

International

MONDAY, MARCH 18, 2019



ADHERING TO SUPPLY CUTS

Mohammad Barkindo, secretary general, Opec

The market will weather through a possible rebuild of inventories, which is our focus of attention, and ensure that we have supply-demand balance through the quarters.

Quick View



UBS, CS paying more million-plus bonuses: NZZ

SWITZERLAND'S BIGGEST BANKS are paying million-plus bonuses to more top executives, Swiss newspaper NZZ am Sonntag reported. The UBS Group employs 675 "key risk takers" who received total compensation of 1.2 billion Swiss francs (\$1.2 billion) in 2018, accounting for a quarter of all bonus payments, NZZ said, citing the banks' annual reports.

NY Senator Gillibrand announces prez run

NEW YORK SENATOR Kirsten Gillibrand on Sunday officially announced she would seek the Democratic party's nomination for the 2020 presidential election, taking aim at Donald Trump as she formally joined the crowded field of challengers. In a video released on Sunday, she said the national anthem posed the question: "Will brave win?" "Well, it hasn't always, and it isn't right now," she said.

Compliance with supply cut deal improving: Opec

OPEC SECRETARY GENERAL Mohammad Barkindo said on Sunday that compliance with a supply cut agreement between Opec and non-Opec members was improving, and that this would help the oil market to weather through the build up of oil inventories. "There is a remarkable improvement on the level of compliance," Barkindo said.

NZ attacks: OIC foreign min to meet this week

FOREIGN MINISTERS OF Muslim nations will meet in Istanbul on March 22 where an emergency meeting of Organisation of Islamic Cooperation (OIC) has been called to discuss ways of addressing anti-Islam sentiment following the twin mosque massacres in New Zealand, Pakistan foreign minister Shah Mahmood Qureshi announced on Sunday.

Taliban kill 22 Afghan forces in attack on checkpoints

A OVERNIGHT TALIBAN assault on checkpoints in northern Afghanistan killed 22 troops, after some 100 Afghan forces fled a similar assault in the country's west last week and tried to cross into neighbouring Turkmenistan, officials said on Sunday.

TERROR ATTACKS

New Zealand to seek talks with Facebook over live-streaming

Social media platforms are facing harsher scrutiny after the Christchurch shooter live-streamed the murders

TRACY WITHERS
Wellington, March 17

NEW ZEALAND PRIME Minister Jacinda Ardern plans to take up the issue of live-streaming of last week's terrorist attacks in Christchurch directly with Facebook as the social media platform said it removed 1.5 million videos of the footage within 24 hours of the shootings.

"This is an issue that goes well beyond New Zealand but that doesn't mean we can't play an active role in seeing it resolved," Ardern told reporters in Wellington on Sunday. "This is an issue I will look to be discussing directly with Facebook."

Social media platforms are facing harsher scrutiny after a shooter accused of killing 50 people live-streamed the murders, with the video widely available on a range of platforms hours after the attack. Facebook said it will also remove all edited versions of the video that do not show graphic content, according to a Twitter post citing New Zealand spokeswoman Mia Garlick.

Ardern said New Zealand authorities and businesses did as much as they could to seek to have removed some of the footage, but ultimately it was up to those platforms to facilitate and support the removal.

She said she has previously met Facebook chief operating officer Sheryl Sandberg, who sent her a message of condolences after the attacks.

AirAsia Group chief executive officer Tony Fernandes closed his Facebook



Mourners lay flowers on a wall at the Botanical Gardens in Christchurch, New Zealand, on Saturday

account and said he may shut his Twitter page, citing "hate" being transmitted on the networks. His Facebook account had 670,000 followers and, while he is "a big fan" of social media, he had to think hard about whether to remain on Facebook after the live-streaming of the mass shooting in New Zealand, he said in a Twitter post on Saturday.

Mosque shooter who killed 50 likely acted alone

New Zealand's worst mass shooting in modern history appears to be the act of a lone gunman who attacked worshippers at two mosques out of racial hatred.

The death toll from Friday's massacre in the South Island city of Christchurch has risen to 50 after another victim was located at one of the crime scenes, police said on Sunday. One person has been charged with murder while three other people apprehended with firearms are not

believed to be involved, they said.

"At this point, only one person has been charged in relation to these attacks," commissioner Mike Bush told reporters. "I will not be saying anything conclusive until we are absolutely convinced as to how many people were involved."

Brenton Tarrant, a 28-year-old Australian man, appeared in the Christchurch District Court on Saturday charged with one count of murder. He entered no plea and was remanded in custody until April 5. He is expected to face further charges, police said. Prime Minister Jacinda Ardern said she is seeking advice on Tarrant's possible deportation to Australia but it was too soon to say whether that is likely.

"He will certainly face the justice system of New Zealand for the terrorist act he committed here," she told a news conference on Sunday. "As for the remainder I am seeking advice. I don't want to preempt anything." —BLOOMBERG

May tells British lawmakers: Back my Brexit deal or face long delay

ASSOCIATED PRESS
London, March 17

BRITISH PRIME MINISTER Theresa May warned on Sunday that it would be "a potent symbol of Parliament's collective political failure" if a Brexit delay meant that the UK has to take part in May's European Parliament election — almost three years after Britons voted to leave the bloc.

Writing in the *Sunday Telegraph*, May also cautioned that if British lawmakers failed to back her Brexit deal before Thursday's European Council summit, "we will not leave the EU for many months, if ever."

"If the proposal were to go back to square one and negotiate a new deal, that would mean a much longer extension... The idea of the British people going to the polls to elect MEPs (Members of the European Parliament) three years after voting to leave the EU hardly bears thinking about," she wrote.

May is expected to try to win Parliament's approval of her withdrawal agreement from the EU for the third time this week. After months of political deadlock, lawmakers voted on Thursday to seek to postpone Brexit. That will likely avert a chaotic British withdrawal on the scheduled exit date of March 29 — although the power to approve or reject a Brexit extension lies with the EU. The European Commission has said the bloc would consider any request, "taking into account the reasons for and duration of a possible extension."

AirAsia's CEO logs out of Facebook, citing New Zealand shooting

CHANYAPORN CHANJAROEN
Singapore, March 17

AIRASIA GROUP CHIEF executive officer Tony Fernandes closed his Facebook account, saying the live streaming of the mass shooting in New Zealand on the platform was too much for him.

In a series of tweets on Sunday, Fernandes said Facebook could have done more and that his Facebook account had 670,000 followers. He said earlier he may shut his Twitter page, citing "hate" being transmitted on social media. Fernandes' Twitter account has about 1.29 million followers and he has tweeted more than 20,300 times since joining in 2008, often commenting on the performance of his companies, including one of Asia's biggest discount carriers, and sports teams including a soccer team he owns a stake in.

Fernandes is the co-owner of English soccer club Queens Park Rangers and is among business executives well known for having a social media presence. In 2014, he took to tweeting after an AirAsia flight crashed in Indonesia with 162 people on board, seeking to communicate to the public about the incident. Among Fernandes' Twitter posts about shutting his Facebook account, he included a comment suggesting he'll remain on Twitter: "But on Twitter I think the battle for me goes on." —BLOOMBERG

Facebook says it deleted 1.5 million videos post attack

FACEBOOK SAID it removed 1.5 million videos globally of the New Zealand mosque attack in the first 24 hours after the attack. "In the first 24 hours we removed 1.5 million videos of the attack globally, of which over 1.2 million were blocked at upload..." Facebook said in a tweet late Saturday. The company said it is also removing all edited versions of the video that do not show graphic content out of respect for the people affected by the mosque shooting and the concerns of local authorities. The death toll in the New Zealand mosque shootings rose to 50 on Sunday. The gunman who attacked two mosques on Friday live-streamed the attacks on Facebook for 17 minutes using an app designed for extreme sports enthusiasts, with copies still being shared on social media hours later. New Zealand Prime Minister Jacinda Ardern has said she wants to discuss live streaming with Facebook. —REUTERS

Deutsche Bank in talks with Commerzbank as it reviews options

AARON KIRCHFELD, STEVEN ARONS & DINESH NAIR
London/ Frankfurt, March 17

DEUTSCHE BANK SAID it's in talks with Commerzbank as part of a review of its strategic options, moving closer to creating a national champion lender as both banks struggle to grow.

The lender confirmed it is "engaging" in talks with Commerzbank as it seeks to boost growth and profitability. Bloomberg first reported that the banks' boards were meeting on Sunday to approve formal talks, after the government signalled it wouldn't stand in the way of job and cost cuts. The bank said there's no certainty any transaction will occur.

The decision takes the German banks a step closer to a historic deal that would create Europe's fourth-largest lender by assets and help fend off potentially hostile suitors. It caps months of deal speculation and behind-the-scenes discussions with the government about the best ways to stabilise Germany's largest listed lenders, which have struggled to restore revenue growth after deep cuts to their investment banking units and are now encountering an economic slowdown.

Labour representatives on Deutsche Bank's supervisory board have said they oppose a merger, arguing a combination would fail to achieve the goal of strengthening the bank while resulting in massive staff cuts. As many as 30,000 positions could be at risk if a deal were agreed, according to people familiar with the matter. The finance ministry is favouring a deal to ensure the country has a lender with global reach to support the export-driven economy, people familiar with the matter have said. The country still owns a large stake in Commerzbank after a bailout.

While it's not clear yet how a merger would be structured, Deutsche Bank would



have to raise about 8 billion euros from shareholders or through sales of holdings such as its DWS Group asset management business, according to an estimate by Christian Koch, a DZ Bank analyst. Allianz has shown interest in DWS and is exploring the possibility of combining it with its own asset management arm, according to people familiar with the matter.

The two companies previously discussed a merger in the summer of 2016. Both Commerzbank chief executive officer Martin Zielke and Deutsche Bank CEO Christian Sewing were part of those discussions, though Sewing was head of the retail division at the time. The talks fell apart and the lenders embarked on their respective restructurings.

Almost three years later, their turnaround plans are sputtering. Commerzbank has dropped most of its 2020 financial targets after cutting its revenue outlook. Within Deutsche Bank, doubts are growing that it will be able to reach its goals. Sewing, tapped a year ago as CEO with a mandate to accelerate restructuring efforts, has recently given up his resistance to pursuing bolder steps, people familiar with the matter have said. —BLOOMBERG

Paris wakes up to violent hangover as Macron promises strong action

ANGELINA RASCOUET
London, March 17

PARIS AWOKED TO scenes of destruction on the Champs Elysees on Sunday following another day of Yellow Vest-led protests that turned violent.

Some 200 individuals are in custody, BFM TV reported, citing Paris prosecutors. About 80 shops on the French capital's iconic avenue were damaged, with several cases of arson and looting, *Agence France-Presse* reported, citing Jean-Noel Reinhardt, president of the committee of the Champs Elysees.

It was the 18th consecutive Saturday of Yellow Vest protests. French President



Emmanuel Macron — who cut his ski holiday short following a tour of Africa — vowed on Twitter on Saturday evening that "strong decisions" were coming to prevent more violence. —BLOOMBERG

South Korea says it's considering holding talks with North Korea

HOOYEON KIM & JIHYE LEE
Seoul, March 17

SOUTH KOREA SAID it's considering holding talks with North Korea in efforts to help improve relations between the latter and the US since their summit fell apart in Vietnam last month.

South Korea's Blue House presidential office confirmed a *Yonhap* news agency report that it's mulling a meeting with its reclusive neighbour. Both the US and North Korea "absolutely don't want" to revert to the situation before 2017 when there was conflict and confrontation, *Yon-*

hap cited an unidentified high-level official at the Blue House as saying.

US President Donald Trump and North Korean leader Kim Jong Un walked away from the negotiation table in February without a plan to denuclearise Pyongyang. Since then, North Korea has blamed the US's "gangster-like" demands for the breakdown in talks and threatened to halt further negotiations with Trump. The US and North Korea have come too far to revert to its contentious past, and even though the Hanoi summit fell apart, the two parties have "clearly expressed talks will go on," *Yonhap* said, citing the official. —BLOOMBERG

SELECTIONS FROM



A GIANT HOTEL in Houston teemed with oil-and-gas executives on March 11th, the start of a CERWeek. IHS Markit, a research firm which organised the shindig, lined up America's energy secretary, the chief executives of BP and Chevron (two of the world's largest oil companies), and other luminaries. Among the dark suits was an open-collared newcomer: Andy Jassy, head of Amazon Web Services. Speaking to a vast ballroom, he extolled the cloud-computing giant's virtues of moving quickly and learning from failure. Mr Jassy was there not just to offer management advice to what were once the world's most valuable companies. He was also after their custom.

Energy companies are keen to produce oil and gas more efficiently, as they grapple with volatile prices and uncertain long-term demand. Digital investments promise to cut costs and boost output.

Tech giants like Amazon, Microsoft and Alphabet, as well as a clutch of startups, want to help. For all of Silicon Valley's professed support for clean power over fossil fuels, the energy industry represents a huge opportunity. Oil companies' valuations are dwarfed by tech firms', but their coffers remain deep (see chart).

Countless industries claim that big data and artificial intelligence (AI) will usher in new prosperity. The trend in oil and gas is nevertheless notable, partly because it is marked, partly because it comes late. For years, many companies remained focused on increasing reserves of oil, not extracting it cost-efficiently. Managers struggled to use data siloed in different parts of the company or in different parts of the world.

That is changing. Abundant shale oil has made the hunt for reserves less urgent than the need to protect profits. Shale also highlights the utility of new analytics, says Paul Goydan of BCG, a consultancy, as data gush from thousands of wells studied through Texas, North Dakota and other rich fields. Falling costs of sensors, storage and computing power have made digital investments even more attractive.

BUSINESS OIL RUSH

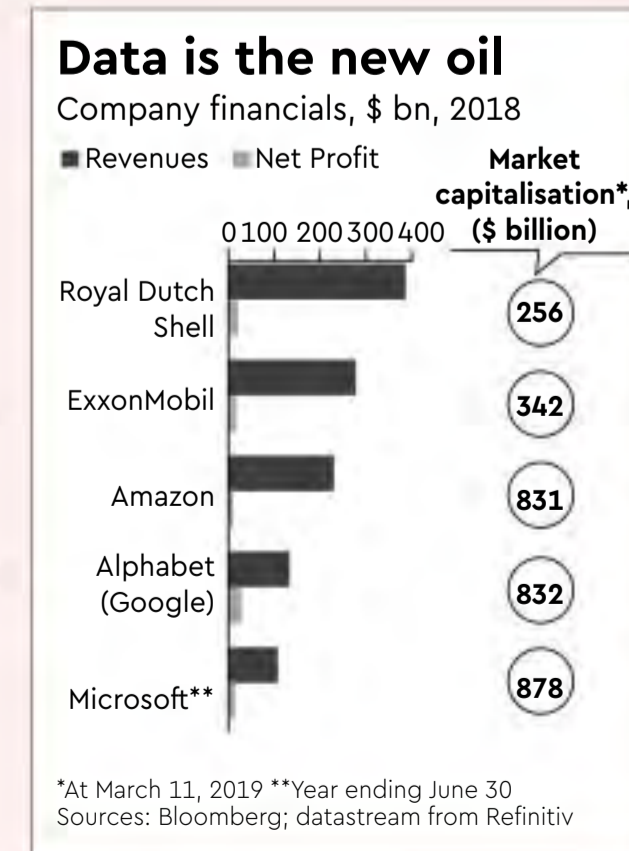
Tech firms ramp up efforts to woo the energy industry

Amazon, Google and Microsoft see old industrial giants as a new source of income

Early projects are starting to bring results. BP is combining real-time information from sensors with its own models and analytics to optimise output — it estimates such digital tools boosted oil production by more than 30,000 barrels per day last year. Yuri Sebrechts, the chief technology officer for Shell, says it could take months for a geoscientist to map faults underground. Software can now sort through seismic data, performing the same task in a few hours for about \$20.

As such efforts ramp up, energy firms are pairing in-house expertise with that of the tech industry. Microsoft has

courted them the longest. In February ExxonMobil announced that its sprawling shale operations in the Permian basin, in Texas, would use Microsoft's cloud, AI and other services. That may help ExxonMobil to drill and deploy staff more efficiently, and limit methane leaks. Amazon is trying to catch up. The size of its oil-and-gas team has tripled in recent years, and the company is working with energy giants such as Halliburton and Shell. In Houston it showed off data-storage kit that was continuously showered with water, to prove its mettle in inhospitable oilfields.



Alphabet, Google's parent company, is a relative laggard, but hopes to change that. Last year Google Cloud hired Darryl Willis, a former BP executive, to lead a new energy group. He estimates that the industry is using 1-5% of available data. Alphabet has signed deals with Total of France, as well as Anadarko, an American

oil company that is testing automated drilling and has an AI specialist on its board of directors.

Energy companies feel somewhat jittery about working with large tech firms — and not just because the Silicon Valley stars have outshone them. Automation raises the risk of hacking. Tech firms' ballooning ambitions raise eyebrows. One questioner asked Mr Jassy if Amazon would itself start producing oil and gas. He said no, as the room giggled nervously. It is not just the oilmen who are uneasy about the partnerships. Amazon, Microsoft and Google rely on clever young coders, who dislike working for controversial industries. "We are a partner and we follow the energy partner's needs," says Caglayan Arkan, who oversees Microsoft's work with the energy sector. But in February Microsoft employees demanded that it cancel a contract to sell augmented-reality headsets to America's military. Last year Google decided not to renew a contract with the Pentagon, after some staff argued the company should not be in the "business of war". Tech workers may yet insist they not be in the business of fossil fuels either.

©The Economist Newspaper Limited