potential bidders.



■ The Frankfurt skyline with its banking towers. Commercial banks parked almost half a trillion euros at the European Central Bank (ECB), the highest on record, as the mix of debt crisis worries and a recent giant injection of ECB cash left banks awash with money but too scared to lend it.

Europe may face oil demand blow

LONDON: A worsening of the euro zone debt crisis would reduce Europe's already slowing oil demand and could impact consumption in emerging economies, which are driving the increase in global fuel use, Opec said yesterday.

In a monthly report, Opec also said its oil output rose to a three-year high in December as Libyan supplies recovered and was far above the group's new target of 30 million barrels per day (bpd).

Opec said oil use in European members of the Organisation for Economic Co-operation and Development would fall by 160,000 bpd in 2012 and would drop further if the crisis deteriorates.

"If the situation were to worsen, the effect on the oil market could be seen not only through a further decline in oil demand in Europe but also with spillover effects on oil demand in the emerging economies, amid an adequately supplied market," the report said.

Europe accounts for about 15m bpd of the 88.9m bpd Opec expects the world will need this year. Opec said the euro zone crisis had so far had little effect on oil demand outside the region.

Opec, whose 12 members pump more than a third of the world's oil, made only a minor downward revision to its forecast for global oil demand growth in 2012, trimming its estimate by 10,000 bpd to 1.06m bpd.

The group's is the second of the three closely watched oil forecasts from government agencies to be issued this month. Last week, the US Energy Information Administration made a larger reduction of 120,000 bpd to its 2012 demand growth estimate.

The third of this month's trio of reports is due tomorrow from the International Energy Agency.

In December, Opec settled a six-month-old argument between its Gulf members and price hawks led by Iran over production policy by adopting a target to produce 30m bpd.

Route closure may hit companies

MANAMA: The increase in tensions in the Arabian Gulf and the Iranian threat to close the Strait of Hormuz, a crucial transit route for global hydrocarbon trade, may hit some firms, Fitch said.

Whilst Fitch considers that this is a low probability scenario, a closure, if protracted, would have a significant impact on the operations of Fitch-rated energy issuers in Qatar and Abu Dhabi.

Debt service would not be affected in the short-term due to significant debt

service reserves.

The severity of the impact of a closure of the Strait of Hormuz on RasGas, Dolphin and Nakilat would depend on its duration.

While RasGas and Dolphin have storage facilities available at Ras Laffan to cope with normal requirements for operational flexibility, these are not sized to cope with low probability-high impact events, such as the closure of export routes.

Therefore, the projects' production would need to be curtailed. Production of gas and liquids is integrated and so, for Dolphin, an inability to export condensate and LPG would also affect gas production and hence piped gas sales to the UAE and Oman.

While operations would be affected quickly after closure, debt service for all project companies should be secure for at least six months, as all transactions benefit from debt service reserves sized

at an amount equivalent to the senior debt service due in the following six months. Insurance coverage may provide additional protection depending on policies' wording and events.

Should the Strait of Hormuz be closed, Fitch is likely to place RasGas, Dolphin and Nakilat's bonds' ratings on Rating Watch Negative pending developments.

The ratings may come under downwards pressure should the closure persist for several months or events escalate.