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Port of Fujairah ميناء الفجيرة Port of Fujairah United Arab Emirates

Fujairah New Silk Road WEEKLY NEWSLETTER

EXCLUSIVE INSIGHTS /// ACTIONABLE INTELLIGENCE /// DATA TRENDS /// LATEST NEWS

AN EXCLUSIVE GULF INTELLIGENCE INTERVIEW

VACCINATING SEAFARERS MARINERS IS URGENT BEFORE IT TRIGGERS A BOTTLE NECK FOR GLOBAL TRADE

Guy Platten, Secretary General, International Chamber of Shipping

The Covid-19 pandemic has triggered a serious shortage in the availability of international seafarers' workforce as many countries lock down to fight the pandemic. The majority of the world's 1.7 million seafarers come from countries where vaccination rates are still well under 10%, such as India, Myanmar and the Philippines. Vaccination rates remain a real problem, and if mariners cannot travel it could trigger a serious bottleneck in global trade. If we look at the US, some 52 ports are now offering vaccines for overseas seafarer mariners and that keeps the communities they visit safe and allows travel and trade to take place. We have started to see similar movement in other ports in the Netherlands, Rotterdam and Belgium and we would welcome it elsewhere, such as in Singapore. That is a major priority to us for far too many countries are blocking seafarers from coming ashore, or even in some cases vessels cannot dock at ports. Seafarers should either be invited to join ships administering vaccines or have vaccines brought to them. The International Chamber of Shipping has published a vaccination roadmap for hubs and ports around the world, and we are doing what we can to keep the supply chain running. Ships are now looking to source labor from wherever they can get it and that's not always easy as seafarers are a highly skilled workforce. The episode in the Suez Canal two months ago showed us how just one ship being stuck in a strategic waterway can create a serious bottleneck in global trade. If we do not now get the balance right with the seafarer workforce and enable them to travel, that effect will be multiplied. The world has witnessed in the last year how international norms go out of the window during a health crisis and how individual countries can take a very parochial interest in their own populations. That has been a big problem – we need to see the bigger picture and understand what it takes to allow international mariner crews to travel. We need to beat the drum very loudly for maritime trade. It has lifted millions of people out of poverty and boosted countries' GDP. If we get it right, everyone wins.

CONTINUED ON PAGE 3

Fujairah Weekly Oil Inventory Data

4,978,000 bbl
Light Distillates

3,484,000 bbl
Middle Distillates

13,873,000 bbl
Heavy Distillates & Residues

Source: FEDCom & S&P Global Platts

Fujairah Average Oil Tank Storage Leasing Rates*

BLACK OIL PRODUCTS

Average Range
$3.61 - 4.38/m³

↑ **Highest: $4.50/m³**
↓ **Lowest: $3.40/m³**

Source: GI Research – Weekly Phone Survey of Terminal Operators

GI Consultancy Intelligence Publishing

THE WEEK In Numbers

Weekly Average Oil Prices

Brent Crude:	$72.03/bl
WTI Crude:	$69.77/bl
DME Oman:	$70.57/bl
Murban:	$71.14/bl

Time Period: Week 1, June 2021
Source: IEA, OilPrice.com, GI Research

Fujairah Weekly Bunker Prices

VLSFO

High = $529.50/mt

Low = $515/mt

Average = $523/mt

Spread = $14.50/mt

MGO

High = $641.50/mt

Low = $621.50/mt

Average = $631.50/mt

Spread = $20/mt

IFO380

High = $422/mt

Low = $413/mt

Average = $416/mt

Spread = $9/mt

*Source: Ship and Bunker, *Time Period: June 2 - June 9*

Fujairah Bunker Sales Volume (m^3)

596 180cst Low Sulfur Fuel Oil	**532,374** 380cst Low Sulfur Fuel Oil	**112,952** 380cst Marine Fuel Oil
2,508 Marine Gasoil	**25,866** Low Sulfur Marine Gasoil	**5,042** Lubricants

Source: FEDCom & S&P Global Platts

Guy Platten, Secretary General, International Chamber of Shipping

CONTINUED FROM PAGE 1

When can we expect the shipping bottlenecks on the US west coast to ease?

Guy Platten Those supply chain challenges – vessel shortages, truck shortages, crew shortages – have been with us for six months or more and seem to be getting worse rather than better. About 75% of vessels arriving at US west coast ports are late by an average of 10 days, and that has had massive knock-on effects. It has been compounded by an absolute explosion in global consumer demand. I do not think anyone saw this coming when the pandemic hit last year.

Does automation and digitalization help solve any of these problems?

Guy Platten The days of a completely automated crew ship is some way off, if ever, because we will always need some sort of maintenance to be carried out in shipping. But there is certainly increasing amounts of automation and digitalization already making supply chains more efficient. In time, ships will also become smaller and more specialized in what they do.

How successful has IMO 2020 been 18 months on?

Guy Platten The massive fall in fuel prices in 2020 made the price differential more manageable but in any case, IMO 2020 is nothing compared to what our industry will need to do in the future. We are calling it the 4th propulsion revolution. We are going to go from a fossil burning industry to one which uses carbon free fuels, such as ammonia and hydrogen. We have been calling for vastly increased R&D by governments to enable this decarbonization to take place. It is a mammoth task to achieve by the early 2030s and will mean a complete shift in the way we look at things, including the need to install the required infrastructure for the new fuels. The shift to zero carbon fuels is also going to create a massive ships shortage.

Who's responsibility is it to move the decarbonization agenda forward?

Guy Platten It needs to be shared right across the supply chain – by the shippers, the bunkering sector etc. and we also need governments to get on board as they will be putting the infrastructure in place. These ambitious goals are going to require partnership at an unprecedented level.

Is the surge towards hydrogen and ammonia an economic opportunity?

Guy Platten They are both good candidate fuels and methanol is another. But they will need a massive supply chain and infrastructure and I do wonder if we have really come to grips with the sheer scale of what is required. The work must start now with everything in tandem; we cannot wait to produce the ship and then look at how to get the fuel in. Establishing common health and safety standards will also be paramount - ammonia is very toxic and hydrogen extremely explosive.

Is retrofitting the pathway to the next generation fit for purpose ship?

Guy Platten It will be a combination but once we get a zero-carbon fuel ship produced, there is going to be immense pressure to accelerate its usage. And we will need market-based measures to incentivize its use – zero carbon fuels are going to be far more expensive than existing fossil fuels. The industry will also need investment certainty from government policy so that it can make the financial commitment.

WATCH FULL INTERVIEW HERE

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Abu Dhabi National Oil Company

ENERGY MARKETS COMMENTARY WEEK IN REVIEW

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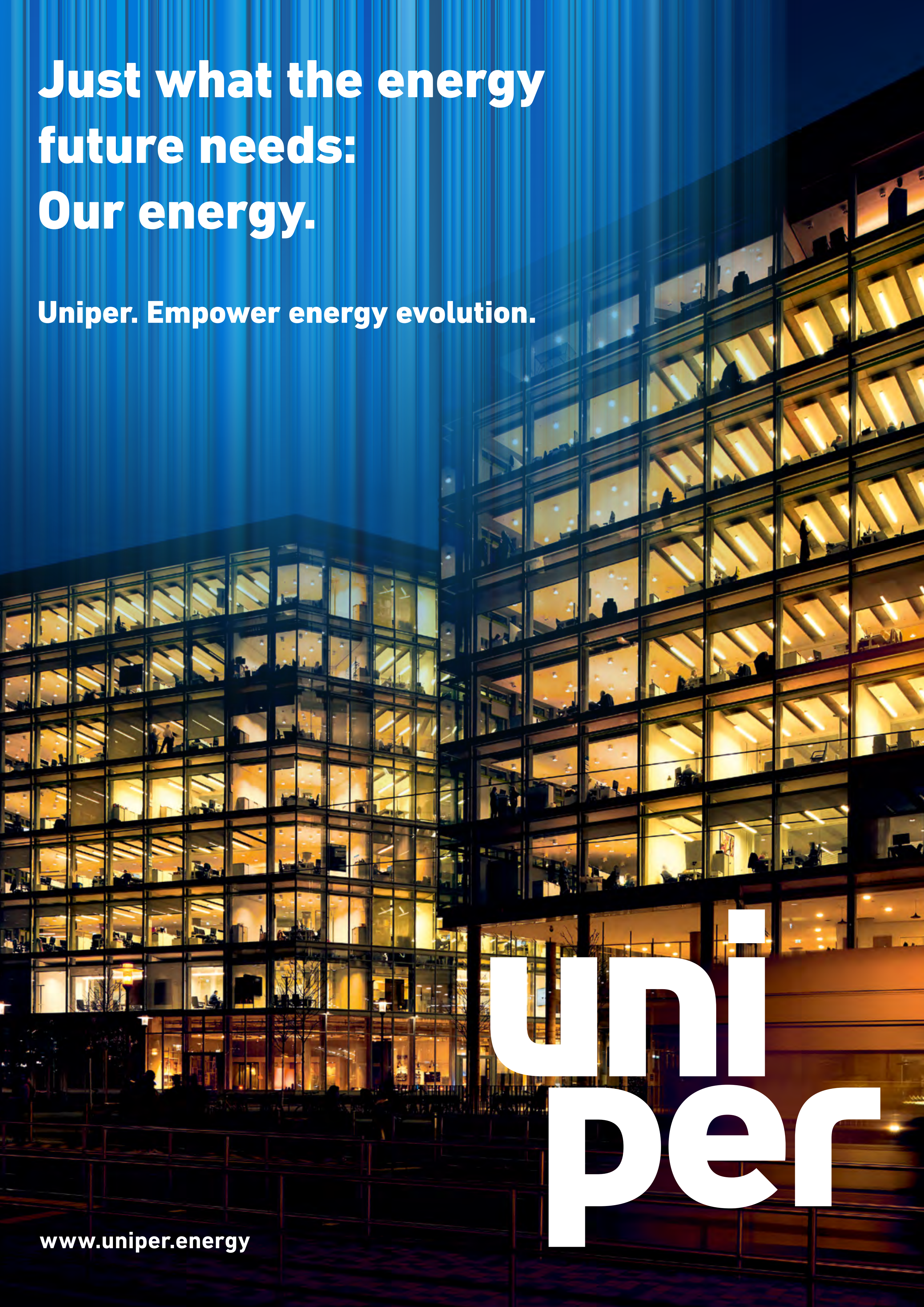
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GIQ EXCLUSIVE SOUNDINGS

Oil Prices Reach Fresh Highs on Bullish Market Outlook and OPEC Supply Management

Over the last week, Gulf Intelligence has held high-level interviews with energy experts in the Middle East, Asia, Europe, and the US. This intel is harvested from the exclusive briefings.

- **Richard Redoglia, Chief Executive Officer, Matrix Global Holdings**
- **Robin Mills, Chief Executive Officer, Qamar Energy**
- **Edward Bell, Senior Director, Market Economics, Emirates NBD**
- **Kate Dourian, FEI, MEES Contributing Editor & Non-Resident Fellow, The Arab Gulf States Institute in Washington**
- **Mike McGlone, Senior Commodity Strategist, Bloomberg Intelligence**
- **Dr. Carole Nakhle, Chief Executive Officer, Crystol Energy**
- **Ahmed Mehdi, Research Associate, The Oxford Institute for Energy Studies**
- **Peter McGuire, Chief Executive Officer, XM Australia**

Richard Redoglia, Chief Executive Officer, Matrix Global Holdings
"It is a managed supply market. The most important thing we have experienced in this last year is the ability to manage supply in real time, which is a function of this incredible information network the world has built to understand demand in real time."

Robin Mills, Chief Executive Officer, Qamar Energy
"OPEC keeping on their path was sensible enough. Nobody really expected them to make further increases in production at this point. The interesting thing is the three-month phased increase in production is almost over. We need to know what happens after that."

Edward Bell, Senior Director, Market Economics, Emirates NBD
"The markets are pricing in the uncertainty we had from OPEC+ in their last meeting. They really didn't give an outline as to what they are thinking about for the next six months beyond July in terms of production levels."

Kate Dourian, FEI, MEES Contributing Editor & Non-Resident Fellow, The Arab Gulf States Institute in Washington
"The big hurdle is Iran taking one step forward and two steps back as they tend to do. I think it's going to be very difficult if they don't get a deal before the elections, which is next week - so it's highly unlikely."

Mike McGlone, Senior Commodity Strategist, Bloomberg Intelligence
"There's a race for the midterms in the US. The Biden administration knows what has happened historically. Usually, you switch back during the midterms so if you're going to get anything done you have to do it now while you have a majority. Expect as much fiscal stimulus as humanly possible."

Dr. Carole Nakhle, Chief Executive Officer, Crystol Energy
"We are now accustomed to these weekly changes in the US inventories data. I don't see anything worrying. Yes, things are not back to absolute normal, for example with Jet fuel, but the US just announced easing of travel restrictions for a large number of countries."

Ahmed Mehdi, Research Associate, The Oxford Institute for Energy Studies
"Growing demand optimism has been driving the price rally. When we look at Q3 & Q4 demand estimates, we certainly see the deficit beginning to widen. Perhaps not as optimistic as OPEC's view of 2mn b/d of that deficit, but even on a conservative basis we see it at around 1.5mn b/d."

Peter McGuire, Chief Executive Officer, XM Australia
"The stock market party is in full swing. Let's get the streamers out. This is going to be a strong June and July unless something dramatically happens geopolitically. We probably have another eight or nine weeks of good growth over this northern hemisphere's summer."


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Fujariah Weekly Oil Inventory Data

FOIZ
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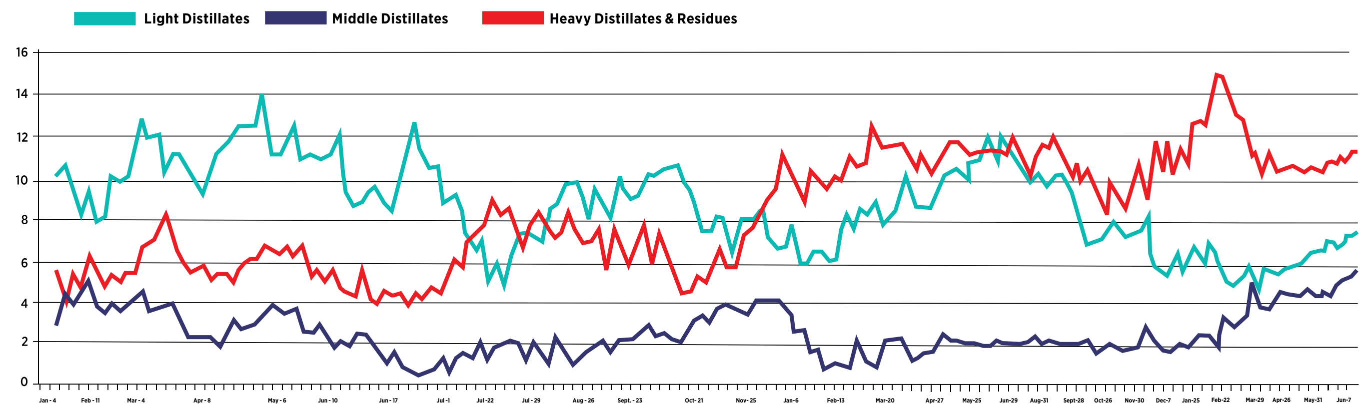
Fujairah Oil Industry Zone



TOP TAKEAWAYS

- Total oil product stocks in Fujairah were reported at 22.335mn barrels. Total stocks fell by 1.359mn barrels with overall stocks falling by 5.7% week-on-week. The fall comes after total stocks rose 16.2%, or 3.305 million barrels, last week. Draws were seen across all three categories, with the greatest overall draw in heavy residues.
- Light distillate stocks fell by 247,000 barrels reflecting a draw of 4.7% week-on-week to stand at 4.978mn barrels. According to market sources, operations in Saudi Arabia's Ras Tanura refinery and UAE's Ruwais refinery have been affected by technical glitches. Ras Tanura has been experiencing issues since late May and is expected to be fully operational around mid-June. Meanwhile the RFCC unit in Ruwais is experiencing technical issues and as a result ADNOC is buying gasoline. In the spot market, Egyptian General Petroleum Corp., or EGPC, was heard seeking up to a total 136,000 mt of 95 RON gasoline for July. Two cargoes of 35,000 mt each are to be delivered to Alexandria in July 5-7 and July 26-28, while two other cargoes of 35,000 mt each are expected to be delivered July 1-3 and July 22-24 to Suez, according to the tender document.
- Stocks of middle distillates fell by 335,000 barrels to 3.484mn barrels – down by 8.8% on the week, as they posted a draw after rising 12.6%, or 426,000 barrels, last week. Market sources attributed increased buying from Saudi Arabia, linked to operational issues in Ras Tanura refinery, which produces gasoline, gasoil, kerosene/ jet fuel and fuel oil. Traders said the overall gasoil market remained well supplied but relatively quiet as focus remained on Chinese export quotas for the remainder of the year, with several sources reiterating expectations of leaner outflows from the country in the coming months.
- Stocks of heavy residues fell by 777,000 barrels or 5.3% on the week to 13.873mn barrels. Fujairah-delivered marine fuel 0.5%S bunker was heard offered at \$515/mt-\$520/mt, with prompt offers deliverable from June 11 onwards. Delivered bunker prices in Fujairah remained below those in Singapore, with delivered bunkers with a maximum 0.5% sulfur content assessed at \$514/mt on June 8. This represents a \$3/mt discount to delivered bunkers of the same quality in Singapore. Market participants said the draw in stocks was because an additional cargo that arrived in Fujairah in late May, in response to Uniper refinery issues in March, had been drawn and not replaced. Furthermore, regional demand was picking up as summer approaches when fuel oil is used for electricity generation.

Source: S&P Global Platts

FX
The broad dollar index has been holding on to its modest recent gains above 90 ahead of the CPI print today. It closed at 90.12 yesterday and is at 90.17 this morning, but movement has been quite limited ahead of today's events. Sterling was the major mover yesterday, losing -0.3% by the end of the day to close at 1.4118. Bolstered earlier in the session by bullish remarks by outgoing BoE chief economist Andy Haldane, mooted EU sanctions pushed it down later in the day. The Euro gained 0.1% against the dollar. Movements today are likely to be quiet until the release of the CPI and ECB news. El Salvador has become the first country in the world to accept Bitcoin as legal tender. The purported aim is to cut transaction fees for the substantial remittances sent back to the country from citizens working abroad.

Equities
The launch of the EU digital passport has bolstered travel stocks across Europe, but this was insufficient to see all of the region's equity markets close higher yesterday. The STOXX 600 edged its way to a new record high with a 0.1% gain and the CAC gained 0.2%, but the FTSE 100 (-0.2%) and the DAX (-0.4%) both lost ground. In the US, all three major benchmark indices slipped yesterday. The Dow Jones was the biggest faller at -0.4%, while the NASDAQ and the S&P 500 lost -0.1% and -0.2% respectively. Within the region, the DFM lost -0.1% but the Tadawul (0.5) and the ADX (0.6%) both gained, as did the EGX 30 which closed up 0.8%.

Commodities
Oil prices remained fairly buoyant yesterday, with Brent futures closing at \$72.2/bl – unchanged on the previous day's more than two and a half year high. WTI closed down marginally at \$69.96/bl compared to the previous day's high of \$70.05/bl. Both benchmarks are trading modestly lower this morning as oil data out of the US disappointed. The EIA reported that fuel stocks rose even as crude inventories reported a third weekly drop. The start to the US driving season has got off to a slower than expected start, in part due to poor weather on the East Coast over the Memorial Day weekend.

ENBD

ENERGY MARKETS VIEWS YOU CAN USE

John Roper
CEO, Middle East
Uniper Global Commodities SE

WE'RE SEEING VERY ROBUST PRICES FOR LNG INTO ASIA?

Asian demand is generally loose, but there's been a real surge of imports into China, particularly last month. China imports around 68 million tons of LNG a year. The figures for January to May alone indicate a total of about 50mn tons. That activity is translating into these prices. The average over March and April was about $7 and we're seeing spot prices for summer demand back up to $10 and nearly $11. Some Chinese companies are also taking advantage of this big move in May prices and selling on cargoes that were due to be put into India but diverted to China to cater for demand. China is getting back on its feet quicker than most had expected. Meanwhile, pricing for long term LNG contracts is still at historical lows.

WILL ASIA INVEST INTO THE INFRASTRUCTURE NEEDED TO AVOID THESE LNG PRICE CYCLES?

Infrastructure goes hand in hand with the ability to distribute and China has a lot of country to put pipelines through. It's already expanding its network of LNG regasification terminals across the country with plans to increase terminal capacity to 12mn tons. One interesting observation is that trucked LNG has had an absolute surge as the switch from coal to gas in power generation continues. Pipeline networks take time to develop, but in the first quarter of this year, piped LNG was estimated at about 9mn tons compared with 11mn tons for the whole of 2020.

Mike Muller
Head
Vitol Asia

BRENT HAS FINALLY CLOSED ABOVE $70 BRENT – HOW DO YOU ASSESS CURRENT MARKET CONDITIONS?

There is a buzz. There is froth in this market. It does look like the bulls currently have it. Oil is being subsumed into a wider hype, because if you look at certain indicators out there, oil is the laggard. If you just look at the energy complex itself, gas has not been slouchy either – the LNG benchmark JKM has been sitting at or around $11 per MBTU, which is a hefty winter type price and monthly demand into China for LNG is at winter levels. So that is going very strong, and even the old commodity coal is trading at around $125 in Newcastle. There are some political reasons for that as well, but there were outages and there is demand. So much so that we are hearing of potential edicts to do power rationing in certain parts of China, which only a few months ago saw power outages because of extreme cold weather.

DO YOU EXPECT OPEC+ TO REACH THEIR TARGET FOR GLOBAL OIL INVENTORIES?

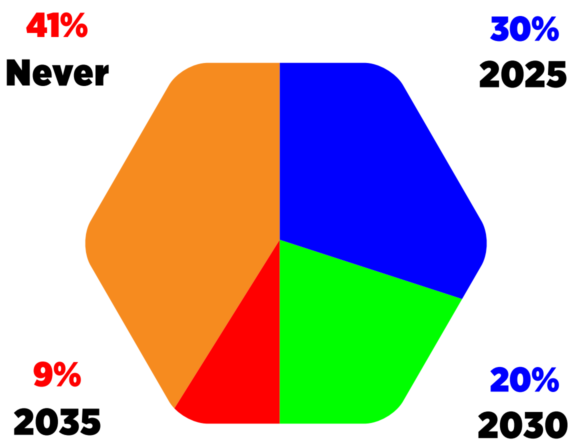
The global stock draw is continuing unabated despite the demand setbacks that we are seeing from places such as the terrible situation in India. Consequently, the market expects OPEC to have done their job and return inventories to a baseline – moving global inventories exactly as OPEC intended back to that 2019 average sometime later this year. This means that all the spare capacity will sit with those who want to control the price. And therefore, the market has confidence that the Saudis will stick to their successful formula in leading by example and return their extra one million barrels a day back into the market in a responsible way. The OSPs that were published in the last few days were designed in my opinion to be consistent with that message -- they want to continue managing the market.

WHAT IS YOUR OUTLOOK FOR THE RETURN OF SHALE OIL AT THESE PRICES ABOVE $70?

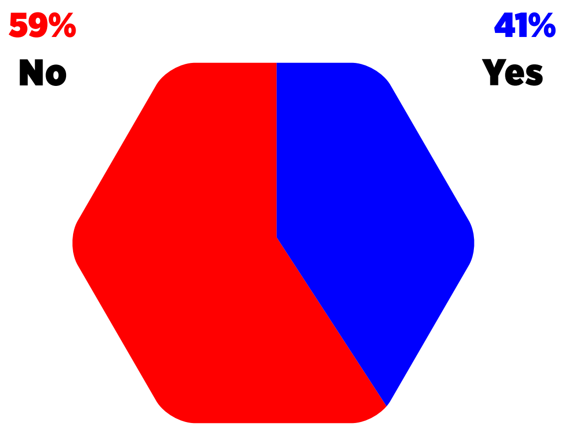
US production is still nearly two million barrels a day off the pre-pandemic high, and I see no way that the US is going to catch up in the next 6 to 9 months, because it is just not possible to mobilize the shale sector that quickly. Shale oil in the Permian basin is not going to get motoring towards pre-pandemic levels until the US gets above 600 rigs, and if we are still in the high 300s, that is just confirming what I said. I think the investment attitude has changed massively, because we have seen a migration of Permian assets from independent private equity funded type companies to the oil majors, who are resetting their priorities. For example, Shell has shed four refineries in the USA in the space of a year, and you are seeing everywhere that the energy transition is taking hold and those people are thinking twice before sinking money into projects.

GIQ Weekly Surveys

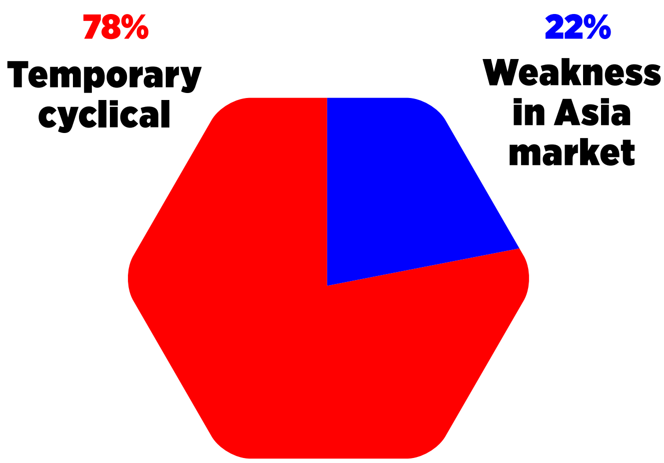
When will G7 move away from managed economies and return to classic liberal Laissez-Faire market economy?



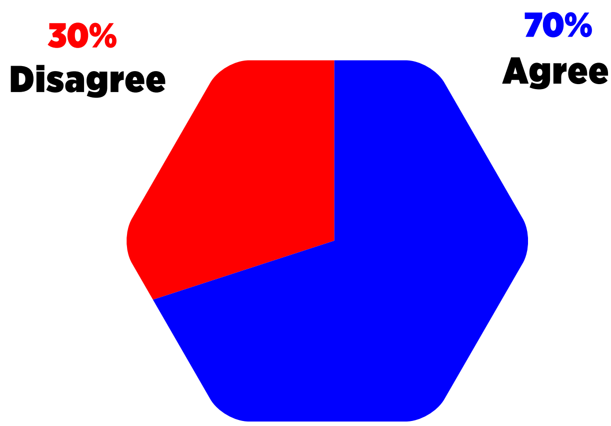
Do you expect US-Iran to secure an agreement ahead of the Iranian elections next week?



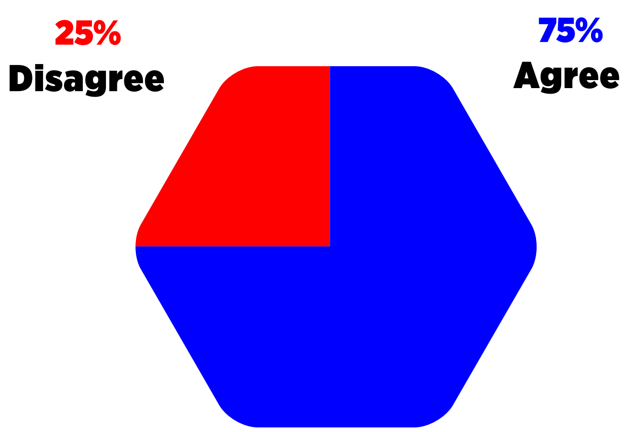
Chinese oil imports at a five-month low confirms:

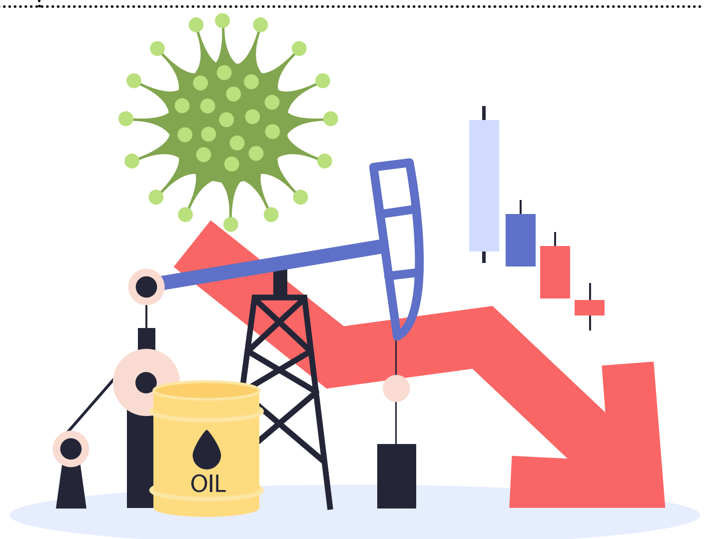


Global Oil Inventories are likely to drop well below 5 Year average in H2?



Brent Crude oil to hold above $70/bl through June?





Source: GIQ

GI Consultancy Intelligence Publishing

ENERGY MARKETS VIEWS YOU CAN USE

Omar Najia
Global Head, Derivatives
BB Energy

ARE WE NOW SITTING SOLIDLY ABOVE $70 ON BRENT?
Broadly speaking, from equities to oil to commodities, things look positive. The next target for oil will be $72 and after that, $78.71. We see the S&P going to 4900. I also don't think lumber or copper have seen their highs yet. The USD index still has a little bit lower to go. It's trading at about ninety and I think it gets to 87.59 and then bounces into next year and takes a hard hit.

HOW STRONG ARE CONCERNS ABOUT INFLATION?
The Federal Reserve and other central banks have been trying to inflate since at least 2008. If they don't, we have deflation and asset prices and expenditure drop. Western governments have such massive debts and the only way to save their markets is via inflation. They've gone as far as sending money directly into peoples' checking bank accounts so that they can spend. The only question is whether the inflation we get is real and lasts so that the debt can be inflated away. The danger will be if interest rates do rise, how will governments pay their debt as increasing amounts of the money will need to go to financing that.

WE AREN'T SEEING MUCH MOVEMENT ON SHALE DESPITE THE STRONGER PRICES?
Shale is not coming back because of its cost and debt. It cannot attract capital. In a scenario where we do get inflation, what would shale producers do to attract money? Will they offer interest rates at 10%, 15% or 20%? It's just not possible because their debt is so high. The only tangible investment being done today is by national oil companies.

Marc Ostwald
Chief Economist & Global Strategist
ADM Investor Services International

WHAT WILL BE THE IMPACT OF THE BIDEN $1.7TRN INFRASTRUCTURE BILL IF PASSED?
It will be a hard-won battle. The biggest risk is that people look at the details of the bill and question where the actual spending will be allocated and how it is implemented. The spending bill definitely gives a psychological boost. How much it impacts the actual economy will only be evident in six to twelve months' time.

ARE INFLATION AND HIGHER INTEREST RATES GOOD FOR THE US?
Janet Yellen is tacitly saying that she wants to inflate away a lot of the debt. But there is divergence between the Treasury and the Fed and that's something that the markets will grab hold of, particularly if inflation data coming out this week comes in above expectations again. The numbers are already quite lofty with talk of the US CPI headline number going to 4.7%. I suspect Core CPI may be around 3.6% or 3.7%. These are numbers we haven't seen since the early 1990s.

RECENT US TRAVEL DATA INDICATES THAT DEMAND IS CLEARLY BACK?
We have seen strong gasoline consumption but that's not the be all and end all of everything. Moreover, business travel is never going to recover to what it was - many companies have realized in the past year how much can be saved by not undertaking unnecessary travel.

WHAT'S GUIDING THE MARKET IN THE WEEK AHEAD?
It's still a buy the dip mentality and will remain so as long as safe assets don't offer anything. The Fed and the ECB have no intention of stepping back from what they're doing. It is regulatory intervention of every type.

CAN THE US LEAD THE REST OF THE WORLD INTO A RECOVERY?
We've got a lot of optimism around, but also many supply chain disruptions – on labor, raw materials, and above all, logistics. Transport and warehousing are not going to step up to the plate of increasing capacity because they see this recovery as only lasting 6, 12 or 18 months. The shipping industry, above all, has been through this too many times and won't repeat the same mistake.

ENERGY MARKETS FORUM NEW SILK ROAD LIVE

Consultancy Intelligence Publishing

TOP 10

JUNE 6th- 10th

MARKET OBSERVATIONS FOR THE WEEK

1. Iran nuclear talks are unlikely to conclude in time to deliver sanction relief and more oil barrels in 2021.

2. Saudi Arabia has secured a firm grip on the oil markets and is likely to continue to manage a tight market through the second half of the year.

3. G7 Central Bankers have to be very careful with their loose policy to let inflation run wild.

4. Oil markets look set for further upside over the coming week as OPEC+ keep taps shut.

5. US recovery is likely to pull all its major trading partners forward into post-COVID boom.

6. China's lower oil imports in May isn't indicative of a weaker demand outlook as Chinese refiners are still drawing down from their inventories.

7. India's recovery is underpinned by a massive vaccine campaign reaching 10mn+ people each day.

8. Iran nuclear talks may face a bleak future without a deal this week ahead of the Iranian presidential elections.

9. OPEC+ forward guidance on supply, or the absence thereof, risks pushing oil prices too high at a vulnerable time of economic recovery in emerging markets.

10. Global oil inventories are likely to overshoot on the downside as we drop like a rock below the 5-year average in a very tight Q3 market.

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Abu Dhabi Ports Opens Fujairah Terminals After Dh1bn Expansion

An expanded container terminal at Fujairah Port was inaugurated on Sunday after an investment of Dh1 billion ($272m). A number of new structures have been added at the terminal operated by Abu Dhabi Ports to boost its cargo-handling capacity and accommodate larger vessels, according to officials. The completion of the expansion works, which began three years ago, will increase the terminal's general cargo throughput to 1.3 million tonnes and container capacity to 720,000 twenty-foot equivalent units, or TEUs. Sheikh Mohammed bin Hamad Al Sharqi, Crown Prince of Fujairah, opened the expanded port terminal yesterday. "The emirate of Fujairah has become a leading international maritime transport centre ... enabling it to attract investment and support the national sustainable development process," said Sheikh Mohammed. Fujairah Port is strategically important. It is located 70 nautical miles from the Strait of Hormuz, a narrow waterway carrying a fifth of the world's traded oil.

Source: The National

Hamdan bin Zayed Lauds Fujairah's Ruler for Emirate's Economic Well-Being

H.H. Sheikh Hamdan bin Zayed Al Nahyan, Ruler's Representative in Al Dhafra Region, has praised Fujairah's vital and economic role due to the directives of H.H. Sheikh Hamad bin Mohammed Al Sharqi, Supreme Council Member and Ruler of Fujairah. These directives are aimed at creating a conducive investment environment by developing its port, raising its efficiency to deal with ships and marine tankers of all sizes. This has enabled Fujairah Port to become one of the most important maritime shipping destinations in the world. This was stated when H.H. Sheikh Mohammed bin Hamad bin Mohammed Al Sharqi, Crown Prince of Fujairah, and Sheikh Hamdan, accompanied by Sheikh Maktoum bin Hamad Al Sharqi, toured the Fujairah Port and learned about the work progress and the latest projects at the port.

Source: Emirates News Agency

Fujairah Crown Prince Honours Graduates of Fujairah's Science and Technology University

H.H. Sheikh Mohammed bin Hamad bin Mohammed Al Sharqi, Crown Prince of Fujairah and Chairman of the Board of Trustees of the University of Science and Technology of Fujairah (USTF), has commended the UAE leadership for its support in spreading knowledge and providing easy access to education, and its efforts to be a pioneer and innovator in higher education. Sheikh Mohammed, who was accompanied by Sheikh Maktoum bin Hamad Al Sharqi, made this statement during the graduation ceremony of the 50th batch of USTF graduates, which comprised 31 students. The Fujairah Crown Prince honoured the students and praised their efforts to achieve excellence, highlighting the significant strides made by Fujairah's higher education institutions to enhance the quality of education across all fields, under the directives of H.H. Sheikh Hamad bin Mohammed Al Sharqi, Supreme Council Member and Ruler of Fujairah.

Source: Emirates News Agency

This UAE Bank Proves its Digital Mettle in the Pandemic

Covid-19 and the subsequent restriction have spurred the rapid adoption of digital banking — a trend that is expected to continue as new technologies and products improve options for customers. According to research by Boston Consulting Group (BCG) in 2020, the expectations of consumers across the UAE in the banking sector are rapidly evolving, even more so with the pervasiveness of the Covid-19 crisis. More than 53 per cent of UAE banking customers increased mobile banking usage during the pandemic and over 50 per cent enrolled in digital banking for the first time because of the crisis. At National Bank of Fujairah, the transition to digital that started before the pandemic is now accelerating, making digital the preferred choice for consumers, says Colin Dallas, Head of Retail Banking. "We are digitally transforming and investing in new products and services for digital-savvy clients to increase efficiencies and broaden customer base."

Source: Gulf News

ENERGY MARKETS VIEWS YOU CAN USE

Narendra Taneja
India's Leading Energy Expert

IT SEEMS INDIA IS EMERGING FROM ITS MOST RECENT COVID WAVE CRISIS?

We have traffic jams back in New Delhi, which is a very good indicator of how the economy is going to go. Cases are down to just 300 a day in the city. Last month, petrol consumption in the country was down by about 17.2% and diesel by 18%. In the weeks to come, it looks like that will get back to normal. The Federal government has now taken full responsibility to vaccinate everyone by the end of this year, at a rate of 10 million people a day.

ANY CONSEQUENCES FROM TRAVEL RESTRICTIONS IN AND OUT OF THE COUNTRY?

The majority of Gulf carriers are still flying. We also have regular flights to Europe, the UK and connections with Southeast Asia. Let's not forget that for airlines like Emirates and Singapore Airlines, the Indian market is very significant for their overall bottom line.

YOUR THOUGHTS ON OPEC DEFENDING A $70 PRICE AT ITS MEETING LAST WEEK?

The general view in India is that anything above $63 is not very smart. India is set to probably emerge as the largest importer of crude oil. Unlike under Trump, the Biden administration seems to be OK with higher oil prices of $65 - $70. Given the situation, we will need to have more bilateral discussions with countries like Saudi Arabia to seek some special deals. Countries like India, China, Indonesia and others in Southeast Asia, have the potential to come together on energy and lead the overall global governance picture both when it comes to hydrocarbons and renewable energy.

Christof Rühl
Senior Research Scholar - Center on Global Energy Policy
Columbia University

WHERE IS THE GLOBAL ECONOMIC RECOVERY AS WE APPROACH THE END OF Q2?

We are in firm recovery territory, at least in the US, and that is also spreading over to Europe and other places on the globe. US GDP growth indications are looking very strong, albeit from a base effect of a 2020 that tanked, and the numbers are going to continue to look stellar. With that, inflationary pressures will build. The Fed is going to support fiscal expansion and not put a break to these price increases. We have in front of us a period of rapid growth in 2021 and inflation of perhaps 3% to 5 % for the next few years. There is the danger that this gets out of hand in a world which hasn't seen inflation for 25 or 30 years but I cannot see another way out of these enormous debt levels without having nominal GDP growth supported by some inflation. That will then erode the debt, which is fixed in nominal terms and doesn't adjust. If you had zero inflation, the economy would have to grow at 3, 4 or 5%. That's not feasible.

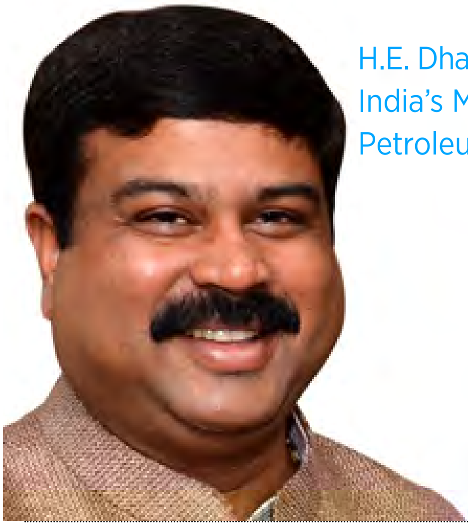
WHY IS US SHALE STILL NOT RESPONDING AT THESE PRICES?

Why it has responded slower than expected is a real puzzle. For the last 15 weeks, the growth rate of shale has been about half as much as the 20 weeks before that. Shale will come back but the issue is there's usually a lag of at least six months between the start of drilling and output so we should expect very limited reaction until the winter. Shale producers can hedge, so if something goes wrong with OPEC policy, these higher prices would be there for them later on.

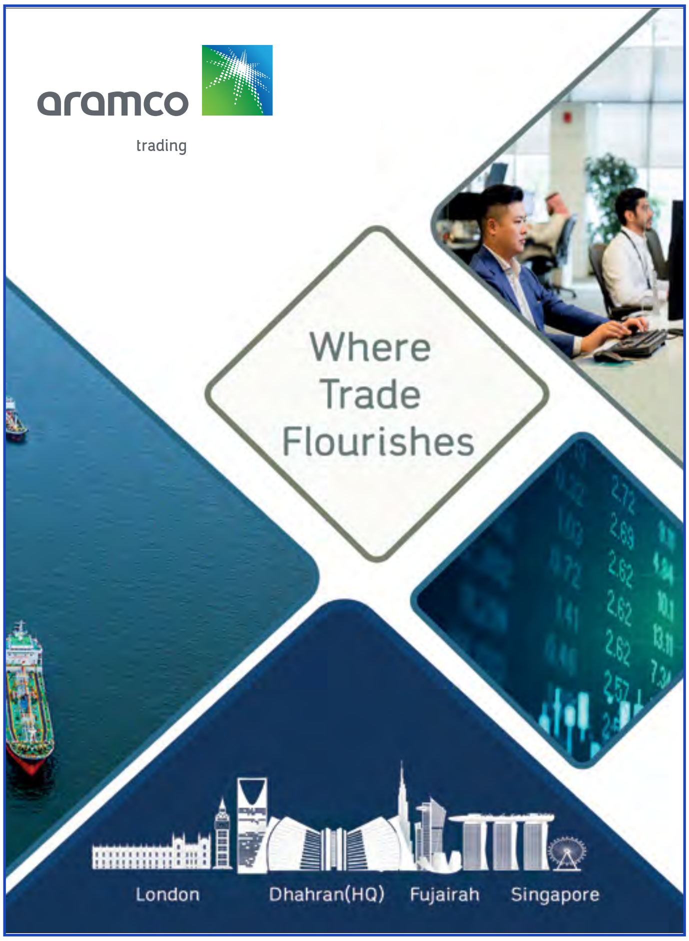
SHOULD WE EXPECT THE NEGOTIATIONS WITH IRAN TO REACH AN OUTCOME THIS WEEK?

I'm a bit skeptical. There's clearly a desire on the part of the US and European Union to get this done but historically, this kind of consolation has always led Iran to step back at the last minute. If so, we will be left in a grey zone again where Iranian barrels increase without a formal agreement and which will more or less be tolerated by OPEC.

"The prices of petroleum products have gone up. The main reason is that the price of crude oil has gone over $70/bl in the international market. This negatively impacts consumers here, as India imports 80% of its oil requirement."



H.E. Dharmendra Pradhan, India's Minister for Petroleum & Natural Gas



ENERGY MARKET NEWS

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2. NOC FOCUSES ON PIPELINE REPAIRS AS LEAKS HIT OIL OUTPUT
3. US CRUDE STOCKS DOWN, FUEL INVENTORIES RISE
4. PLAN TO INCREASE ARAMCO'S CAPACITY TO 13MN B/D STILL UNDER ASSESSMENT
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7. US GLOBAL CENTRAL BANKS EYE THEIR OWN EXITS FROM STIMULUS
8. CANADA'S KEYSTONE XL OIL PROJECT ABANDONED BY DEVELOPER
9. INDIAN MAY FUEL DEMAND HITS 9-MONTH LOW AS COVID-19 STALLS ACTIVITY
10. IRAN CITES NUCLEAR TALKS PROGRESS ON ECONOMIC ISSUES BUT NOT OIL

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- CHINA TEMPERS CLIMATE CHANGE EFFORTS AFTER ECONOMIC OFFICIALS LIMIT SCOPE
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