# Energy Tidbits

## New Zealand needs to “*attract investment in exploration AND production*” to increase natural gas to keep economy running

Produced by: Dan Tsubouchi

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https://www.qatarenergy.qa/en/MediaCenter/Pages/newsdetails.aspx?ItemId=3817

# QATARENERGY SELECTS CPC AS NFE PARTNER, SIGNS SPA FOR 4 MTPA OF LNG FOR 27 YEARS -

DOHA, Qatar • 5 June 2024 – QatarEnergy signed definitive agreements with CPC Corporation, Taiwan (CPC) covering the long-term supply of LNG to CPC and partnership in the North Field East LNG expansion project (NFE).

The two parties signed an LNG Sales and Purchase Agreement (SPA) for the delivery of four million tons per annum (MTPA) of LNG from the NFE project to CPC over a period of 27 years.

The two sides also signed a share sale and purchase agreement pursuant to which QatarEnergy will transfer to CPC a 5% interest in the equivalent of one NFE train with a capacity of eight MTPA. This transfer will see CPC become a partner in the NFE project without affecting the participating interests of any of the other shareholders in the project.

The agreements were signed by His Excellency Mr. Saad Sherida Al-Kaabi, the Minister of State for Energy Affairs, the President and CEO of QatarEnergy, and Mr. Shun-Chin Lee, the Chairman of CPC Corporation, Taiwan during a special ceremony held at QatarEnergy's headquarters in Doha and attended by senior executives from both companies.

His Excellency Minister Al-Kaabi welcomed CPC as a valuable partner in the NFE project and said: "We look forward to further enhancing our relationship with CPC, which extends for over three decades, and to further demonstrate our unwavering commitment to our customers and partners around the world."

H.E. Minister Al-Kaabi expressed his thanks and appreciation to the teams from CPC and QatarEnergy for their hard work and dedication to conclude the agreements.

On his part, Mr. Shun-Chin Lee said: "QatarEnergy, the world's leading LNG player, has been playing an important role in ensuring Taiwan's domestic gas market over the past decades. CPC's acquired equity in the NFE project and this new LNG SPA will further strengthen the cooperative relationship between our two companies."

The NFE project is part of the overall North Field LNG expansion program that also includes the North Field South and North Field West projects, which together will raise Qatar's LNG production capacity from the current 77 MTPA to 142 MTPA in 2030.

TotalEnergies

PRESS RELEASE

# TotalEnergies Increases LNG Deliveries to Asia with Two New Medium and Long-Term Contracts

**Paris, June 4, 2024** – In line with its strategy to grow its liquefied natural gas (LNG) business, TotalEnergies announces the signing of two new LNG medium- and long-term contracts in Asia:

- a sales and purchase agreement (SPA) with **Indian Oil Corporation (IOCL)** for the delivery to India of up to 800,000 tons per year of LNG for ten years from 2026; and

- an agreement (HoA) with **Korea South-East Power** for the delivery to South Korea of up to around 500,000 tons per year of LNG for five years from 2027.

These agreements allow TotalEnergies to secure medium-term outlets for its global LNG supply portfolio. They also strengthen the Company's footprint in Asian markets, where it is particularly committed to supporting its customers with their decarbonization strategies.

"We are delighted to have been selected by IOCL and Korea South-East Power to supply LNG to India and Korea. These contracts enable us to contribute to the energy security and transition of these countries, to which we have an enduring commitment," **said Gregory Joffroy, Senior Vice President, LNG at TotalEnergies.**

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**TotalEnergies, the world's third largest LNG player**
TotalEnergies is the world's third largest LNG player with a global portfolio of 44 Mt/y in 2023 thanks to its interests in liquefaction plants in all geographies. The Company benefits from an integrated position across the LNG value chain, including production, transportation, access to more than 20 Mt/y of regasification capacity in Europe, trading, and LNG bunkering. TotalEnergies' ambition is to increase the share of natural gas in its sales mix to close to 50% by 2030, to reduce carbon emissions and eliminate methane emissions associated with the gas value chain, and to work with local partners to promote the transition from coal to natural gas.

**About TotalEnergies**
TotalEnergies is a global integrated energy company that produces and markets energies: oil and biofuels, natural gas and green gases, renewables and electricity. Our more than 100,000 employees are committed to provide as many people as possible with energy that is more reliable, more affordable and more sustainable. Active in about 120 countries, TotalEnergies places sustainability at the heart of its strategy, its projects and its operations.

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# Russia-China gas pipeline deal stalls over Beijing’s price demands

Power of Siberia 2 project would offer lifeline to exporter Gazprom as Moscow’s dependence on its neighbour grows

A deal on the pipeline was one of Russian President Vladimir Putin’s top requests for Chinese leader Xi Jinping when they met last month, according to people familiar with the issue © Alexandr Demyanchuk/Sputnik/Pool/AP

Max Seddon in Riga, Anastasia Stognei in Tbilisi, Henry Foy in Brussels and Joe Leahy in Beijing YESTERDAY

Russia’s attempts to conclude a major gas pipeline deal with China have run aground over what Moscow sees as Beijing’s unreasonable demands on price and supply levels, according to three people familiar with the matter.

Beijing’s tough stance on the Power of Siberia 2 pipeline underscores how Russia’s invasion of Ukraine has left President Vladimir Putin increasingly dependent on Chinese leader Xi Jinping for economic support.

The people familiar with the matter said China had asked to pay close to Russia’s heavily subsidised domestic prices and would only commit to buying a small fraction of the pipeline’s planned annual capacity of 50bn cubic metres of gas.

Approval for the pipeline would transform the dire fortunes of Gazprom, Russia’s state gas export monopoly, by linking the Chinese market to gasfields in western Russia that once supplied Europe.

Gazprom suffered a loss of Rbs629bn ($6.9bn) last year, its biggest in at least a quarter of a century, amid plummeting gas sales to Europe, which has had greater success than expected in diversifying away from Russian energy.

While Russia has insisted it is confident of agreement on Power of Siberia 2 “in the near future”, two of the people said the impasse was the reason Alexei Miller, Gazprom’s chief executive, had not joined Putin on the Russian leader’s state visit to Beijing last month.

Miller, who was instead on a trip to Iran, would have been essential for any serious negotiations with China and his absence was “highly symbolic”, said Tatiana Mitrova, a research fellow at Columbia University’s Center on Global Energy Policy.


A deal on the pipeline was one of three main requests Putin made to Xi when they met, according to the people familiar with the matter, along with more Chinese bank activity in Russia and for China to snub a peace conference being organised by Ukraine this month.

China announced on Friday it would skip Ukraine's summit in Switzerland. Two of the people said Beijing and Moscow were discussing ringfencing one or more banks that would finance trade in components for Russia's defence industry — all but certainly incurring US sanctions that would cut any such bank out of the broader global financial system.

An agreement on the pipeline, however, remains distant, while the proposed co-operation with Chinese banks remains at a far smaller scale than Russia had requested, the people added.

Dmitry Peskov, Putin's spokesman, said Russia and China were still in talks on the pipeline.

"It's totally normal for each side to defend their own interests. Negotiations will continue, because the leaders of both countries have the political will for it, and commercial issues will continue to be worked out, and we have no doubt all the necessary agreements will be made," Peskov told reporters on Monday.

"As far as aspects of ongoing commercial negotiations go, they are, of course, not public," Peskov added. Gazprom declined to comment.

Asked about the gas talks, the Chinese foreign ministry said only that "the presidents of China and Russia agreed to look for areas where our interests converge . . . and enable each other's success".

China would "work with Russia to deliver on important common understandings reached between our two leaders and deepen our all-round cooperation [for] mutual benefit", the ministry said.

Russia's failure to secure the deal underscores how the war in Ukraine has made China the senior partner in the countries' relationship, according to Alexander Gabuev, director of the Carnegie Russia Eurasia Center in Berlin.

"China could need Russian gas strategically as a secure source of supply not based on maritime routes that would be affected in case of a maritime conflict around Taiwan or the South China Sea," Gabuev said. "But to make that worthwhile, China really needs a very cheap price and flexible obligations."

China's demand for imported gas is expected to reach about 250 bcm by 2030, up from less than 170 bcm in 2023, according to a paper published by Columbia's CGEP in May.

That paper said the 2030 level of demand could still be largely or entirely met through existing contracts for pipeline supply and for liquefied natural gas. However, by 2040, the gap between China's import demand and existing commitments would reach 150 bcm, it said.

Russia's lack of an alternative overland route for its gas exports means Gazprom would probably have to accept China's conditions, Gabuev said.

"China believes time's on its side. It has room to wait to squeeze the best conditions out of the Russians and wait for attention on the China-Russia relationship to move elsewhere," he said. "The pipeline can be built rather quickly, since the gasfields are already developed. Ultimately the Russians don't have any other option to market this gas."

Before the war in Ukraine, Gazprom relied on selling gas to Europe at high prices in order to subsidise Russia's domestic market.

China already pays Russia less for gas than to its other suppliers, with an average price of $4.4 per million British thermal units, compared with $10 for Myanmar and $5 for Uzbekistan, the CGEP researchers calculated from 2019-21 customs data.

During the same years Russia exported gas to Europe at about $10 per million Btu, according to data published by the Russian central bank.

Gazprom's exports to Europe fell to 22 bcm in 2023 from an average 230 bcm a year in the decade before the full-scale invasion of Ukraine. These are likely to dwindle further once a trans-shipment agreement with Ukraine expires at the end of this year.

Failure to agree increased supplies to China would be a hefty further blow. An unreleased report by a major Russian bank, seen by the Financial Times, recently excluded Power of Siberia 2 from its baseline forecast for Gazprom. That reduced the company's expected profit for 2029 — when the bank expected the project to launch — by almost 15 per cent.

China did not immediately respond to a request for comment.

This article has been amended since initial publication to reflect that the Ukraine peace summit is taking place at the Bürgenstock resort in Switzerland, not Geneva https://www.reuters.com/markets/commodities/venezuelas-may-oil-exports-rise-30-during-us-wind-down-period-2024-06-03/?taid=665e07058625040001a4b992&utm_campaign=trueAnthem:+Trending+Content&utm_medium=trueAnthem&utm_source=twitter

# Venezuela's May oil exports rise 30% during US wind-down period

By Marianna Parraga and Mircely Guanipa
June 3, 20247:06 AM MDTUpdated 5 hours ago

- Summary
- Companies
- Increase reflects buyers taking oil before US sanctions return
- Top destinations for oil were Asia, United States and Europe
- OPEC-member nation rebuilds stocks of Merey 16, diluted crude

HOUSTON/MARACAY, Venezuela, June 3 (Reuters) - Venezuela's oil exports recovered in May from a low figure the previous month as state oil company PDVSA's customers rushed to take cargoes ahead of the resumption of U.S. sanctions on the South American country.

The U.S. Treasury Department in April did not renew a broad license that had allowed Venezuela to freely export its oil, but gave companies until the end of May to complete transactions, including crude and fuel sales. It also began issuing individual authorizations to energy firms doing business with Venezuela.

A total of 50 vessels departed Venezuelan waters last month carrying an average 708,900 barrels per day (bpd) of crude and fuel, and 614,000 tons of petrochemicals and oil byproducts, according to internal PDVSA documents and shipping data from financial firm LSEG.

The volume of oil shipped in May was 30% larger than in April, and 7% above the same month a year earlier. Exports of petrochemicals and byproducts were the highest in 13 months, the data showed.

Over a third of total exports, or 250,000 bpd, were bound for Asia. The United States was the second largest recipient with an average of 205,000 bpd sent by U.S. oil major Chevron, opens new tab(CVX.N), opens new tab to its own refineries and others, followed by Europe with 129,000 bpd.

Shipments to political ally Cuba rose to some 70,000 bpd from 23,000 bpd the previous month, driven by larger crude oil deliveries, according to the data.

Following the completion of maintenance work at some crude upgraders and more imports of diluents, PDVSA's inventories of diluted crude oil rose to almost 5 million barrels. Stocks of the OPEC-member nation's flagship Merey 16 crude also recovered to almost 3 million barrels at the end of the month, one of the documents showed.

Venezuela imported some 68,000 bpd of heavy naphtha and blendstock for producing gasoline, above the 57,000 bpd of April.

Washington since mid-April has granted individual licenses to companies including France's Maurel & Prom (MAUP.PA), opens new tab, Spain's Repsol (REP.MC), opens new tab and (BP.L), opens new tab to do oil and gas business with Venezuela. More than a dozen others are waiting for green light.

Reporting by k in Houston and Mircely Guanipa in Maracay, Venezuela; editing by David Evans https://abcnews.go.com/Politics/exclusive-biden-muir-us-weapons-wont-be-used-strike-moscow-kremlin/story?id=110865528

# Exclusive: Biden tells Muir US weapons will not be used to strike Moscow, Kremlin

## Biden is in Normandy commemorating the 80th anniversary of D-Day.

By Fritz Farrow June 6, 2024, 5:06 AM

**Exclusive: Biden tells Muir US weapons will not be used to strike Moscow, Kremlin**

In an ABC News exclusive, World News Tonight anchor David Muir interviewed Pres. Joe Biden in Norm...Show More

President Joe Biden was adamant that U.S. weapons would not be used to strike Moscow or the Kremlin after he authorized Ukraine to use them in Russia during an exclusive interview with ABC News anchor David Muir at the Normandy American Cemetery on the 80th anniversary of D-Day.

Muir asked Biden if U.S.-made weapons have already been used in Russia since he signed off on their use, limiting use to areas near the Russian-occupied Kharkiv region. The president did not directly answer, but made clear they would not be authorized to be used to target Russia's capital city or seat of government.

"They're authorized to be used in proximity to the border when they're being used on the other side of the border to attack specific targets in Ukraine," Biden told Muir of U.S. weapons. "We're not authorizing strikes 200 miles into Russia and we're not authorizing strikes on Moscow, on the Kremlin."

ABC News' David Muir sat down exclusively with President Joe Biden in Normandy, France, on the 80t...Show more

ABC News

Muir asked the president about Vladimir Putin's comments overnight, that "the supply of high-precision weapons to Ukraine for strikes on Russian territory is direct participation in this war."

"Does that concern you?" Muir asked Biden.

"I've known him for over 40 years. He's concerned me for 40 years. He's not a decent man," Biden said. "He's a dictator, and he's struggling to make sure he holds his country together while still keeping this assault going. We're not talking about giving them weapons to strike Moscow, to strike the Kremlin, to strike against -- just across the border, where they're receiving significant fire from conventional weapons used by the Russians to go into Ukraine to kill Ukrainians."

Biden is in France to commemorate the day Allied forces stormed the beaches of Normandy in 1944, setting off a chain of events that led to the fall of Nazi Germany and the end of World War II. Later Thursday, Biden plans to meet with Ukrainian President Volodymyr Zelenskyy to discuss the war effort.

06/06/2024 02:39:04 [BN] Bloomberg News

# Drones Attack Novoshakhtinsk Refinery in Southern Russia

By Bloomberg News

(Bloomberg) -- Drones attacked the Novoshakhtinsk refinery in southern Russia near the border with Ukraine, sparking a fire at the plant.

The fire was extinguished at 4 a.m. local time, Rostov region Governor Vasily Golubev said on his Telegram channel Thursday. There were no casualties from the attacks, he added.

It's unclear what damage the fire caused or how operations were affected at the refinery. The facility, which processed over 4.8 million tons of crude last year, or around 97,000 barrels a day, was the target of a drone strike earlier this year.

Since the start of 2024, Ukrainian drones have attacked several Russian refineries, with the aim of reducing fuel supplies to the Kremlin's army on the frontline and slash Moscow's oil revenue.

The attacks brought Russia's average daily crude-processing volumes close to an 11-month low in April. The facilities have partly recovered their operations since then, but now seasonal maintenance is adding pressure.

Read more: Russian Oil Refinery Hit as Kharkiv Region Is Under Shelling

Russia has been targeting major Ukrainian cities and the nation's energy infrastructure with missile and drone strikes since the start of its full-scale invasion in February 2022.

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# Geopolitical Update: Temperatures Rising

## Analysis and Updates on Conflicts in Ukraine and the Middle East

**March 27, 2024**

**RBC Capital Markets, LLC**
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**President Biden faces the prospect of a cruel summer if the Russia-Ukraine and Middle East conflicts continue to pose risks to global energy supplies**.

- **This week brought more attacks by Ukraine on Russian refineries with drones circling back to two previously targeted refineries, Novokuibyshevsky and Kuibyshevsky, in the Samara region, resulting in significant damage to the latter's primary crude distillation unit.** As a result, we now count 5 refineries facing significant throughput disruptions, with our estimates for downed refining capacity rising to 13% of Russia's total. These attacks seem to be serving the twin purposes of partially denying the Russian frontlines diesel as well as reducing Russia's essential energy revenue to fund the war. Preliminary estimates already show aggregate Russian refinery runs in March down 650 kb/d y/y. While it is still too early to see how these disruptions will ultimately affect seaborne refined product export flows, the largest impacts would be seen on global gasoil and fuel oil markets. Turkey, Africa, and Brazil have been the top destinations for Russian gasoil since exports were barred from Europe.
- **There have been reports that the White House has tried to dissuade Kyiv from this strategy, fearing the energy price impact – we find this entirely credible based on our conversations.** As we have repeatedly noted, the White House has sought to avert a Russian supply disruption and has shaped policy towards this end; including price caps designed as a release valve to ensure Russian barrels locked out of Europe would flow to Asia, or directly telling Ukraine to not target Black Sea oil tankers. However, with US assistance being held up in Congress, and Russia making battlefield gains, Ukraine and key regional allies appear to be questioning the utility of this energy bargain with Washington.
- **A key dynamic worth watching is whether Congress moves to approve the $60bln supplementary military, budgetary, and humanitarian aid package being held up in the House after already passing in the Senate.** House Speaker Mike Johnson (R-LA) has signaled a willingness to hold a vote on Ukraine support after Congress's Easter recess, however at the time of writing, there are no clear indications of imminent passage. Moreover, with a complete cutoff of funding potentially in the offing if President Trump wins in November, the window for Ukraine to make battlefield advances in the two-year conflict may be closing.

- **Hence, we will be closely watching whether Ukraine moves at some stage to target actual export facilities to strike a deeper blow on the Russian balance sheet.** We continue to contend that Ukraine seemingly has the capability to target the majority of export facilities in western Russia, which would put ~60% of Russia's crude exports at risk. While Washington would certainly not be happy with such a move because of the serious price implications, Kyiv could decide that such asymmetrical measures may be necessary. Resilient energy revenue has been essential for Russia's continued military strength – the 2024 budget contains record defense spending, with the Russian Federation for the time poised to spend over 6% of GDP on military and defense spending. At the same time, Moscow is forecasting a shrinking deficit based on an anticipated rise in revenue this year. According to the Carnegie Endowment, the 2024 budget is based on the assumption that revenue will climb by over a third to over ₽35tln ($378bln), of which ₽11.5tln ($124bln) is expected to come from the oil and gas sector.
- **While OPEC is sitting on over 2 mb/d of spare capacity, we do not think the producer group would rush in to cool the rally and ramp up output given what transpired in the months immediately following the Russian invasion of Ukraine.** Washington made unprecedented interventions in the market by releasing 180 mb from the SPR after the IEA and other market participants warned of a multimillion b/d Russian disruption that never materialized. Certainly, we do not see any indications that the recent run up in prices due to the heightened Russian infrastructure risk will prompt any policy reversal at next week's Joint Ministerial Monitoring Committee Meeting. Any serious shift will likely have to wait until the June 1 Ministerial Meeting, and even then, we believe the group will be very judicious when it comes to unwinding any cuts.
- **Complicating the challenge for the White House is the lack of progress in resolving the six-month Middle East war.** The Houthis continue to attack ships in the Red Sea, claiming six attacks on Tuesday, while Houthi officials this week have renewed threats against Saudi Arabia over providing support and airspace access to US jets conducting strikes in Yemen. In addition, the continuing exchange of fire between Hezbollah and Israel – with Hezbollah launching "dozens" of rockets in response to deadly Israeli strikes in southern Lebanon yesterday – still represents a serious contagion risk.
- **Hence, it is our view that Washington may once again have to resort to policy tools such as the SPR if these twin conflicts continue to imperil global energy supplies. Certainly, this raises a campaign risk for President Biden, as his opponents will likely accuse him of endangering energy security by tapping further into the strategic reserve. However, if President Biden cannot find a way to ameliorate the risk from these conflicts, the White House may decide that SPR releases are more politically palatable than retail gasoline prices north of $4/gallon for the summer driving season.**

Continue Reading

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06/04/2024 08:28:08 [BN] Bloomberg News

# Russia Cuts Oil Exports After Pledging Redress for Excess Output

## Shipments are down by about 400,000 barrels a day over the past month

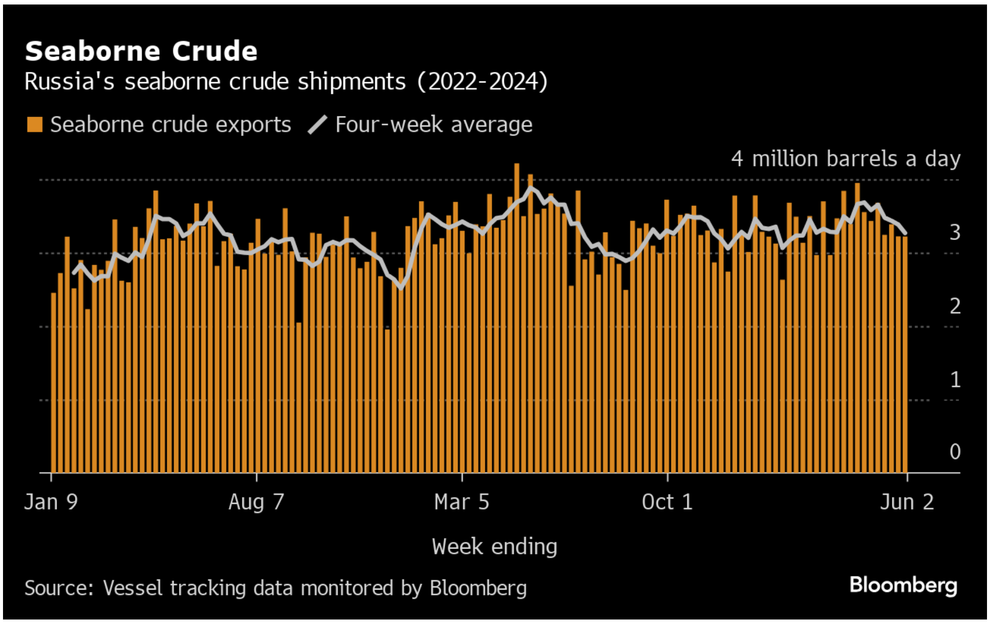
By Julian Lee

(Bloomberg) -- Russia's four-week average crude exports fell for a fourth week, with shipments hitting the lowest level since mid-February before a meeting of the OPEC+ producer group that was held on Sunday.

Russia had pledged to compensate for overproduction against its April output target, which it blamed on the "technicalities" of making significant output cuts. Falling crude exports may indicate that Moscow is following through on its promise, though production and exports are not perfectly correlated.

Exports in April were about 120,000 barrels a day above a target set for that month, but flows in May fell about 170,000 below a separate, less restrictive, goal. From this month, Russia no longer has an export target after it came into line with its OPEC+ colleagues and replaced a complicated combination of production and exports ceilings with simplified output-only limits that are preferred by the group.

Though weekly export volumes were stable, a small gain in prices saw the gross value of Russia's shipments edge higher in the seven days to June 2.




The Kremlin continues to test US-led restrictions on its oil shipments.

Russia is developing closer relationships in the Middle East, most recently adding Oman to its growing list of partners in the region. Moscow already co-chairs a key committee of the OPEC+ group of oil producers with Saudi Arabia, while much of the trading of Russian oil moved to the United Arab Emirates after being shut out of Europe following Moscow's 2022 invasion of Ukraine.

With ship-to-ship transfers off Greece hampered by naval exercises in the bay favored for such activities, switches are taking place elsewhere, with several cargoes moved from one vessel to another off the coast of Oman and, more recently, near Morocco.

Separately, two sanctioned Russian tankers have loaded cargoes of crude at Novorossiysk in recent weeks. The Bratsk, until recently named the NS Burgas, took on about 1 million barrels of Urals crude on May 23 and is now headed through the Red Sea, bound for Singapore. The first sanctioned vessel to load, the SCF Primorye, disappeared for about two weeks from AIS tracking east of Singapore, a popular location for hidden ship-to-ship oil transfers.

If the cargoes ultimately end up being delivered to oil refineries, it could pave the way for other sanctioned tankers owned by state-controlled Sovcomflot PJSC to return to work. The company has renamed and reflagged at least 10 of its 21 ships that were listed by the US Treasury Department for breaching a G7-led price cap on Russian oil.

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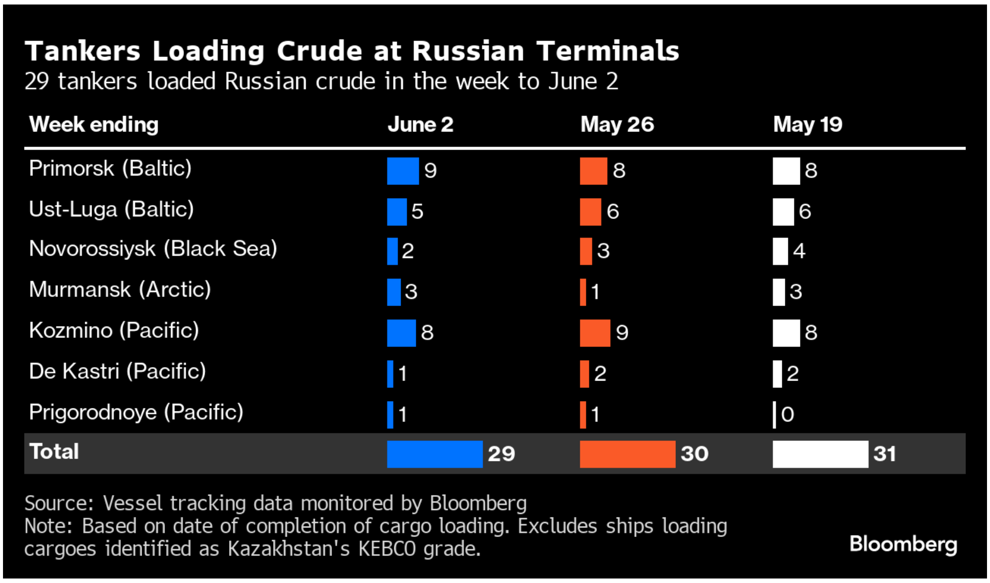
## Crude Shipments

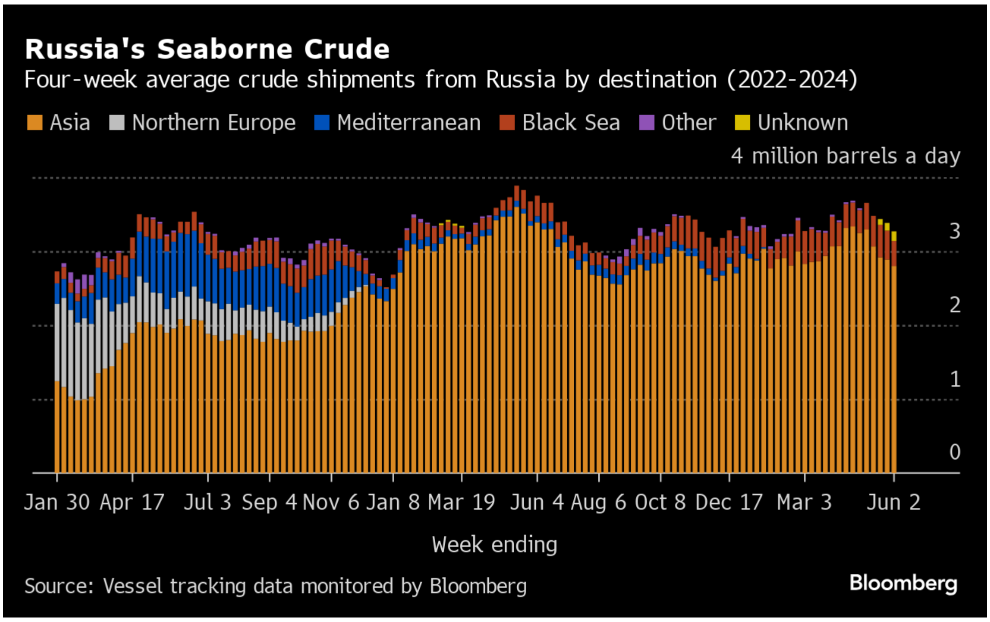
A total of 29 tankers loaded 22.53 million barrels of Russian crude in the week to June 2, vessel-tracking data and port agent reports show. That was virtually unchanged from 22.54 million barrels the previous week.




Russia's seaborne crude flows in the week to June 2 were steady at 3.22 million barrels a day. The less volatile four-week average fell, down by about 115,000 barrels a day to 3.27 million, for the fourth straight decline.

Fewer shipments from the Black Sea port of Novorossiysk and the Pacific ports of Kozmino and De Kastri were partly offset by two more departures from the Arctic terminals at Murmansk.

Crude shipments so far this year are running about 5,000 barrels a day above the average for 2023.




**Russia's Seaborne Crude**

Four-week average crude shipments from Russia by destination (2022-2024)

Source: Vessel tracking data monitored by Bloomberg

Russia told OPEC+ that it would cut crude exports during May by 71,000 barrels a day from their average May-June level. Weekly shipments were about 290,000 barrels a day below the target, while the four-week average was about 245,000 barrels a day below. Seaborne shipments in the first three months of the year exceeded Russia's target level for that period by just 16,000 barrels a day, while April flows were about 120,000 barrels a day above that month's target. Russia has no oil export targets beyond the end of May.

OPEC+ oil ministers met on June 2 and agreed to stretch most output targets to the end of 2025. The group decided to extend the second round of voluntary reductions, to which Russia eventually contributed 471,000 barrels a day, only until the end of September. After that, they will be relaxed over the following 12 months, as long as market conditions allow.

**Crude Shipments**

Russian crude shipments in million barrels a day

| | To June 2 | To May 26 |
|---|---|---|
| Weekly shipments | 3.219 | 3.220 |
| Four-week average shipments | 3.267 | 3.382 |
| May-June 2023 average shipments | 3.583 | 3.583 |
| May target to meet OPEC+ commitment | 3.512 | 3.512 |
| Weekly shipments versus OPEC+ target | -0.293 | -0.292 |
| **Four-week shipments versus OPEC+ target** | **-0.245** | **-0.131** |

Source: Vessel tracking data compiled by Bloomberg
Note: Positive numbers in the last two rows reflect exports above target. For the calculation in the final row, the four-week average target is the figure for May.

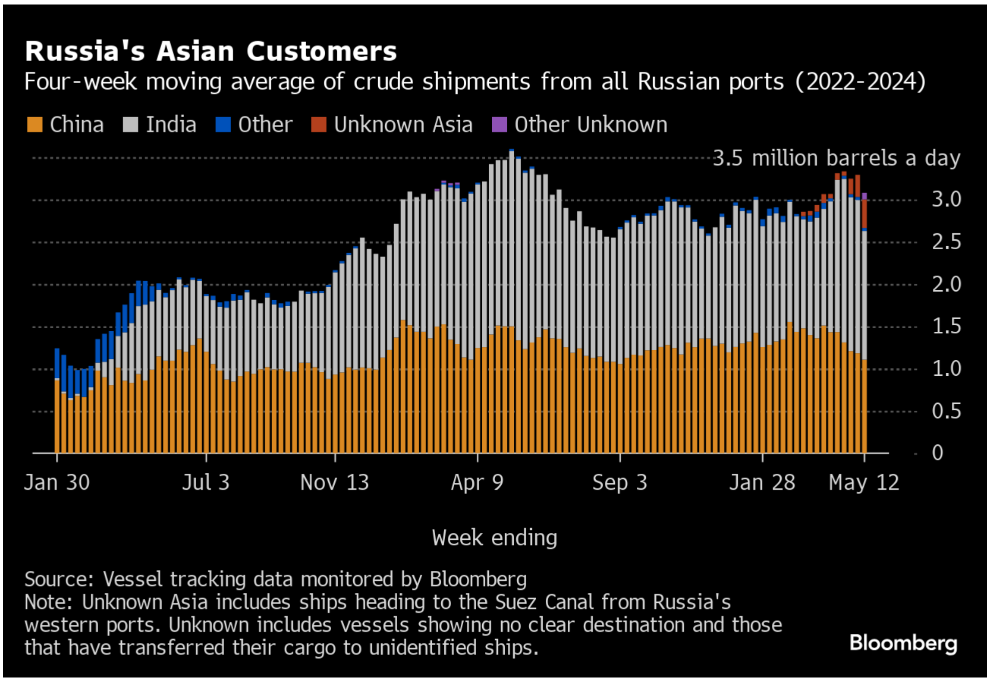
Bloomberg

Three cargoes of Kazakhstan's KEBCO were loaded at Novorossiysk during the week.

## Flows by Destination

- **Asia**

Observed shipments to Russia's Asian customers, including those showing no final destination, fell to an eleven-week low of 2.93 million barrels a day in the four weeks to June 2, from 2.99 million in the four-week period to May 26.




About 1.09 million barrels a day of crude was loaded onto tankers heading to China. The Asian nation's seaborne imports are boosted by about 800,000 barrels a day of crude delivered from Russia by pipeline, either directly, or via Kazakhstan.

Flows on ships signaling destinations in India averaged about 1.53 million barrels a day.

Both the Chinese and Indian figures are likely to rise as the discharge ports become clear for vessels that are not currently showing final destinations.

The equivalent of about 180,000 barrels a day was on vessels signaling Port Said or Suez in Egypt. Those voyages typically end at ports in India or China and show up as "Unknown Asia" until a final destination becomes apparent.

The "Other Unknown" volumes, running at about 130,000 barrels a day in the four weeks to June 2, are those on tankers showing no clear destination. Most originate from Russia's western ports and go on to transit the Suez Canal, but some could end up in Turkey. Others may be moved from one vessel to another, with most such transfers now taking place in the Mediterranean, or more recently off Morocco.

Russia's oil flows continue to be complicated by the Greek navy carrying out exercises in an area that's become synonymous with the transfer of the nation's crude. The activities, which briefly halted on May 19, resumed and ran until June 3.

**Crude Shipments to Asia**
Shipments of Russian crude to Asian buyers in million barrels a day

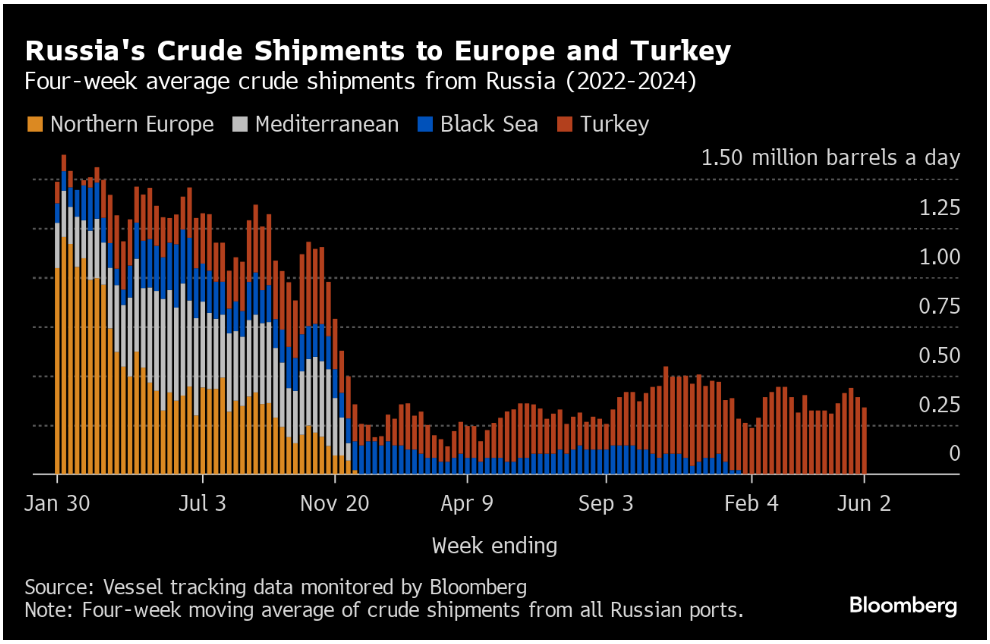
| 4 weeks ending | China | India | Other | Unknown Asia | Other Unknown | Total |
|---|---|---|---|---|---|---|
| April 28, 2024 | 1.23 | 1.98 | 0.04 | 0.00 | 0.00 | 3.25 |
| May 5, 2024 | 1.25 | 2.01 | 0.04 | 0.00 | 0.00 | 3.29 |
| May 12, 2024 | 1.17 | 1.83 | 0.04 | 0.03 | 0.00 | 3.06 |
| May 19, 2024 | 1.24 | 1.60 | 0.00 | 0.08 | 0.08 | 3.00 |
| May 26, 2024 | 1.24 | 1.52 | 0.00 | 0.13 | 0.10 | 2.99 |
| June 2, 2024 | 1.09 | 1.53 | 0.00 | 0.18 | 0.13 | 2.93 |

Source: Vessel tracking data compiled by Bloomberg
Bloomberg

- ## Europe and Turkey

Russia's seaborne crude exports to European countries have ceased, with flows to Bulgaria halted at the end of last year. Moscow also lost about 500,000 barrels a day of pipeline exports to Poland and Germany at the start of 2023, when those countries stopped purchases.

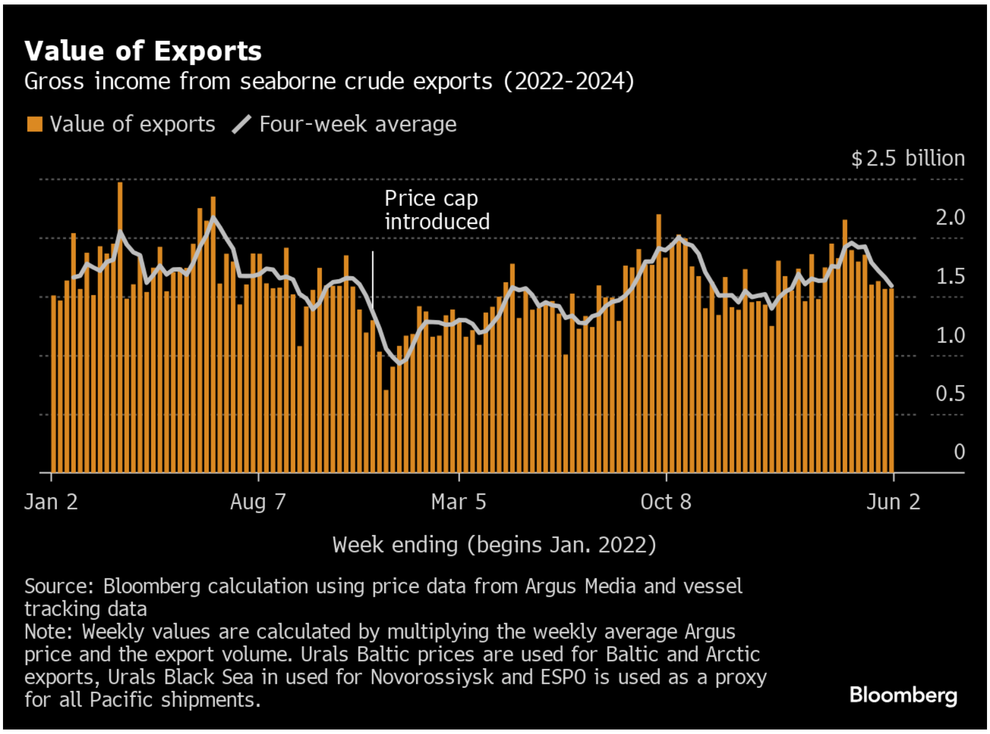
Turkey is now the only short-haul market for shipments from Russia's western ports, with flows in the 28 days to June 2 slipping to about 340,000 barrels a day.



## Export Value

The gross value of Russia's crude exports edged higher to $1.57 billion in the seven days to June 2 from about $1.56 billion in the period to May 26, aided by a small increase in prices. In contrast, four-week average income was down, dropping by about $72 million to $1.59 billion a week, the lowest it's been since February. The four-week average peak of $2.17 billion a week was reached in the period to June 19, 2022.

During the first four weeks after the Group of Seven nations' price cap on Russian crude exports came into effect in early December 2022, the value of seaborne flows fell to a low of $930 million a week, but soon recovered.




## NOTES

This story forms part of a weekly series tracking shipments of crude from Russian export terminals and the gross value of those flows. The next update will be on Tuesday, June 11 .

All figures exclude cargoes identified as Kazakhstan's KEBCO grade. Those are shipments made by KazTransoil JSC that transit Russia for export through Novorossiysk and Ust-Luga and are not subject to European Union sanctions or a price cap. The Kazakh barrels are blended with crude of Russian origin to create a uniform export stream. Since Russia's invasion of Ukraine, Kazakhstan has rebranded its cargoes to distinguish them from those shipped by Russian companies.

Vessel-tracking data are cross-checked against port agent reports as well as flows and ship movements reported by other information providers including Kpler and Vortexa Ltd.

If you are reading this story on the Bloomberg terminal, click here for a link to a PDF file of four–week average flows from Russia to key destinations.

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––With assistance from Sherry Su.

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# Post Card from Riyadh: Reflections on the Taper Tantrum

## Analysis from Riyadh on Market Reactions to OPEC's Tapering Announcement

**June 4, 2024**

**RBC Capital Markets, LLC**
**Helima Croft** (Head of Global Commodity Strategy and MENA Research) (212) 618-7798; helima.croft@rbccm.com

- **Brent remains under pressure as a corner of the market continues to view OPEC's proposed taper timeline for the voluntary cuts as a binding commitment to increase by 500 kb/d in 4Q'24 irrespective of the fundamental oil outlook or sentiment come summer's end.** Certainly, any indication of more OPEC barrels on the market was bound to be seized on by those waiting with bated breath for the producer group to throw in the towel and party like it is 2015. The abundant supply picture at present undoubtedly is generating queasiness even from those not in the perennial OPEC-skeptic camp.
- **Our conversations over the weekend, on the other hand, have led us to conclude that the group's most consequential producer will hit the kill switch on a Q4 increase in the event of an oversupply/poor sentiment situation come September. The intention has always been to slow roll the barrels back in and not to send the market into a tailspin with a supply surge.**
- **Sunday's OPEC statement was the result of an intense and protracted round of energy diplomacy.** The proposed voluntary cut taper schedule in turn seems to have been part of a compromise to conclude an 18-month agreement that would include the extension of the May 2023 group cut until the end of December 2025. As we wrote over the weekend, the only thing that appears set in stone is that the UAE will receive its official 300 kb/d increase next year in order to ensure that the country's quota relative to spare capacity achieves parity with Saudi Arabia's current capacity utilization.
- **Since July 2021, there have been market concerns about the UAE's commitment to staying in the group.** Key individuals in Abu Dhabi have previously signaled their desire to monetize their investments in increasing their spare capacity and to provide the barrels necessary to ensure the success of their Murban benchmark. There has also been background noise about a brewing rivalry between the traditional Gulf allies as Riyadh emerged as an ascendant challenger for the commercial capital of the region crown.
- **And yet, as of late we have seen a closing of the ranks in the region and public displays of unity by the Gulf leaders as they seek to navigate a fraught security landscape.** We see this quota adjustment in keeping with these broader cohesion

dynamics and designed to settle the UAE OPEC commitment question for the next 18 months. Again, while the taper timeline language may have been the necessary price for securing broader buy-in for a deal running through end of December 2025, it is not hardwired like the official UAE increase.

- **The OPEC leadership remains very serious about having a rigorous examination of market conditions at the August JMMC meeting**. Officials noted that the meeting can be turned into a full OPEC ministerial with the authority to make additional supply adjustments and certainly to pause taper plans at a minimum. Since Saudi Arabia will be providing the lion's share of the new barrels, it will not be bound by Sunday's supply schedule if it is not in their national interest. Proceeding with Vision 2030 appears non-negotiable. With oil prices alone insufficient to fund the entirety of the ambitious infrastructure buildout, Riyadh has tapped debt markets and pushed out the implementation timelines for some projects to make the overall Vision 2030 math work. The follow-on Aramco IPO and the decision to forgo the 1 mb/d spare capacity increase can also be viewed as part of the effort to bolster balance sheets. But just because Saudi Arabia is spending with a calculator does not in any way mean that it is oil price agnostic or that there is increasing nostalgia for 2015 or March 2020.
- **We do wonder whether there will be an OPEC rethink about broadcasting the post-meeting press/analyst briefings again**. We see something of a divergence in the post-meeting analysis about the rigidity of the taper timeline between those accredited analysts and journalists that participated in the Sunday question and answer session and those that based their instant assessments almost exclusively on the written OPEC statement. In the absence of OPEC TV, the written statement may be serving as something of a Rorschach test for how one views the efficacy of the producer group.

**Continue Reading**

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https://www.aramco.com/en/news-media/news/2024/saudi-aramco-announces-breakdown-of-shareholding-post-allocation

# Saudi Aramco announces breakdown of shareholding post-allocation

NEWS|DHAHRAN|JUNE 09, 2024

Financial

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- Pursuant to the final allocation of the fully marketed offering of 1.545 billion shares (the “Offering”), in which the majority of the shares constituting the institutional tranche of the Offering was allocated to investors located outside of the Kingdom, as of 9 June 2024, the public shareholders of Saudi Arabian Oil Company (Saudi Aramco) (the “Company”) are comprised of: (i) international institutional investors (approximately 0.73% of issued shares), (ii) domestic institutional investors (approximately 0.89% of issued shares) and (iii) retail investors (approximately 0.76% of issued shares). Other shareholdings, including the Government of the Kingdom of Saudi Arabia (the “Government”), comprise approximately 97.62% of issued shares.
- International and domestic institutional investors consist of institutions that have purchased shares in the Company through its initial public offering (the “IPO”), the Offering and/or through open market purchases since the IPO.
- Retail investors consist of individual investors, including high net worth individuals (excluding executives, directors and any other individuals who would typically be considered as insiders), who have purchased shares in the Company through the IPO, the Offering and/or through open market purchases since the IPO.
- Other shareholdings include (i) shares owned by the Government, (ii) shares acquired by or transferred to Government-owned entities, subsidiaries and affiliates from the Government (not through the IPO, the Offering and/or through open market purchases), (iii) executives, directors and any other individuals who

would typically be considered as insiders and (iv) 163,758,663 shares held in treasury.

https://www.saba.ye/en/news3337723.htm

Revolutionary leader announces joint military operations of Yemeni armed forces, Iraqi resistance against Zionist Occupation

## Revolutionary leader announces joint military operations of Yemeni armed forces, Iraqi resistance against Zionist Occupation

[06/June/2024]

SANA'A, June 6. 2024 (Saba) - Sayyed Abdulmalik Badr al-Din al-Houthi, the leader of the revolution, disclosed on Thursday the commencement of joint military operations between the Yemeni armed forces and the Islamic resistance in Iraq. These operations, initiated at dawn Thursday, culminated in a significant maneuver towards the port of Haifa on the Mediterranean Sea.

In his address, focusing on the latest Zionist aggression in Gaza and regional developments, the revolutionary leader underscored the strategic significance of these joint endeavors. He hailed them as a bold escalation against the American-British-Zionist coalition.

Praising the Islamic resistance in Iraq, al-Houthi emphasized that these coordinated efforts exemplify the collaboration between Muslim brethren, united in their jihad for the sake of Allah. He predicted that the joint operations with the Iraqi resistance would profoundly impact the enemy, marking the fourth stage of escalation against the American-British-Zionist alliance.

Reiterating unwavering support for the Palestinian cause, the leader denounced attempts by the enemy to coerce or sow confusion among the Yemeni people. Despite relentless pressure across media, political, and economic fronts, he affirmed the steadfastness of Yemenis, rooted in their values, faith, and commitment to justice.

"Our people, guided by values, faith, and dignity, will not waver," he declared. "Our stance is inseparable from our religion, honor, and humanity. We are resolute in our conviction of divine victory."

Highlighting Yemen's continuous enhancement of military capabilities, he cited the "Palestine" missile as testament to this progress. Al-Houthi regarded the joint operations with the Iraqi resistance as a natural evolution and vowed to meet escalation with confidence, steadfastness, and trust in the divine.

Al-Houthi urged the Yemeni people to gather tomorrow, Friday, in designated squares across the capital Sana'a and other regions, as per established arrangements, to continue showing solidarity with the Palestinian people and their cause.

He highlighted the recent activities of the Yemeni armed forces in the ongoing "promised conquest and holy jihad" campaign, part of the fourth stage of escalation. Eleven operations were conducted in the Red Sea, Arabian Sea, Indian Ocean, and towards Umm al-Rashrash in southern Occupied Palestinian territories, utilizing 36 ballistic missiles, drones, and winged aircraft.

Al-Houthi discussed the significant developments, including the launch of the "Palestine" missile system, tailored to meet the technical and range requirements of the fourth stage. He emphasized the impact of the "Palestine" missile on enemies, particularly its effectiveness against interception attempts involving multiple cooperating nations. This week's operations targeted eight ships associated with the United States, breaching the ban on entry to Occupied Palestinian ports.

Among the noteworthy operations was the targeting of the US aircraft carrier "Eisenhower" twice in the northern Red Sea within 24 hours, employing seven winged missiles and four drones.

"After being targeted twice, the Eisenhower aircraft carrier retreated towards the northern Red Sea out of fear of further attacks by our armed forces," he stated. "During the targeting, the Eisenhower was positioned 400 kilometers from Yemen's coast and later moved approximately 880 kilometers northwest of Jeddah."

Al-Houthi affirmed the success of the operation against the "Eisenhower," causing it to alter its route and suspend air traffic for two days. He noted that successful targeting prompts US warships to alter course, demonstrating the effectiveness of monitoring technologies.

Despite US attempts to deny the targeting of the "Eisenhower," al-Houthi interpreted such actions as indicative of their embarrassment and acknowledgment of defeat, tarnishing their prestige.

Revolution leader reveals launching joint operations of Yemeni armed forces and Iraqi resistance against Zionist enemy

SANA'A June 06. 2024 (Saba) - The leader of the revolution Sayyed Abdulmalik al-Houthi on Thursday revealed the launch of the Yemeni armed forces at dawn today for joint operations with the Islamic resistance in Iraq by carrying out an important operation towards the port of Haifa on the Mediterranean Sea.

The leader of the revolution, in a speech this afternoon on the latest developments of the Zionist aggression on Gaza and regional developments, considered the course of joint operations with the Islamic resistance in Iraq to be strategically important and escalating against the American-British-Zionist enemy.

He paid tribute to the Islamic resistance in Iraq, noting that the joint operations will provide a model for cooperation between the Sons of Islam and their joint operations within the framework of jihad for the sake of Allah.

He pointed out that the joint operations with the Iraqi resistance will have a great impact on the enemies within the framework of the fourth stage of escalation against the American-British-Zionist enemy.

The leader of the revolution reiterated that the Yemeni people are steadfast in their position of supporting the Palestinian people and their Just Cause despite the attempts of the enemies to pressure them to retreat or confuse, especially as they are working in various directions and at the media, political and economic levels, but things are clear and obvious, the aim of which is to pressure the Yemeni people to retreat from their honorable and great position.

"The Yemeni people with their values, faith in Allah, conscience, human conscience, values, morality, tribe, honor, freedom and paternity will not back down from their position, and we will stand firm on our position because it is fundamental and a close part of our religion, faith, dignity, freedom, humanity and we are confident in the victory of Allah Almighty,"he said.

He stressed that the Yemeni people are constantly developing their military capabilities, and the "Palestine" missile is a witness to this and the consequences of the joint operations between the Yemeni armed forces and the Islamic resistance in Iraq, is an evolutionary path and escalation, and we will meet escalation with escalation with confidence, steadfastness and trust in God.

He emphasized the American's determination to uphold its influence and prestige across the region, noting the impact of Yemeni armed forces operations on this influence. He underscored that the American aircraft carrier "Eisenhower" will remain a prime target for the Armed Forces whenever the opportunity arises.

The revolutionary leader reiterated that regardless of American attempts to deny targeting operations, the truth will inevitably come to light, and forthcoming strikes will be even more potent. He highlighted that during the month of Dhu al-Qa'da, a Hejri month,, Yemeni armed forces conducted 38 operations spanning the Red Sea, Arabian Sea, Indian Ocean, and extending towards the Mediterranean Sea and southern Occupied Palestine, utilizing 91 ballistic missiles, drones, and winged aircraft.

"Today marks exactly the fifth month since the commencement of American and British aggression against our nation in support of the Zionist enemy and its crimes of genocide and blockade against the Palestinian people in Gaza," he declared.

He condemned the American and British efforts to safeguard Zionist interests at sea and enable the continuation of genocidal crimes, citing 17 raids and naval bombardments during the past week alone, resulting in 15 martyrs and 43 wounded.

Since the beginning of Rajab month, a Hejri month, until now, there have been 487 air and naval bombardments by the American and British forces on Yemen, resulting in 55 martyrs and 78 wounded in the "promised conquest and holy jihad" battle.

"The American and British aggression, despite its toll of martyrs and wounded, will never sway our steadfast, principled, religious, and moral stance towards Palestine," he affirmed.

We will never back down from our position in support of Gaza, no matter the size of the American and British escalation on our country militarily or conspiracies in other fields, including the economic field,"the leader of the revolution said.

Al-Houthi also stressed that the American aggression is also trying to exert extreme pressure through aggression on Yemen through pressure in the economic field, and not only to exert pressure on the United Nations to stop humanitarian assistance that was in the interest of the poor, hungry and miserable people of Yemen, as a result of the ongoing aggression on our country for years.

"The American is trying through its agents to exert more pressure on the living and economic situation on our dear Yemeni people, but no matter what the enemies' plots are, we, With God's help, will seek to counter them with our trust in God and our trust in God and our dependence on him,"he added.

"We have our options and positions, we have papers pressing on the enemies and we will finally do what we need to do,"he said.. He warned all those who the Americans are trying to implicate and recruit them to serve the Zionist enemy entity not to get involved in this.

"We advise and warn all those whom the Americans are trying to recruit to serve the Israeli enemy not to get involved in this, it is a great loss for any Arab regime and any party to involve itself in a very big problem to serve the Zionist enemy,"the leader of the revolution said.

"Any steps against our people will be considered aggression in order to serve the Zionist enemy and will be met with a reaction from our side, and we will not stand idly by and not shackled in front of targeting our people at the economic or military levels,"he added.

He went on to say, "the loser is the one who loses in the service and support of the Israeli enemy and in the support of the devil's Guardians," stressing that the Yemeni people are steadfast in their position because their starting point is faith in Allah Almighty and his promise of victory, especially since he touched from the beginning of his position the help of Allah and his support and the great effectiveness in the operations of the Armed Forces.

The leader of the revolution touched upon the obvious economic effects of the operations of the Yemeni armed forces on the Zionist, American and British enemy, adding, "Our position in supporting Gaza is a jihadist principle and we trust in Allah Almighty and rest assured of his sincere promise that does not change and does not lag behind".

He pointed out that the Yemeni people have the willingness to sacrifice and endure suffering no matter what in the framework of the position in support of Gaza, because it is an honorable position.. He pointed out that"our position in the victory of Gaza is a pride for our dear people and will be immortalized for future generations of its children, which is a great honor in front of the whole world".

"Our dear people, in their victory for Gaza, presented the high model of loyalty to Islam, as well as to humanity in its true sense," he said, pointing out that one of the great positions was when the Yemeni people marched last Friday after hours of the American and British aggression.

Al-Houthi commented on the popular pro-Gaza activities that exceeded 570 thousand between a demonstration, a pause, an evening and an event, stressing that the very large presence of the Yemeni people in support of Gaza expresses faith, awareness, a high sense of responsibility and a living human conscience.

He pointed out that the mobilization forces amounted to 352 thousand and 35 trainees, which is a very important path included in the preparation of the force to confront the enemies, while the activities of maneuvers, military marches and demonstrations amounted to one thousand and 885 activities, which is a very important and very active path.

Al-Houthi said that the aggressor Zionists are continuing their aggression and the war of genocide against the Palestinian people in the Gaza Strip for the 244th day in a row, indicating that this week the Zionist killing machine has killed nearly two thousand and 100 martyrs and wounded in Gaza, most of them women and children.

The leader of the revolution pointed out that in addition to what the Zionist enemy is committing in Gaza and the West Bank, it continues to target al-Qus at the level of settlement activity to occupy it, pointing out that yesterday Wednesday was the anniversary of the so-called setback, the day when the enemy entity occupied Al-Aqsa and the rest of the West Bank.

"On the day of the setback, the Zionist enemy declared war on four Arab countries, Palestine, Jordan, Egypt and Syria, and within six days it took control of about 70 square kilometers of Arab land, an area equal to more than three times the area it occupied in 1948,"he said.

He reviewed the heinous massacres committed by the Zionist enemy in that aggression, in which thousands of Arabs were martyred, and the enemy displaced hundreds of thousands of Palestinians from their lands and nearly 100 thousand Syrians from the occupied Golan Heights.

Al-Houthi pointed out that the Arabs gathered after that setback in Sudan at the official level to declare what they called the "three no's", no reconciliation, no negotiation, no recognition, expressing regret that there is nothing left of those no's until now, even the Sudanese regime abandoned those no's.

"When we compare what happened then in six days and what is happening today over eight months in the Gaza Strip, we see that the enemy could not achieve any actual victory in the Strip, starting from the intifada in 1988 to the humiliating exit of the enemy from Lebanon in 2000 to the 2006 war, the sword of al-Quds and other battles, the enemy was forced to break and return humiliated,"he added.

Sayyed Abdulmalik Badr al-Din al-Houthi considered the setback of the 67th a real example of the enemy's ambitions in the Arab lands, which he did not retreat from only by force of arms and resistance, pointing out that the enemy himself does not want to settle at certain borders, nor barriers.

He deplored the continued American role as a partner in every Zionist crime against the Palestinian people, stressing that the Americans are trying not to have any voice inside the United States against the American policy that adopts, supports and participates in the Zionist position.

He said that the American, who was demonstrating in his addresses and slogans that he respects the judiciary, is deciding sanctions against the International Criminal Court and its officials and judges.

He stressed that the American is trying to confront any role that pressures the Zionist enemy or supports the Palestinian people at the legal, judicial, political, media or other levels, and continues to suppress the student movement and confront student activity in American universities that supports the Palestinian people.

The leader of the revolution pointed out that the return of students at Columbia University to set up their tents this week has an important symbolism of continuity despite the oppression, explaining that the American launched an initiative to support the Zionist enemy on the political side, and made it in a way that serves the usurping enemy entity.

He said, "The American support initiative for the Zionist enemy is far from what any initiative should achieve objective and fair conditions. This initiative does not achieve an end to the aggression against Gaza, nor the withdrawal of the enemy entity from it, nor the introduction of aid into all parts of the Gaza Strip."

He stressed that the American initiative is far from making a complete and comprehensive exchange deal. Its goal is to provide cover and additional political support to the Israeli enemy in the face of American embarrassment and isolation before the rest of the world. He pointed out that the American initiative provides cover for the continuation of genocide crimes and the continuation of the siege, which is intensifying day after day.

He continued the fighters on all fronts of the fighting in the Gaza Strip continue their steadfastness and confrontation of the Israeli enemy with steadfastness and valor. Resistance operations in Gaza are continuing, qualitative and successful, and the Zionist enemy has suffered losses at all levels."

Sayyed Abdulmalik Badr al-Din al-Houthi stopped at the support fronts, starting with the Hezbollah front in southern Lebanon towards northern occupied Palestine, which is on the rise on both the quantitative and qualitative levels.

He stressed that the Lebanon Front is active and influential on the Zionist enemy and targets Zionist officers and soldiers, their military equipment, and the sites of occupied by the enemy in northern Palestine, which were widely affected by fires, with nearly fifty places where fires broke out, pointing out that the Zionist enemy now clearly and frankly acknowledges the extent of the effectiveness and impact of Hezbollah's operations.

The leader of the revolution reviewed the effectiveness of the Islamic Resistance Front in Iraq, which announced the implementation of several operations during the current week, including those towards the Palestinian Umm al-Rashrash, and others towards the coast of the Dead Sea and Haifa.
H.H

https://www.rudaw.net/english/middleeast/iraq/080620241

# Baghdad tells oil producers to share contracts before meeting

**9 hours ago**

**Karwan Faidhi Dri @KarwanFaidhiDri**

- ERBIL, Kurdistan Region - The Iraqi government has informed international oil companies (IOCs) operating in the Kurdistan Region that they must disclose their contracts with Erbil in order to attend Sunday's much-anticipated meeting in Baghdad about resuming Kurdish oil exports, a source told Rudaw on Friday. The ultimatum could put the talks in jeopardy.

  Iraq's ministry of oil "has made it a precondition that IOCs must provide a copy of our PSCs [production sharing contracts] in order for us to attend Sunday's meeting in Baghdad. This is illogical because the MOO [ministry of oil] filed cases against the very same contracts they are now requesting," a senior official from one of the oil companies working in the Kurdistan Region told Rudaw late Friday.

  "There is legal jeopardy for us to share our contract with existing court ruling against the same contracts in Baghdad," added the source, who spoke on the condition of anonymity due to the sensitivity of the subject.

  "They must withdraw the cases or give us legal guarantees and then we can share. Right now they have constructed a legal jeopardy for all the IOCs," the source said.

  The goal of the meeting on Sunday between the Iraqi and Kurdish governments and the oil producers was to resolve all obstacles that have prevented resuming exports of Kurdistan Region's oil since they were halted by a court order in March last year. A Paris-based arbitration court ruled in favor of Baghdad that Ankara had breached a 1973 pipeline agreement by allowing Erbil to begin independent oil exports in 2014.

  Despite numerous meetings between Erbil, Baghdad and Ankara, the oil exports have yet to resume. Iraq's oil ministry has blamed the IOCs for Erbil and Baghdad's failure to reach an agreement.

  Kamal Mohammed, acting minister of Kurdistan Regional Government's (KRG) natural resources ministry, said on Thursday that his ministry and the IOCs are meeting with the federal oil ministry on Sunday.

  "Delegations from the natural resources ministry and the oil companies will visit Baghdad. We expect the Region's oil exports to be resumed soon," he said.

  The federal oil ministry said late last month that it had invited the KRG's natural resources ministry and the IOCs for a meeting to be held "as soon as possible for the purpose of discussing the issue and reaching an agreement to accelerate the restart of production and resume the export of oil through the Turkish Ceyhan port and according to the quantities specified in the budget law."

In March, the ministry said that in accordance with the federal budget, the average cost for producing one barrel of oil is $6.90, while the IOCs operating in the Kurdistan Region are asking for three times that amount as well as repayment of billions of dollars of debts that are “unknown to the federal government.”

The oil companies said in March that the KRG owed them over $1 billion for September 2022 to March 2023. The piled up debts mainly come as many of the contracts with the IOCs signed in the early stages of the KRG’s independent oil sales were signed with prepayment schemes.

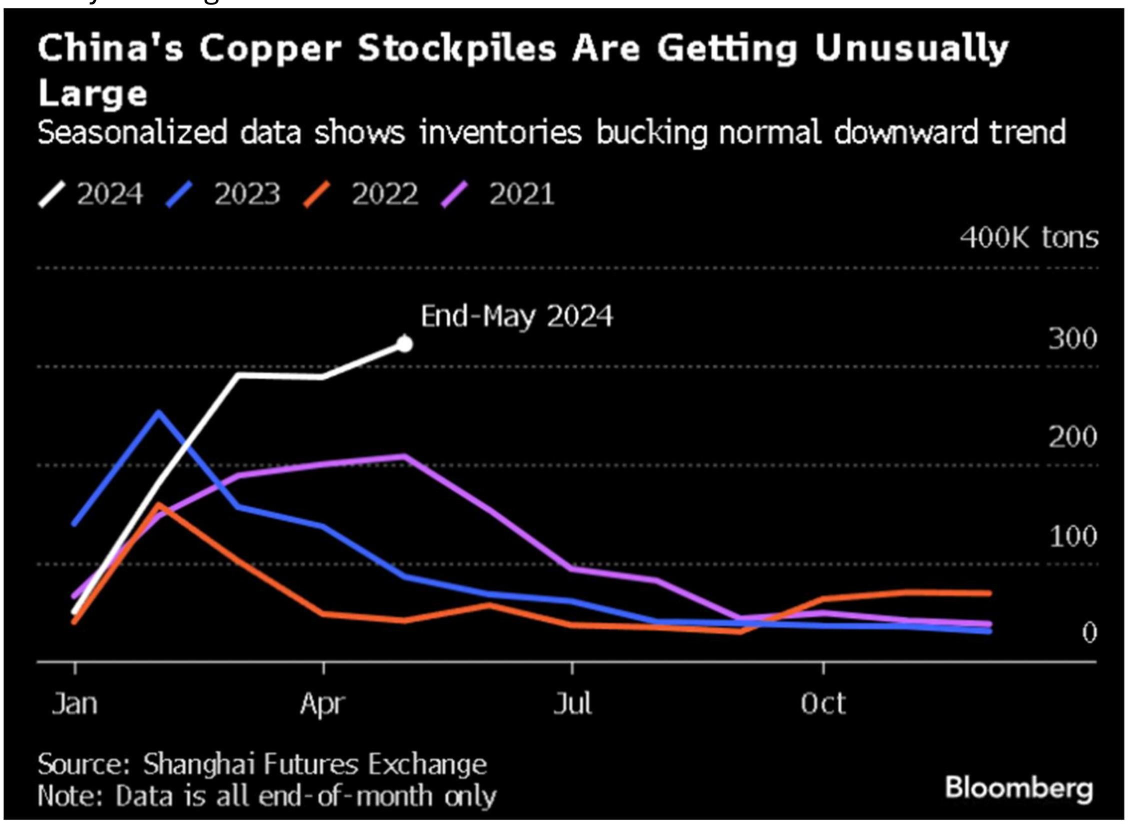
Mohammed said on Thursday that the oil companies operating in the Kurdistan Region “have invested large amounts of money in the Region’s oil fields and Baghdad should take this into consideration.”

“The main obstacle before the resumption of Kurdistan Region’s oil is that the Iraqi oil ministry says the production cost is too much. The reason behind that is that the companies invested in the oil sector. However, Iraq spends trillions of dinar annually in the oil sector. Therefore, the management of the oil sector in Iraq and the Kurdistan Region are different: the sector is general in Iraq while it is private in the Region,” he explained.

Rudaw English reached out to Myles Caggins, spokesperson for the Association of the Petroleum Industry of Kurdistan (APIKUR), an association of oil companies working in the Kurdistan Region, for comment but he was not immediately available.

*Omar Moradi contributed to this article.*

China’s Unusually Large Copper Stockpiles Fuel Demand Concerns
2024-06-05 03:02:04.202 GMT
By Bloomberg News
(Bloomberg) -- China’s copper inventories are growing at exactly the time of year when they should be shrinking fast — an anomaly that underscores concerns about demand in the world’s biggest market.
Stockpiles of the metal held in Shanghai Futures Exchange warehouses ended last week well above 300,000 tons. That’s not the biggest volume ever, but it is the most for any end-of-May date on record. In China’s highly seasonal economy, inventories typically peak in March and slide lower as factories ramp up activity heading into the summer.\




Recent data on Chinese manufacturing has painted a mixed picture. The official factory gauge for May slipped into contraction, while a private survey — more focused on smaller and export-oriented firms — showed a modest improvement.
The rise in China’s inventories reflects what some analysts see as a divergence between the global mood on copper, which hit a record above $11,000 a ton last month on fears of a looming shortage, and poor demand from Chinese processors of the metal.
Recent trading suggests that weak Chinese conditions, which revolve around a slowing economy and a protracted crisis in the housing sector, have begun to weigh more heavily on the market.
Prices on the London Metal Exchange are now below $10,000 — an unwinding of “excessive optimism,” according to Capital Economics Ltd.

There are plenty of other indications that Chinese demand is suffering. Buyers of imported copper are now able to demand a discount, rather than the typical surcharge, on international prices, with the the so-called Yangshan premium dropping to negative levels since last month.

# Caixin China General Manufacturing PMI®

## Business conditions improve with fastest output growth in nearly two years

Business conditions in the Chinese manufacturing sector improved at a more pronounced rate midway into the second quarter of 2024. Production growth accelerated amid rising new orders. This led to faster accumulation of backlogged work, while purchasing activity also rose. Firms were hesitant to hire additional workers, however, even as sentiment about the outlook improved.

Meanwhile input price inflation climbed to a seven-month high. Average selling prices were little changed whilst there was a renewal of export charge inflation in May.

The headline seasonally adjusted Purchasing Managers' Index™ (PMI®) – a composite indicator designed to provide a single-figure snapshot of operating conditions in the manufacturing economy – rose to 51.7 in May, up from 51.4 in April. This indicated a seventh successive monthly improvement in the health of the sector. Moreover, the rate of growth was the fastest in 23 months.

Manufacturing production rose at the fastest pace since June 2022, with firms in the consumer segment reporting especially sharp output growth in May. This was underpinned by higher new work inflows, as stronger demand, both domestically and abroad, supported by heightened interests in new products led to the latest rise in new orders, according to panellists. The rate of new order expansion slowed slightly from April, however.

Purchasing activity also increased in May as firms sought to acquire more inputs to fulfil ongoing production requirements and in anticipation of output growth. In turn, stocks of purchases rose with the intent for safety stock building.

In contrast, stocks of finished goods returned to contraction in May, though this was attributed to faster outbound shipments for the fulfilment of orders. Maintaining this theme, lead times for the delivery of inputs shortened for a third successive month.

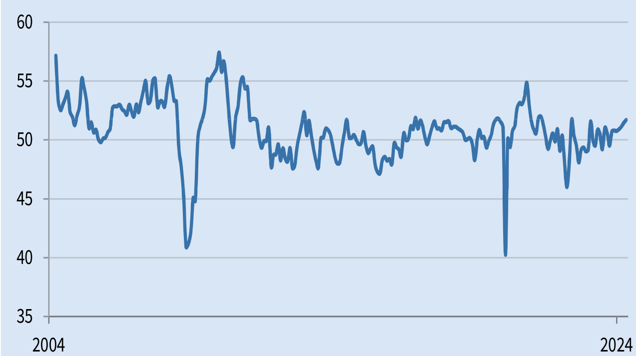
Backlogged work meanwhile accumulated for a third month in a row and at the quickest pace since September 2021 amid rising new work inflows. Firms remained hesitant to take on additional workers, however, as reflected by falling employment levels, albeit at a slower rate compared to April.

On the price front, average input costs continued to increase for Chinese manufacturers in May. Firms often mentioning rising metals, plastics and energy costs. The rate of input price inflation was the highest since last October, despite being modest. Average output prices were little changed in May. Whilst some firms were keen to share their rising cost burdens with clients, others continued to suppress charges to remain competitive. An increase in average export charges was also observed for the first time in three months.

Finally, sentiment among Chinese manufacturers remained positive in May with panellists expressing hopes that market demand can improve both locally and abroad to support higher production in the year ahead. The level of confidence also improved from April.

### China General Manufacturing PMI

sa, >50 = improvement since previous month




Sources: Caixin, S&P Global PMI

Key findings:

Production expands at most pronounced pace since June 2022

Fastest purchasing activity growth in three years as confidence improves

Input price inflation rises to seven-month high

### New Export Orders Index

sa, >50 = growth since previous month


Sources: Caixin, S&P Global PMI

### Employment Index

sa, >50 = growth since previous month


Sources: Caixin, S&P Global PMI

Commenting on the China General Manufacturing PMI® data, Dr. Wang Zhe, Senior Economist at Caixin Insight Group said:

*"The Caixin China General Manufacturing PMI came in at 51.7 in May, up 0.3 points from the previous month and logging a high not seen since June 2022. It also marked the fourth consecutive month of accelerated growth in the sector as the overall market continued to improve.*

*"Both supply and demand expanded amid the upturn. Growth in manufacturers' output reached a 23-month high in May, with particularly strong increases in consumption goods production. Total new orders registered the 10th straight month of growth, although demand for intermediate goods was relatively weak. New export orders grew for the fifth consecutive month, albeit at a slower pace.*

*"Employment continued to shrink. The sector's labor market remained in contraction for the ninth straight month. The corresponding gauge has only managed to reach into expansionary territory twice since March 2022 — in February and August 2023. The improvement in the sector's supply and demand was neither significant nor sustainable enough for businesses to expand their workforce. In addition, backlogs of work rose for the third straight month, reaching the highest in nearly three years.*

*"Price levels remained low. Input costs rose at the fastest pace in seven months, though the increase was modest. Some surveyed companies attributed higher input costs to the rising prices of industrial metals, plastics and crude oil. Sales prices continued to decline amid intense market competition. However, factory gate prices for intermediate goods ticked up.*

*"Supplier logistics continued to improve, with overall delivery times holding more or less steady compared with the levels seen in the previous two months. Manufacturers' inventories of purchased items increased as production and demand rose, keeping the corresponding gauge in positive territory for the fifth straight month. Meanwhile, the indicator for purchase quantities hit the highest since May 2021.*

*"Businesses grew more optimistic, with the corresponding indicator increasing slightly from the previous month. Surveyed companies had high expectations for improvements in domestic and foreign demand in the following year.*

*"Overall, in May, the manufacturing sector continued to improve, with supply, domestic demand and exports expanding. Logistics and transportation continued to function effectively. Purchase quantities and inventories of purchased items increased as businesses held on to a positive outlook. However, headwinds persisted, with price levels still low, particularly on the sales side. Employment continued to shrink as businesses remained cautious about hiring.*

*"Currently, China's economy is generally stable and remains on the road to recovery. This is especially evident from the expectation-beating growth in industrial production in April. The economy's performance is consistent with the Caixin manufacturing PMI, which has remained in expansionary territory for seven consecutive months. Nevertheless, pressure on employment and weaker demand than supply remain prominent issues. The root cause is overall weak expectations, which have stemmed from a variety of adverse internal and external factors over a long period.*

*"It will take time to find solutions to these accumulating problems. Policies aimed at stabilizing the economy, boosting domestic demand and increasing employment need to be strengthened and consistent."*

i_Cores

cores

# Importaciones de crudo por países

## Abril 2024

**Las importaciones de crudo a España aumentan en abril (+12,0% vs. abr-23)**

El crudo importado a España en abril se sitúa en 6.291 kt, aumentando las importaciones de crudo interanualmente en el mes (+12,0%) y en el acumulado anual (+9,4%), mientras disminuyen en el año móvil (-0,4%).

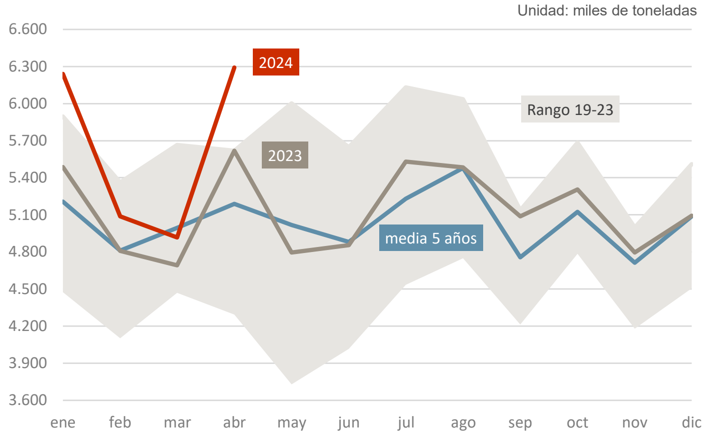
Este mes se importan 31 tipos de crudo originarios de 16 países.
Brasil (981 kt; 15,6% del total) se sitúa como principal suministrador de crudo a España en abril, con un aumento interanual del 185,9%. Le siguen Estados Unidos (974 kt; 15,5% del total), que aumenta sus entregas un 45,8% vs. abr-23, y México (634 kt; 10,1%) que las disminuye un 27,9%.

Las importaciones de crudo de los países miembros de la OPEP descienden en el mes un 4,1% vs. abr-23 y representan el 36,3% del total. Presentan aumentos interanuales las entradas de crudo de todos los países miembros a excepción de Venezuela (-51,1%) y Nigeria (-24,1%). Las entradas de crudo de los países No-OPEP aumentan en el mes (+23,8% vs. abr-23), y representan el 63,7% del total.

Por áreas geográficas, África (+23,8% vs. abr-23) es la principal zona de abastecimiento en el mes (32,2% del total). Le siguen América del Norte (-19,1% vs. abr-23; 25,6% del total), América Central y del Sur (+30,6%; 19,0%), Oriente Medio (+33,8%; 12,5%) y Europa y Euroasia (+37,3%; 10,7%).

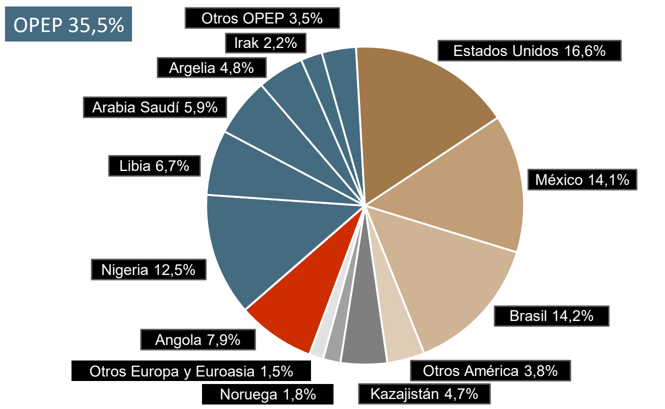
### Importaciones mensuales de crudo últimos 5 años

Unidad: miles de toneladas




Fuente: Cores

### Distribución importaciones de crudo Enero-Abril 2024




Fuente: Cores

Unidad: miles de toneladas

| | Abril 2024 | | | Acumulado anual | | Año móvil | | |
|---|---|---|---|---|---|---|---|---|
| | Importaciones | TV (%)* | Estructura (%) | Importaciones | TV (%)* | Importaciones | TV (%)* | Estructura (%) |
| Canadá | - | -100,0 | - | 443 | -52,3 | 2.425 | -19,8 | 3,8 |
| Estados Unidos | 974 | 45,8 | 15,5 | 3.742 | 68,3 | 10.229 | 57,0 | 16,1 |
| México | 634 | -27,9 | 10,1 | 3.173 | 16,6 | 7.488 | 7,3 | 11,8 |
| **Total América del Norte** | **1.608** | **-19,1** | **25,6** | **7.358** | **25,3** | **20.142** | **22,0** | **31,7** |
| Brasil | 981 | 185,9 | 15,6 | 3.195 | 58,2 | 7.812 | 31,9 | 12,3 |
| Colombia | - | -100,0 | - | - | -100,0 | 557 | -60,7 | 0,9 |
| Ecuador | - | - | - | - | -100,0 | - | -100,0 | - |
| Trinidad y Tobago | - | - | - | - | -100,0 | 51 | -88,3 | 0,1 |
| Venezuela | 77 | -51,1 | 1,2 | 360 | 39,5 | 1.493 | 51,6 | 2,4 |
| Otros América Central y del Sur | 140 | -48,4 | 2,2 | 421 | 3,1 | 687 | -37,8 | 1,1 |
| **Total América Central y del Sur** | **1.198** | **30,6** | **19,0** | **3.976** | **12,9** | **10.600** | **5,9** | **16,7** |
| Albania | 19 | -12,8 | 0,3 | 58 | -57,0 | 344 | -28,9 | 0,5 |
| Azerbaiyán | - | -100,0 | - | - | -100,0 | 623 | -74,0 | 1,0 |
| Italia | 59 | 97,9 | 0,9 | 269 | 132,8 | 517 | 9,5 | 0,8 |
| Kazajistán | 361 | 96,7 | 5,7 | 1.059 | -16,4 | 2.879 | -14,6 | 4,5 |
| Noruega | 234 | 149,1 | 3,7 | 400 | -41,9 | 990 | -23,9 | 1,6 |
| Reino Unido | - | -100,0 | - | - | -100,0 | 93 | -85,4 | 0,1 |
| **Total Europa y Euroasia** | **673** | **37,3** | **10,7** | **1.786** | **-46,2** | **5.446** | **-37,1** | **8,6** |
| Arabia Saudí | 444 | 46,1 | 7,1 | 1.339 | 2,2 | 4.138 | -7,7 | 6,5 |
| Emiratos Árabes Unidos | - | - | - | - | - | - | -100,0 | - |
| Irak | 345 | 20,6 | 5,5 | 493 | -56,1 | 2.480 | -51,4 | 3,9 |
| **Total Oriente Medio** | **789** | **33,8** | **12,5** | **1.832** | **-24,7** | **6.618** | **-33,2** | **10,4** |
| Angola | 606 | 50,8 | 9,6 | 1.783 | 66,1 | 4.875 | 50,2 | 7,7 |
| Argelia | 538 | 11,9 | 8,6 | 1.071 | -1,4 | 2.437 | -21,6 | 3,8 |
| Egipto | - | - | - | - | -100,0 | 78 | 19,7 | 0,1 |
| Gabón | - | - | - | 130 | - | 263 | 83,0 | 0,4 |
| Ghana | - | - | - | - | - | 131 | 1,1 | 0,2 |
| Guinea Ec. | 126 | - | 2,0 | 293 | 25,9 | 843 | 5,9 | 1,3 |
| Libia | 367 | 51,1 | 5,8 | 1.501 | 15,1 | 4.542 | 5,4 | 7,2 |
| Nigeria | 386 | -24,1 | 6,1 | 2.807 | 65,2 | 7.490 | 10,2 | 11,8 |
| Túnez | - | - | - | - | - | 23 | -65,8 | ^ |
| **Total Africa** | **2.024** | **23,8** | **32,2** | **7.585** | **38,9** | **20.681** | **10,8** | **32,6** |
| **Total** | **6.291** | **12,0** | **100,0** | **22.536** | **9,4** | **63.487** | **-0,4** | **100,0** |
| **OPEP** | **2.284** | **-4,1** | **36,3** | **7.994** | **-1,2** | **26.777** | **-8,6** | **42,2** |
| **No-OPEP** | **4.008** | **23,8** | **63,7** | **14.543** | **16,1** | **36.710** | **6,5** | **57,8** |
| **OCDE** | **1.901** | **-18,4** | **30,2** | **8.027** | **7,2** | **22.299** | **9,6** | **35,1** |
| **No-OCDE** | **4.391** | **33,4** | **69,8** | **14.509** | **10,6** | **41.188** | **-5,1** | **64,9** |
| **UE** | **59** | **97,9** | **0,9** | **269** | **132,8** | **517** | **9,5** | **0,8** |

* Tasa de variación con respecto al mismo periodo del año anterior.

Fuente: Cores

\- igual que 0,0 / ^ distinto de 0,0

Actualizado el 05-06-2024

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# Avance provisional de consumo
## Abril 2024

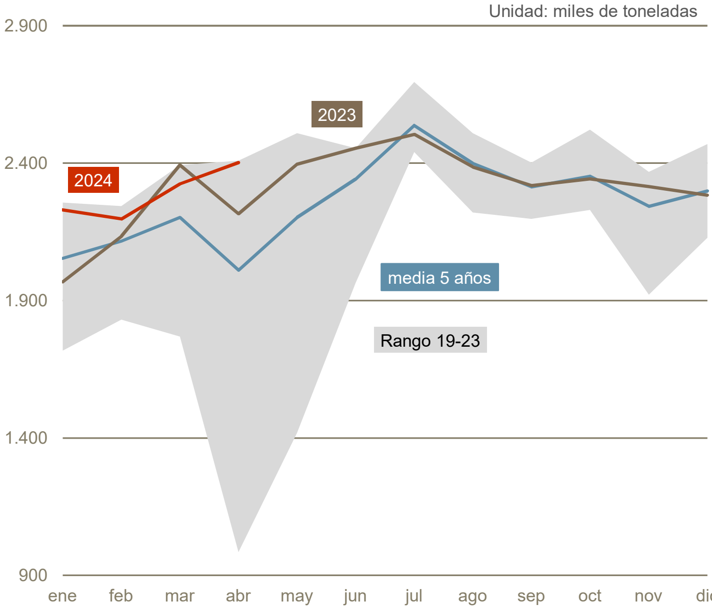
## En abril asciende el consumo de los combustibles de automoción (+8,4% vs. abril 2023)

En abril aumenta el consumo de los combustibles de automoción (2.402 kt; +8,4%), respecto a abril 2023, aumentando +3,3% respecto a marzo 2024; ascienden en mayor medida las gasolinas (+9,5% vs. abr-23), que los gasóleos de automoción (+8,1%). En el acumulado del año el consumo de los combustibles de automoción asciende un +5,1% vs. 2023, aumentando tanto las gasolinas (+9,6%) como los gasóleos auto (+3,9%).

Este mes asciende interanualmente el consumo de todos los grupos de productos: GLP (+12,3%), gasolinas (+9,5%), querosenos (+10,0%), gasóleos (+14,7%) y fuelóleos (+12,7%). En el acumulado anual aumentan todos los grupos de productos: GLP (+7,8% vs. 2023), gasolinas (+9,6%), querosenos (+12,5%), gasóleos (+5,0%) y fuelóleos (+2,6%).

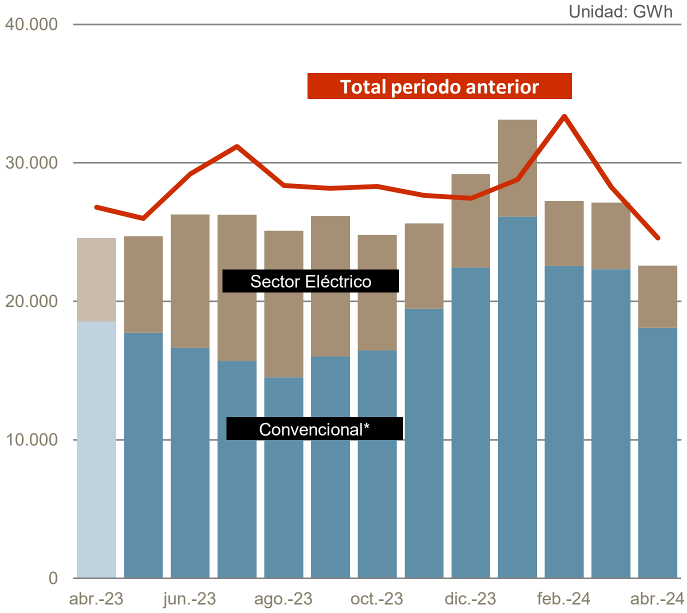
En abril desciende el consumo de gas natural (-8,1% vs. abr-23), situándose en 22.586 GWh, descendiendo el convencional (-3,3%) y el destinado a generación eléctrica (-25,6%), mientras que el GNL de consumo directo asciende (+19,1%). Respecto a marzo 2024, desciende el consumo total (-16,8%), descendiendo el convencional (-19,9%) y el destinado a generación eléctrica (-6,5%), mientras que aumenta el GNL de consumo directo (+4,9%). En el acumulado anual, el consumo de gas natural se reduce un -4,3% vs. 2023: aumentan el consumo convencional (+1,3%) y GNL de consumo directo (+14,3%), mientras que disminuye el destinado a generación eléctrica (-23,5%).

### Consumo mensual de combustibles automoción




Fuente: Cores

### Consumo mensual  gas natural




* incluido GNL de consumo directo

Fuente: Cores

Unidad: miles de toneladas

| Productos Petrolíferos | Consumos Abril 2024 | Consumos Acumulado Anual | Consumos Año Móvil | Tasas Variación (%) Interanuales Abril 2024 | Tasas Variación (%) Interanuales Acumulado Anual | Tasas Variación (%) Interanuales Año Móvil |
|---|---|---|---|---|---|---|
| Gasolinas Automoción | 537 | 1.980 | 6.238 | 9,5% | 9,6% | 6,8% |
| Gasóleos Automoción | 1.865 | 7.174 | 21.919 | 8,1% | 3,9% | -0,2% |
| **Combustibles de Automoción** | **2.402** | **9.154** | **28.157** | **8,4%** | **5,1%** | **1,2%** |
| GLP | 202 | 820 | 2.156 | 12,3% | 7,8% | 6,2% |
| Gasolinas* | 537 | 1.982 | 6.242 | 9,5% | 9,6% | 6,8% |
| Querosenos | 599 | 2.125 | 6.878 | 10,0% | 12,5% | 11,4% |
| Gasóleos* | 2.701 | 10.485 | 31.037 | 14,7% | 5,0% | -0,7% |
| Fuelóleos | 663 | 2.421 | 7.094 | 12,7% | 2,6% | -6,6% |

* Productos de automoción incluidos en el grupo de productos correspondiente

Unidad: GWh

| Gas natural | Consumos Abril 2024 | Consumos Acumulado Anual | Consumos Año Móvil | Tasas Variación (%) Interanuales Abril 2024 | Tasas Variación (%) Interanuales Acumulado Anual | Tasas Variación (%) Interanuales Año Móvil |
|---|---|---|---|---|---|---|
| Consumo convencional | 17.228 | 85.616 | 218.282 | -3,3% | 1,3% | 7,6% |
| Generación eléctrica | 4.489 | 20.984 | 90.119 | -25,6% | -23,5% | -30,5% |
| GNL de consumo directo | 869 | 3.502 | 9.892 | 19,1% | 14,3% | 13,4% |
| **Total Gas natural** | **22.586** | **110.102** | **318.294** | **-8,1%** | **-4,3%** | **-6,7%** |

Fuente: Cores

**El contenido de este informe está basado en datos provisionales disponibles a fecha de su emisión.**

Actualizado el 03-06-2024

# Air Passenger Market Analysis

April 2024

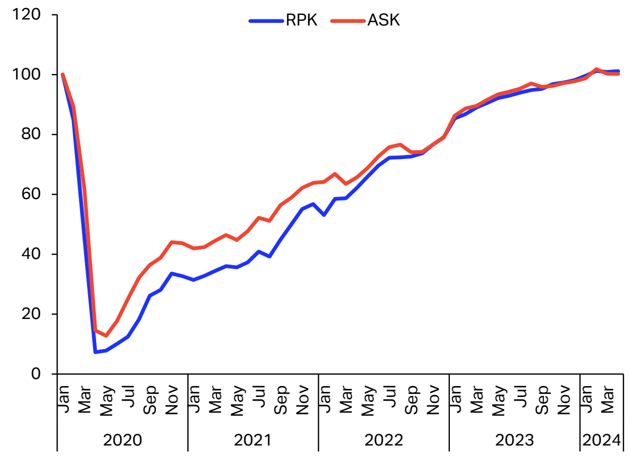
## Demand for air travel continues to rise in April

- Industry total Revenue Passenger-Kilometers (RPK) in April grew 11.0% annually, led by stronger international traffic. Passenger load factors (PLF) remained higher than previous years, reaching 82.4%.
- Domestic traffic kept increasing in April, at 4.0% Year-on-Year (YoY). Australia saw the fastest rise with 6.9% YoY. All markets' RPK grew healthily, except for Japan where traffic levels remained unchanged from April 2023.
- International traffic grew at 15.8% in April. Asia Pacific maintained the fastest growth pace, double the second highest growth. The remaining regions grew at a steady pace, with the regions Middle East and Africa outpacing the previous month's figures.
- Demand for air travel remains higher than the previous year. Ticket sales for domestic travel peaked in late April and early May as demand in PR China reached new highs. International ticket sales roughly followed the same trend, showing substantial increases in YoY. Total ticket sales for travel in May and June increased by 12.5% over the year.

### Industry passenger numbers still on the rise

In April 2024, industry-wide air passenger traffic surged by 11.0% YoY, measured in RPK. Despite a slight slowdown from the previous two months, the annual growth rate remains in the double digits, with an impressive growth streak which began 36 months ago. Notably, the industry continues to surpass pre-Covid levels (**Chart 1**).

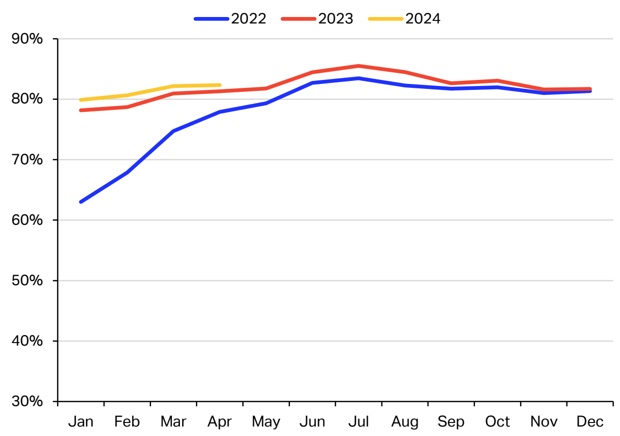
**Chart 1** – Global RPK and ASK, Seasonally Adjusted, Indexed to Jan 2020 = 100




Sources: IATA Sustainability and Economics, IATA Monthly Statistics

In seasonally adjusted (SA) terms, total RPK bounced back with a 0.3% month-on-month (MoM) growth, reversing the negative trend observed in March. Meanwhile, the year-on-year (YoY) growth remained positive at 11.8%, mirroring the non-SA data. The PLF, which represents the percentage of available seats filled by passengers, further validates these positive developments. Current PLF values exceed those of the past two years. Additionally, the supply of available seats, measured in Available Seat-Kilometers (ASK), closely tracks the expansion of passenger traffic. Industry ASK YoY growth stood at 9.6%, albeit slower than March, while the total load factor reached 82.4%, representing a 1 percentage point (ppt) increase compared to the previous year. (**Chart 2**).

**Chart 2** – Industry PLF, %share of ASK




Sources: IATA Sustainability and Economics, IATA Monthly Statistics

The largest contributor to the total industry passenger growth is the region Asia Pacific, with European carriers taking a distant second place. Asia Pacific, which previously lagged in recovery, has closed most

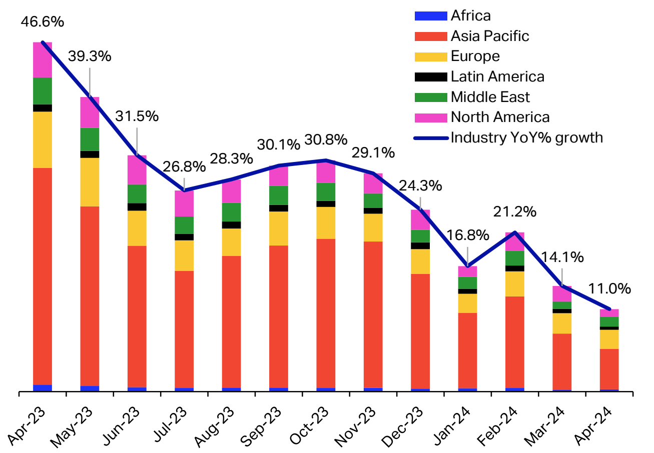
**Air passenger market in detail - April 2024**

| | *World share*[1] | April 2024 (% year-on-year) | | | | April 2024 (% year-to-date) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | RPK | ASK | PLF (%-pt) | PLF (level) | RPK | ASK | PLF (%-pt) | PLF (level) |
| **TOTAL MARKET** | ***100.0%*** | **11.0%** | **9.6%** | **1.0%** | **82.4%** | **15.5%** | **13.5%** | **1.4%** | **81.3%** |
| International | *60.1%* | 15.8% | 14.8% | 0.7% | 82.2% | 20.0% | 19.6% | 0.3% | 80.8% |
| Domestic | *39.9%* | 4.0% | 2.1% | 1.5% | 82.6% | 9.1% | 4.9% | 3.1% | 82.1% |

[1]% of industry RPKs in 2023

of the gap with the remaining regions although the slowdown of domestic RPK in PR China weighted on the region's total figures this month (**Chart 3**).

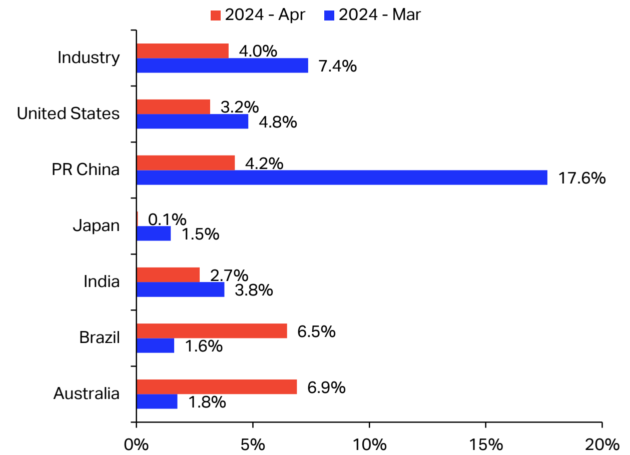
**Chart 3** – Regional contribution to industry annual total RPK growth




Sources: IATA Sustainability and Economics, IATA Monthly Statistics

## Domestic traffic growths settle to one digit

**Chart 4** – Domestic RPK growth by market, YoY%




Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Industry total domestic RPK continued to grow in April at a rate of 4.0%. However, this growth rate diminished compared to the previous two months, which is consistent with most monitored markets.

The markets of Australia and Brazil outperformed the industry, achieving year-on-year (YoY) growth rates of 6.9% and 6.5%, respectively (**Chart 4**).

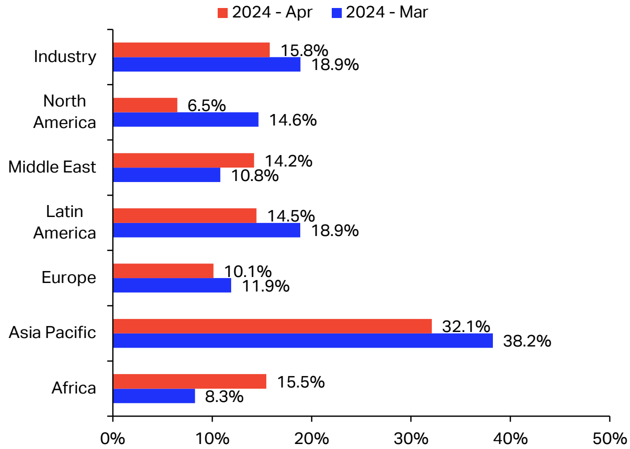
Conversely, the domestic market of PR China experienced a significantly slower pace of growth, with YoY growth at 4.2% in April. This deceleration can be partly attributed to a return to seasonal norms following the end of spring holidays.

The RPK YoY for the US and India slowed to 3.2% and 2.7%, respectively. In contrast, Japan's domestic RPK declined to 0.1% YoY. This dip aligns with historical seasonal patterns, as demand tends to wane in April due to the end of the fiscal year and the start of school spring holidays. Nevertheless, Japan's overall RPK trend remains positive, supporting an optimistic outlook (**Chart 4**).

## International traffic growth decelerates but remains strong

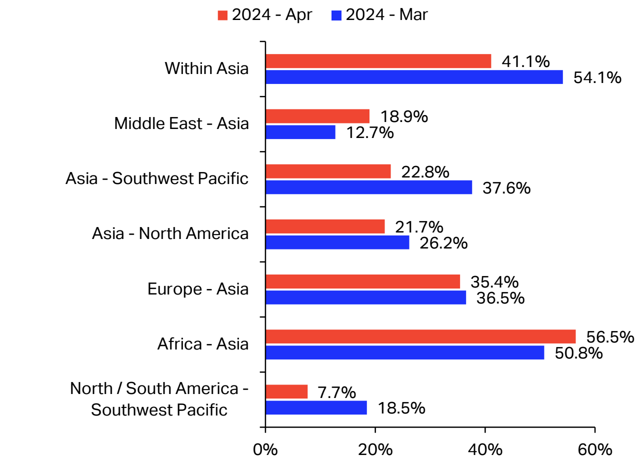
In April, international passenger traffic continued to be the primary driver of industry-wide growth, surging by 15.8% YoY (**Chart 5**). Concurrently, April's levels of International RPK maintained a positive trajectory toward pre-2020 levels. Airlines across all regions achieved growth rates exceeding 6%, with Asia Pacific leading the way at an impressive 32.1%. All other regions maintained healthy growth rates, in the double digits for all but North America, with respect to the previous month's.

**Chart 5** – International RPK growth by airline region of registration, YoY%




Sources: IATA Sustainability and Economics, IATA Monthly Statistics

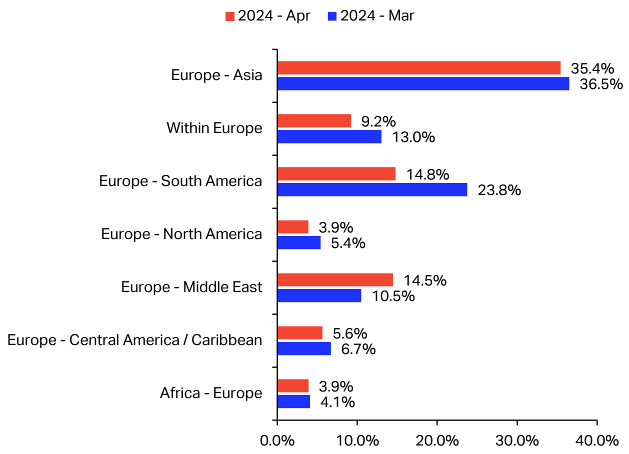
**Chart 6** – International RPK, YoY% – Major route areas from and to Asia Pacific




Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Asia Pacific routes have seen this month again impressive increases, reflecting the ongoing resurgence of international traffic from and within the region (**Chart 6**). Most of these continue to see decreasing growth rates in line with their respective RPK numbers reaching towards pre-pandemic levels, with two exceptions. Traffic in the Middle East – Asia route area has currently totally recovered and rises above its 2019 historical peak while growth pace accelerated this month, reaching 18.9% YoY against 12.7% in March 2024. Air flows between Africa and Asia have considerably strengthened over the past decade as the two regions built tighter economic ties. In April, RPK climbed 56.5% YoY, a slight step up from 50.8% in March.

**Chart 7 –** International RPK, YoY% **–** Major route areas from and to Europe



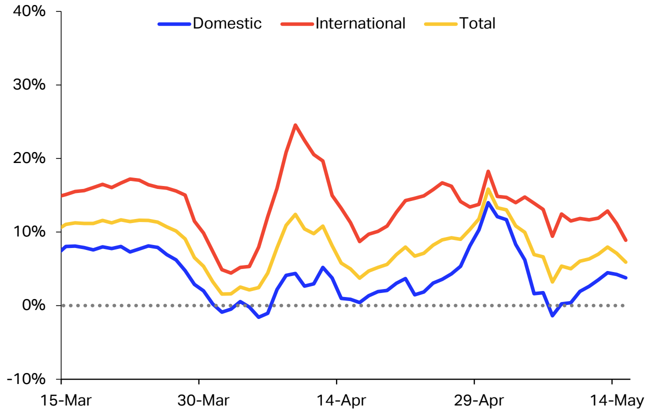

Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Air travel from Europe shows a different picture. Nearly all routes are have now surpassed pre-Covid levels of traffic while conserving a substantial positive momentum (**Chart 7**). Markets have seen diverse changes in RPK increases comparatively to the previous month, however remaining somewhat in the vicinity of previously observed tempo. As of April 2024, only Africa – Europe had not seen recovery in passenger numbers, while RPK climb in this route area was stable at 3.9% YoY.

## High demand for air travel as the industry enters peak period

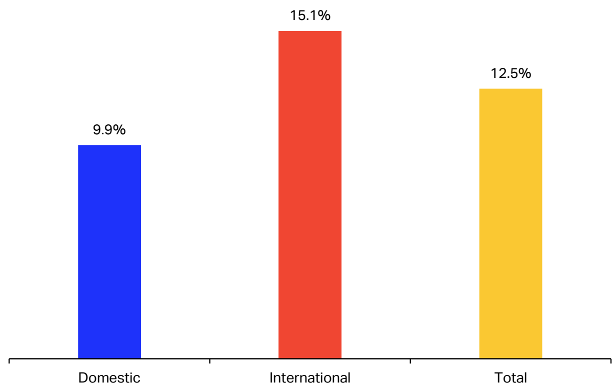
Total ticket sales remained higher than the previous year, indicating rising demand for air travel globally. Domestic ticket sales had already risen substantially in 2023, following the reopening of PR China and the heightened interest of its travelers for domestic destinations. Over the past weeks, domestic ticket sales increased even further, peaking around the end of April 2024, as Chinese consumers booked ahead and during the week of holidays that took place early in May. International ticket sales roughly followed the same trend (**Chart 8**).

**Chart 8** – Ticket sales by purchase date, 7-day moving average, YoY%




Sources: IATA Sustainability and Economics, DDS

**Chart 9 –** Ticket sales, made in March – April for travel in May – June, YoY%




Sources: IATA Sustainability and Economics, DDS

Overall, the increase in trip bookings made in March and April for travel during the months of May and June suggests that air traffic and demand in both domestic and international segments are expected to maintain the solid positive trend observed so far. Domestic sales were up 9.9% YoY and international 15.1%, for a total increase of 12.5% industry-wide, a strong start for the global industry as the peak period begins (**Chart 9**).

## Air passenger market in detail - April 2024

| | World share[1] | April 2024 (% year-on-year) | | | | April 2024 (% year-to-date) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | RPK | ASK | PLF (%-pt) | PLF (level) | RPK | ASK | PLF (%-pt) | PLF (level) |
| **TOTAL MARKET** | ***100.0%*** | **11.0%** | **9.6%** | **1.0%** | **82.4%** | **15.5%** | **13.5%** | **1.4%** | **81.3%** |
| Africa | *2.1%* | 15.7% | 11.6% | 2.6% | 73.4% | 16.6% | 17.1% | -0.3% | 73.2% |
| Asia Pacific | *31.7%* | 17.4% | 11.8% | 3.9% | 82.4% | 27.3% | 21.2% | 4.0% | 82.7% |
| Europe | *27.1%* | 9.3% | 9.2% | 0.1% | 83.8% | 10.8% | 10.4% | 0.3% | 80.0% |
| Latin America | *5.5%* | 8.0% | 7.2% | 0.6% | 82.2% | 10.2% | 7.9% | 1.8% | 83.2% |
| Middle East | *9.4%* | 14.1% | 9.7% | 3.1% | 79.2% | 15.0% | 14.2% | 0.5% | 79.3% |
| North America | *24.2%* | 4.2% | 7.6% | -2.7% | 83.0% | 6.9% | 7.3% | -0.3% | 81.9% |
| **International** | ***60.1%*** | **15.8%** | **14.8%** | **0.7%** | **82.2%** | **20.0%** | **19.6%** | **0.3%** | **80.8%** |
| Africa | *1.8%* | 15.5% | 10.4% | 3.2% | 73.0% | 15.6% | 15.8% | -0.1% | 72.5% |
| Asia Pacific | *14.7%* | 32.1% | 29.3% | 1.7% | 83.7% | 41.6% | 40.9% | 0.4% | 84.2% |
| Europe | *23.6%* | 10.1% | 10.0% | 0.1% | 83.3% | 11.7% | 11.5% | 0.1% | 79.1% |
| Latin America | *2.7%* | 14.5% | 13.5% | 0.7% | 84.1% | 17.9% | 15.6% | 1.7% | 84.7% |
| Middle East | *9.1%* | 14.2% | 9.9% | 3.0% | 79.3% | 15.1% | 14.5% | 0.4% | 79.3% |
| North America | *8.1%* | 6.5% | 10.3% | -2.9% | 81.0% | 12.2% | 14.2% | -1.4% | 80.8% |
| **Domestic** | ***39.9%*** | **4.0%** | **2.1%** | **1.5%** | **82.6%** | **9.1%** | **4.9%** | **3.1%** | **82.1%** |
| Dom. Australia | *0.8%* | 6.9% | 8.8% | -1.4% | 79.2% | 7.1% | 7.0% | 0.1% | 76.4% |
| Domestic Brazil | *1.2%* | 6.5% | 7.2% | -0.5% | 76.9% | 2.7% | 2.6% | 0.0% | 79.5% |
| Dom. China P.R. | *11.2%* | 4.2% | -4.4% | 6.7% | 81.1% | 21.7% | 9.7% | 8.1% | 81.7% |
| Domestic India | *1.8%* | 2.7% | 4.7% | -1.7% | 86.6% | 3.9% | 2.8% | 0.9% | 87.5% |
| Domestic Japan | *1.1%* | 0.1% | -1.0% | 0.8% | 70.7% | 3.3% | -1.2% | 3.3% | 75.0% |
| Domestic US | *15.4%* | 3.2% | 6.4% | -2.6% | 83.5% | 4.5% | 4.1% | 0.3% | 82.2% |

[1]% of industry RPKs in 2023

Note: the six domestic passenger markets for w hich broken-dow n data are available account for approximately 31.4% of global total RPKs and 78.8% of total domestic RPKs

**Note**: The total industry and regional grow th rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in w hich the carrier is registered; it should not be considered as regional traffic. Historical statistics are subject to revision.

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# Air Cargo Market Analysis

April 2024

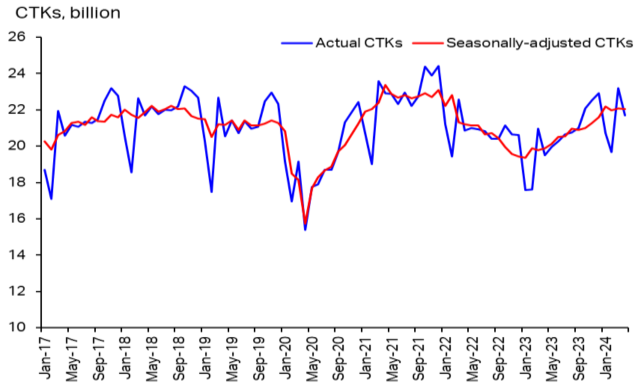
## Strong air cargo demand carried over to second quarter

- In April, Cargo Tonne-Kilometers (CTKs) marked an 11.1% Year-on-Year (YoY) expansion, while seasonally adjusted (SA) CTKs grew by 0.2% compared to the month before.
- Similarly, global international traffic rose by 11.6% compared to April 2023, supported by all regions and major trade lanes. Airlines from Asia Pacific and Europe recorded the highest growth rates, putting an end to the Middle Eastern carriers' seven-month run in topping the region's annual expansions.
- On the supply side, industry-wide Available Cargo Tonne-Kilometers (ACTKs) saw a 7.1% annual increase last month. The persistent capacity growth driven by returning passenger aircraft experienced a reduction in pace.
- Consumer price inflation continued to hover above target in major economies last month, except in PR China.

### Air cargo sector experienced the fifth month of double-digit demand growth in a row

In April, airlines recorded 21.7 billion CTKs globally, which represents a 6.5% reduction Month-on-Month (MoM) but also an 11.1% increase YoY **(Chart 1)**. Importantly, this reading marked the fifth consecutive month of double-digit annual growth. The largest contributors to this strong traffic performance in April were carriers from Asia Pacific and Europe, which together contributed two-thirds to the annual increase. This contrasts with the preceding seven months, where the bulk of the annual rise had stemmed from airlines registered in Asia Pacific and the Middle East, even though the latter is one of the smaller regions by traffic volume (ranked fourth out of six regions).

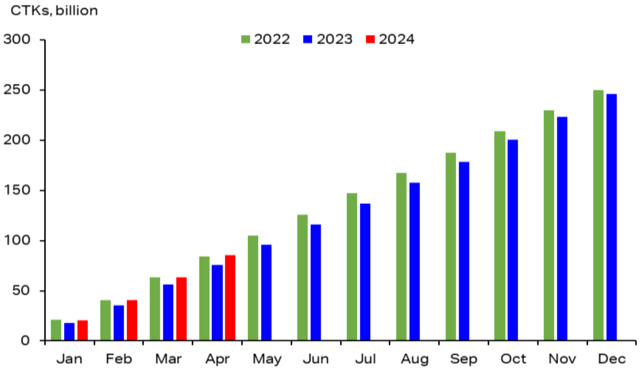
**Chart 1 –** Global CTKs (billion per month)




Sources: IATA Sustainability and Economics, IATA Monthly Statistics

In SA terms, the industry registered a minor 0.2% MoM reduction, so that traffic remained almost level compared to the previous month. While the robust demand for air cargo carried over to the second quarter of 2024, growth started slowing down over the past three months.

**Chart 2 –** Year-to-date monthly CTKs (billion)




Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Cumulatively, the industry counted 85.3 billion CTKs year-to-date (YTD) in April, denoting a 12.7% increase compared to 2023 and 1.4% relative to the 2022 value (**Chart 2**). These figures provide additional confirmation that air cargo kicked off the second quarter with a continuation of the robust traffic levels that the industry has been experiencing over the past months.

### April brought growth in international air cargo demand across all world regions and major route areas, with carriers from Asia Pacific and Europe at the helm

The solid upward trend in industry CTKs is driven by traffic on international routes, which grew by 11.6% YoY in April, likely supported by booming e-commerce and capacity constraints in global maritime shipping.

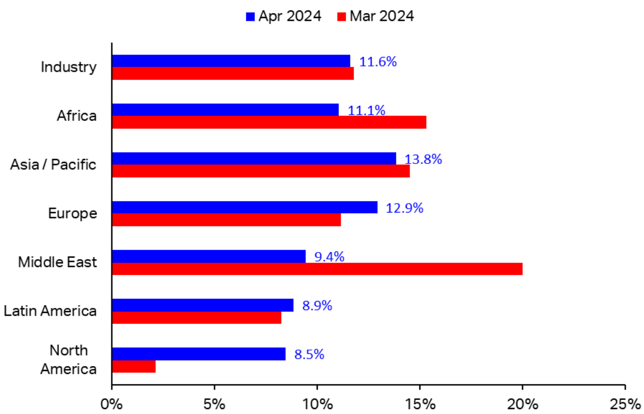
**Air cargo market in detail - April 2024**

| | *World share*[1] | April 2024 (% year-on-year) | | | | April 2024 (% year-to-date) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | CTK | ACTK | CLF (%-pt) | CLF (level) | CTK | ACTK | CLF (%-pt) | CLF (level) |
| **TOTAL MARKET** | ***100.0%*** | **11.1%** | **7.1%** | **1.6%** | **43.9%** | **12.7%** | **10.3%** | **0.9%** | **45.5%** |
| International | *86.6%* | 11.6% | 10.2% | 0.6% | 50.1% | 13.5% | 13.2% | 0.3% | 51.3% |

Note 1: % of industry CTKs in 2023

Importantly, all regions experienced expansions in international traffic compared to April 2023, with remarkable growth figures ranging from 8% to 14% **(Chart 3)**.

**Chart 3** – Growth in international CTKs (YoY) by airline region of registration



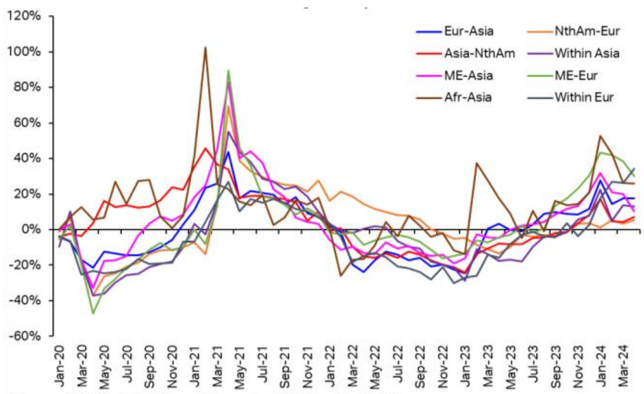

Sources: IATA Sustainability and Economics, IATA Monthly Statistics

Airlines registered in Asia Pacific and Europe led with the highest annual growth rates in international CTKs, with 13.8% and 12.9%, respectively. These airlines took the lead after Middle Eastern carriers had been championing the regions for seven months in a row. The two front runners were closely followed by the carriers in Africa (11.1% YoY), Middle East (9.4%), and Latin America (8.9%). For the Middle East, the figure declined by an important 10.6 ppt over the previous month's growth, by far the largest decrease among all regions. Capacity on Middle Eastern carriers was subject to a similar reduction in April, possibly linked to geopolitical tensions between Iran and Israel as well as the heavy flooding of the Dubai International Airport. As has been the case for the past two months, North American carriers exhibited the lowest annual increase, but registered a very solid 8.5% improvement.

The annual expansion in international CTKs was mirrored across all major route areas as well, although with differences in magnitude. Within Europe and Middle East–Europe championed annual growth with outstanding figures of 34.4 % and 30.1%, respectively **(Chart 4)**. For the former route area, this represents a jump of 8.1 ppt compared to March and reflects the highest annual growth in over a decade, largely due to the very low base in April 2023. For the Middle East-Europe trade lane, the April reading marks a notable 8.5 ppt drop relative to the previous month's figure indicating the continuation of the downward trend that started in February 2024. The Africa–Asia route area followed with a similarly impressive annual surge of 25.8%.

Growth rates on the Europe–Asia and Within Asia markets stood at 17.7% and 13.2%, in that order, while Middle East-Asia plummeted by 9.5 ppt from March to 10.4% annual increase in April. For the latter route area, this marked the lowest figure in seven months, contributing heavily to the declining growth rate for Middle Eastern carriers discussed above. In contrast to the aforementioned trade lanes, all of which recorded double-digit YoY growth, Asia–North America recorded an annual increase of 7.3% and North America–Europe 5.6%. While these were only modest increases in comparison, for the North America-Europe trade lane the April reading reflects the largest increase in demand since September 2022.

**Chart 4** – International CTK growth (YoY) by route area

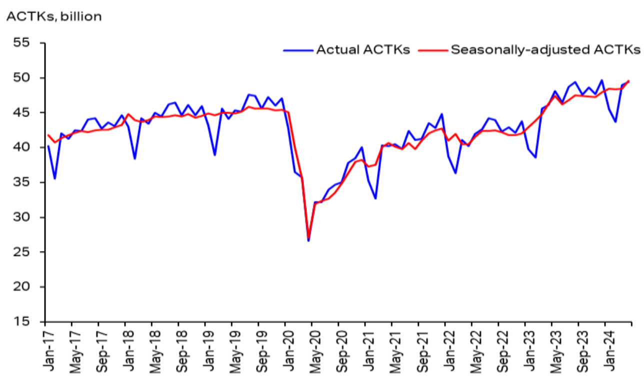



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

## The growth in air cargo capacity carried over to the second quarter of 2024 but at a slowing rate

In April, air cargo capacity continued to approach the peak levels achieved in December 2023, with ACTKs registering 49.4 billion **(Chart 5)**. As such, the latest reading remained 7.1% above the April 2023 level and 0.9% above the previous month's figure. The even higher 10.3% annual ACTK growth in YTD terms confirms that the capacity expansion compared to the previous year is a phenomenon of all four months that passed since the turn of the year, although the growth is slowly decelerating.

**Chart 5** – Global ACTKs (billion per month)

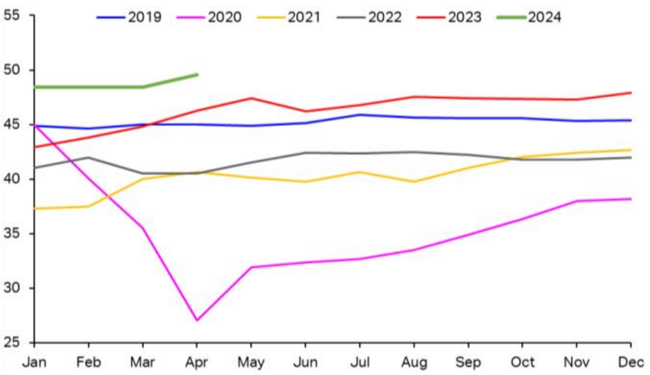



Sources: IATA Sustainability and Economics, IATA Monthly Statistics

After seasonal adjustment, industry-wide capacity rose by 2.3% MoM in April. And taking a closer look at SA industry ACTKs in **Chart 6** provides a further illustration of the phenomenal expansion seen over the past years, and how it culminated in such outstanding capacity levels in 2024.

Maintaining the trend of the past four years, last month's expansion in industry ACTKs was driven by a surge in belly-hold capacity, which recorded the 36th consecutive month of double-digit growth in April with 15.2% YoY. In comparison, capacity on dedicated freighters rose by only 5.0% YoY last month.

**Chart 6 –** Seasonally adjusted ACTKs 2019-2024




Sources: IATA Sustainability and Economics, IATA Monthly Statistics

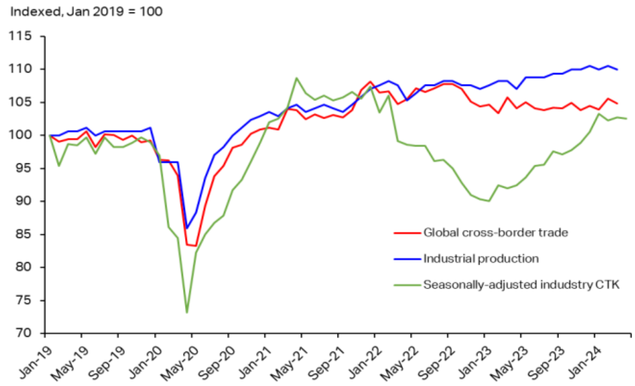
Following air freight traffic and capacity levels allows the derivation of the cargo load factor (CLF), a key indicator illustrating the balance between demand and supply within the industry. In April, the industry recorded an average CLF of 43.9%. This ratio is 3.5 ppt lower than in the previous month but stands for a 1.6 ppt increase compared to April 2023. After more than two years of contracting industry CLF (YoY), to date, the year 2024 has seen three out of four months with small annual increases. Rising load factors benefit airlines as they drive both revenue and profitability at a given capacity.

## The minor reduction in air cargo traffic last month was accompanied by small contractions in production and trade figures

The latest figure for industrial production, a measure of the output generated by industrial sectors such as mining, manufacturing, and utilities, recorded a small -0.5% drop over the previous month. Compared to 2023, however, the indicator pointed at expansion with an annual growth rate of 1.6%. As a result, the March reading marked the continuation of the moderate upward trend seen over the past two years (**Chart 7**). On the other hand, global cross-border merchandise trade displayed small contractions both MoM and YoY in March, with readings of -0.6% and -0.8%, respectively. The somewhat underwhelming performance of global goods trade since the beginning of 2023 has been driven by continued inflation, impaired supply chains, geopolitical tensions, and rising cross-border trade restrictions.

Over the past two years, the roughly flat evolution of merchandise trade and the moderately rising industrial production indicator contrasted sharply with the steep fall and rise of the demand for air cargo. The slightly more stable evolution of SA air cargo traffic over the past three months might suggest that the indicators are going back to moving in tandem, thus aligning with the historical pattern.

**Chart 7 –** Industrial production, global goods trade, and SA CTKs

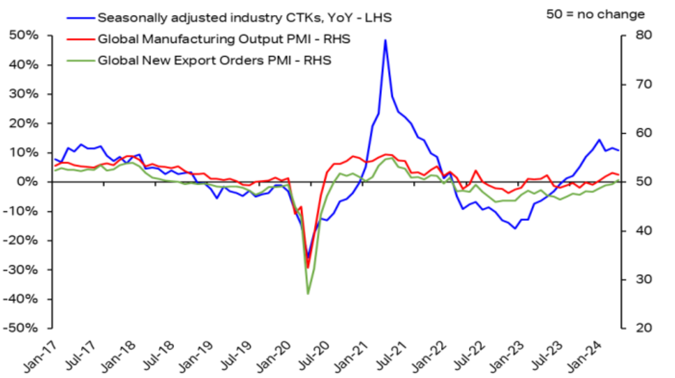



Sources: IATA Sustainability and Economics, IATA Monthly Statistics, Macrobond

## Cautiously rising optimism for new export orders and manufacturing output among purchasing managers

The Purchasing Managers' Index (PMI) gauges economic trends in manufacturing and services. A PMI above 50 suggests that more purchasing managers expect their business to grow compared to the previous month, a figure below 50 indicates fewer managers with that outlook. Specifically, the manufacturing output and new export order PMIs are two leading indicators of global air cargo demand.

**Chart 8 –** SA CTK growth, global manufacturing output and global new export orders PMIs




Sources: IATA Sustainability and Economics, IATA Monthly Statistics, S&P Global Markit

The new export orders PMI, an indicator that can be understood as a measure of the perceived well-being of international trade, signaled expansion in April with a reading of 50.5 points (up from 49.6 in March). Accordingly, the global indicator moved past the critical 50-point benchmark for the first time in over two years **(Chart 8)**. This represents an encouraging signal amid the somewhat underwhelming results of global merchandise trade (for March) discussed earlier. As for the regional perspective, PR China and the US continued to experience optimistic expectations for new export orders last month, as they have for most of 2024. In particular, China saw its index jump by 1.7 ppt. On the other hand, readings in Europe and Japan maintained their signal of contraction, although

Japan's indicator rose by an impressive 4.8 ppt resulting in the highest figure since early 2022.

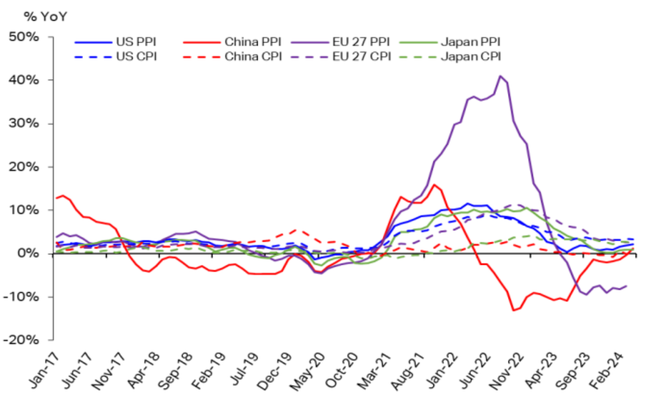
Meanwhile, the global manufacturing output PMI continued to point to expansion in April with 51.5 points **(Chart 8)**. This marked the fourth consecutive expansion after a series of contractions and is a welcome development amid tight labor markets and supply chain disruptions that have been affecting global manufacturing. In terms of the regional outlook for manufacturing output, it matches closely the pattern of the new export orders PMI. In particular, the US and China continued to exhibit optimistic expectations which supported the global expansion, while pessimism persisted in Europe and Japan.

In a nutshell, after many months in which the outlook for air cargo (measured in annual CTK growth) outpaced purchasing managers' expectations for manufacturing and new export orders, last month the latter aligned with the momentum in the air cargo sector. These improving perceptions are an encouraging signal amid the uncertain macroeconomic environment and geopolitical tensions that have been putting pressure on the world economy.

## Consumer price inflation remained above target in major economies, except China

Inflation, as measured by the annual evolution of the Consumer Price Index (CPI), stayed roughly constant in April as compared to March in the US, the EU, and Japan, with figures standing at 3.4%, 2.6%, and 2.5%, respectively. As a result, consumer price inflation continued to hover above target in these key economies. On the other hand, China's consumer price inflation continued to bunch around zero in April, as it has been for the past year, with the latest reading standing at 0.2%. Muted inflation in China since 2023 reflects weak domestic demand, triggered by an elevated unemployment rate, reduced income growth, and the real estate sector crisis **(Chart 9)**.

**Chart 9 –** Headline CPI and PPI inflation (YoY) in major economies




Sources: IATA Sustainability and Economics, Macrobond

The Producer Price Index (PPI) tracks changes in the prices that producers receive for their products and it can serve as a leading indicator for the CPI. Compared to March, producer price inflation remained level in April in Japan at 0.9%, while it rose in both the US and China, to 2.2% and 1.1%, respectively **(Chart 9)**. For China, this marked the first positive annual change in producer prices since the second quarter of 2022 and a significant jump of 1.4 ppt compared to the March figure (largely thanks to a base effect). April figures for the EU 27's PPI are not yet available. The month of March maintained the major deflationary trend that began in May 2023, with a PPI reduction of -7.6% YoY.

One of the main factors influencing consumer prices is the price of oil. Along the same lines, the global jet fuel price is a major contributor to airline operating costs. In April, jet fuel prices rose by 0.6% over the previous month (+7.7% YoY), closing at USD 108.2 per barrel. The jet fuel crack spread fell to 18 USD, the lowest value since the second quarter of 2023. This is a welcome development as the exceptionally wide crack spread has been putting additional pressure on airline's thin margins. The global yield for air cargo (with surcharges) registered positive MoM growth at 3.5% and a -6.1% decline YoY in April, the latter of which continued a negative streak that originated in September 2022.

## Air cargo market in detail - April 2024

| | World share[1] | April 2024 (% year-on-year) | | | | April 2024 (% year-to-date) | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | CTK | ACTK | CLF (%-pt) | CLF (level) | CTK | ACTK | CLF (%-pt) | CLF (level) |
| **TOTAL MARKET** | ***100.0%*** | **11.1%** | **7.1%** | **1.6%** | **43.9%** | **12.7%** | **10.3%** | **0.9%** | **45.5%** |
| Africa | *2.0%* | 10.6% | 18.7% | -3.1% | 42.9% | 15.5% | 20.7% | -2.0% | 44.5% |
| Asia Pacific | *33.3%* | 14.0% | 7.8% | 2.4% | 44.5% | 16.2% | 16.9% | -0.3% | 45.1% |
| Europe | *21.4%* | 12.7% | 10.3% | 1.1% | 51.5% | 12.5% | 10.2% | 1.1% | 55.7% |
| Latin America | *2.8%* | 11.7% | 9.8% | 0.6% | 38.7% | 10.6% | 7.7% | 1.0% | 37.4% |
| Middle East | *13.5%* | 9.4% | 5.7% | 1.5% | 44.7% | 19.5% | 12.2% | 2.8% | 46.4% |
| North America | *26.9%* | 7.0% | 4.0% | 1.1% | 38.7% | 5.0% | 2.2% | 1.1% | 40.2% |
| | | | | | | | | | |
| **International** | ***86.6%*** | **11.6%** | **10.2%** | **0.6%** | **50.1%** | **13.5%** | **13.2%** | **0.3%** | **51.3%** |
| Africa | *2.0%* | 11.1% | 18.8% | -3.1% | 44.0% | 15.6% | 20.6% | -0.1% | 45.7% |
| Asia Pacific | *29.8%* | 13.8% | 14.4% | -0.2% | 54.0% | 15.6% | 20.5% | 0.4% | 53.2% |
| Europe | *21.0%* | 12.9% | 10.6% | 1.1% | 53.1% | 12.8% | 10.6% | 0.1% | 57.6% |
| Latin America | *2.4%* | 8.9% | 10.7% | -0.7% | 42.9% | 9.6% | 9.3% | 1.7% | 42.1% |
| Middle East | *13.4%* | 9.4% | 5.7% | 1.5% | 45.0% | 19.5% | 12.3% | 0.4% | 46.7% |
| North America | *17.9%* | 8.5% | 6.4% | 0.9% | 47.0% | 6.9% | 6.0% | -1.4% | 47.8% |

Note 1: % of industry CTKs in 2023

Note 2: the total industry and regional growth rates are based on a constant sample of airlines combining reported data and estimates for missing observations. Airline traffic is allocated according to the region in which the carrier is registered; it should not be considered as regional traffic. Historical statistics are subject to revision.

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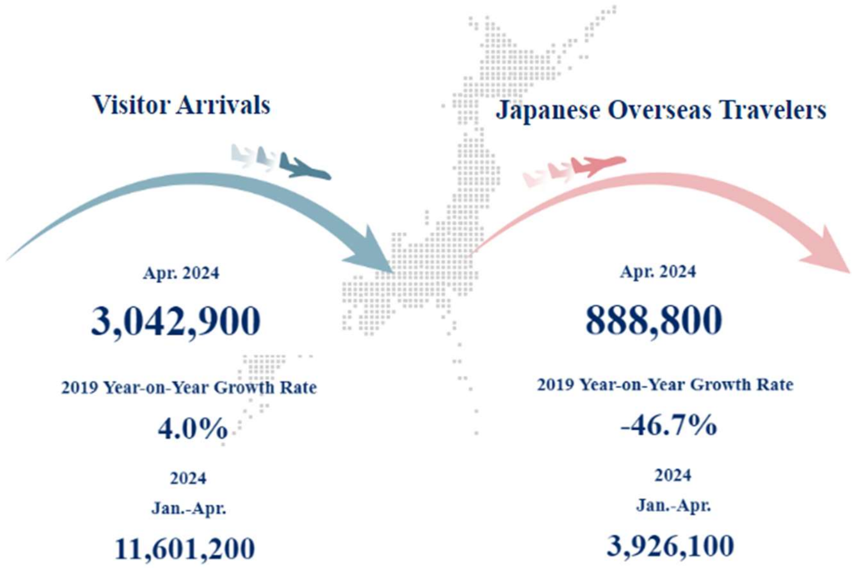
Apr. 2024 Visitor Arrivals to Japan and Japanese Overseas Travelers




◆Visitor Arrivals to Japan were calculated by JNTO based on documents issued by the Ministry of Justice; and Japanese Overseas Travelers are based on documents issued by the Ministry of Justice.
◆Visitor Arrivals to Japan are calculated based on the numbers of travelers of foreign nationality entering Japan provided by the Ministry of Justice. Those figures exclude permanent residents having Japan as their primary place of residence and include travelers entering Japan for the purpose of transit. Foreigners entering or re-entering Japan, such as expatriates and their families, international students and so on are included in Visitor Arrivals to Japan. Crew members are excluded.

Source: Created by the JNTO based on Immigration Services Agency of Japan statistical data.

View on Tableau Public     Share



2024 Visitor Arrivals to Japan and Japanese Overseas Travelers by Month

| | Visitor Arrivals | | Growth Rate(%) | | | Japanese Overseas Travelers | | Growth Rate(%) | |
|---|---|---|---|---|---|---|---|---|---|
| | 2019 | 2024 | 2019 | 2024 | | 2019 | 2024 | 2019 | 2024 |
| Jan. | 2,689,339 | 2,688,478 * | | 0.0 * | Jan. | 1,452,157 | 838,581 * | | -42.3 * |
| Feb. | 2,604,322 | 2,788,224 * | | 7.1 * | Feb. | 1,534,792 | 978,885 * | | -36.2 * |
| Mar. | 2,760,136 | 3,081,600 ** | | 11.6 ** | Mar. | 1,929,915 | 1,219,789 * | | -36.8 * |
| Apr. | 2,926,685 | 3,042,900 ** | | 4.0 ** | Apr. | 1,666,546 | 888,800 ** | | -46.7 ** |
| May | 2,773,091 | | | | May | 1,437,929 | | | |
| Jun. | 2,880,041 | | | | Jun. | 1,520,993 | | | |
| Jul. | 2,991,189 | | | | Jul. | 1,659,166 | | | |
| Aug. | 2,520,134 | | | | Aug. | 2,109,568 | | | |
| Sep. | 2,272,883 | | | | Sep. | 1,751,477 | | | |
| Oct. | 2,496,568 | | | | Oct. | 1,663,474 | | | |
| Nov. | 2,441,274 | | | | Nov. | 1,642,333 | | | |
| Dec. | 2,526,387 | | | | Dec. | 1,712,319 | | | |
| Jan.-Apr. | 10,980,482 | 11,601,200 ** | | 5.7 ** | Jan.-Apr. | 6,583,410 | 3,926,100 ** | | -40.4 ** |

◆Of Visitor Arrivals to Japan, figures labeled with ** are preliminary and * are provisional. All other figures are definitive.
◆Visitor Arrivals to Japan were calculated by the JNTO based on documents issued by the Ministry of Justice; and the Japanese Overseas Travelers are based on documents issued by the Ministry of Justice.
◆Visitor Arrivals to Japan are calculated based on the numbers of travelers of foreign nationality entering Japan provided by the Ministry of Justice. Those figures exclude permanent residents having Japan as their primary place of residence and include travelers entering Japan for the purpose of transit. Foreigners entering or re-entering Japan, such as expatriates and their families, international students and so on are included in Visitor Arrivals to Japan. Crew members are excluded.

Source: Created by the JNTO based on Immigration Services Agency of Japan statistical data.

https://www.beehive.govt.nz/release/government-reverse-oil-and-gas-exploration-ban
9 JUNE 2024

# Government to reverse oil and gas exploration ban

**HON SHANE JONES**

Resources

Removing the ban on petroleum exploration beyond onshore Taranaki is part of a suite of proposed amendments to the Crown Minerals Act to deal with the energy security challenges posed by rapidly declining natural gas reserves, Resources Minister Shane Jones says.

"Natural gas is critical to keeping our lights on and our economy running, especially during peak electricity demand and when generation dips because of more intermittent sources like wind, solar and hydro," Mr Jones says.

"When the exploration ban was introduced by the previous government in 2018, it not only halted the exploration needed to identify new sources, but it also shrank investment in further development of our known gas fields which sustain our current levels of use.

"Without this investment, we are now in a situation where our annual natural gas production is expected to peak this year and undergo a sustained decline, meaning we have a security of supply issue barrelling towards us."

Rebuilding investor confidence in New Zealand's petroleum sector will require more than removing the ban. The Coalition Government is proposing further changes, agreed by Cabinet, to re-establish New Zealand as an attractive and secure destination for international investment. These changes were agreed in the New Zealand First and Act coalition agreements with the National Party.

"Our job as the Government is to provide the right policy settings to enable the sector to get to work, and that's exactly what we are aiming to achieve through these amendments," Mr Jones says.

"Some of our current settings are a barrier to attracting investment in exploration and production because they are overly costly and onerous on industry. Some obligations lack necessary flexibility, and compliance obligations are uncertain and unclear.

"As well as removing the ban, we are proposing changes to the way petroleum exploration applications are tendered and allocated, aligning the petroleum decommissioning regime with international best practice, and improving regulatory efficiency."

New Zealand cannot ignore the significant economic contributions the petroleum and resources sector delivers, and the opportunities further strategic development represents.

"Our petroleum and minerals sectors contributed $1.9 billion to GDP in 2020-21 and $236 million in Crown revenue in 2022-23. In 2023 mining employed around 6000 people, the majority of which are based in regional communities," Mr Jones says.

"I want a considered discussion about how we use our natural resources to improve the security and affordability of energy and resources supplies, stimulate regional economic development opportunities, and increase New Zealand's self-sufficiency to protect against volatile international markets."

The Crown Minerals Amendment Bill will be the latest piece of legislative reform introduced by the Government aimed at cutting red tape to enable crucial resources and infrastructure projects across New Zealand, and benefits to flow to communities. The Bill will be introduced to Parliament in the second half of 2024.

For more information, visit [2024 Proposed amendments to the Crown Minerals Act 1991 | Ministry of Business, Innovation & Employment (mbie.govt.nz)]

**Editors' note:**

The Crown Minerals Act Amendment Bill proposes:

- Reversing the 2018 ban on new petroleum exploration outside onshore Taranaki.
- Removing the 2018 restriction preventing new petroleum permit-holders from accessing some Taranaki conservation land for petroleum activities other than minimum impact activities. Conservation land protected by Schedule 4 of the CMA, including Mount Taranaki, would still have the same protections in place. This change ensures conservation land across New Zealand is treated consistently.
- Changes to how petroleum exploration permits are allocated. Currently permits are allocated through a competitive tender process. The bill proposes allowing for a choice between a tender and a non-tender (called priority in time) method.
- Changes to the petroleum decommissioning requirements to align with international best practice, and better balance regulatory burden and risk. Specifically:
    - Technical changes to financial securities requirements, the primary tool to manage the risk of a permit-holder failing to carry out or fund decommissioning. These changes will make financial securities more flexible to allow industry to set aside this money in a way that is cost-efficient and best suit the circumstances.
    - Changes to trailing liability which allows the Crown to go back to previous permit-holders and make them decommission or recover the money for decommissioning. It is not proposed to remove trailing liability but limiting it to the most recent transferor, providing greater certainty to previous permit-holders.
    - Post-decommissioning liability remains on a permit-holder who decommissioned if something goes wrong after they have plugged and abandoned a well or left infrastructure in situ. This is a change from the current requirement to provide a payment or financial security for post-decommissioning liabilities, which sought to quantify the likely risk and cost in the future.
- Other changes to provide important signals to the industry that New Zealand is open for business, including reintroducing the term 'promote' into the purpose statement of the Act, giving the Government the mandate to actively promote prospecting, exploration and mining of minerals.
- Introducing a new tier of mineral permitting that will make it easier for people to undertake small-scale non-commercial gold mining activity, and
- Other technical legislative changes to ensure processes are working as intended, including fixing inconsistencies of terms and drafting errors.

https://blogs.nvidia.com/blog/temp-computex-2024-jensen-huang/

# 'Accelerate Everything,' NVIDIA CEO Says Ahead of COMPUTEX

Emphasizing cost reduction and sustainability, Huang detailed new semiconductors, software and systems to power data centers, factories, consumer devices, robots and more, driving a new industrial revolution.

June 2, 2024 by Brian Caulfield

"Generative AI is reshaping industries and opening new opportunities for innovation and growth," NVIDIA founder and CEO Jensen Huang said in an address ahead of this week's COMPUTEX technology conference in Taipei.

"Today, we're at the cusp of a major shift in computing," Huang told the audience, clad in his trademark black leather jacket. "The intersection of AI and accelerated computing is set to redefine the future."

Huang spoke ahead of one of the world's premier technology conferences to an audience of more than 6,500 industry leaders, press, entrepreneurs, gamers, creators and AI enthusiasts gathered at the glass-domed National Taiwan University Sports Center set in the verdant heart of Taipei.

The theme: NVIDIA accelerated platforms are in full production, whether through AI PCs and consumer devices featuring a host of NVIDIA RTX-powered capabilities or enterprises building and deploying AI factories with NVIDIA's full-stack computing platform.

"The future of computing is accelerated," Huang said. "With our innovations in AI and accelerated computing, we're pushing the boundaries of what's possible and driving the next wave of technological advancement."

## ‘One-Year Rhythm’

More’s coming, with Huang revealing a roadmap for new semiconductors that will arrive on a one-year rhythm. Revealed for the first time, the Rubin platform will succeed the upcoming Blackwell platform, featuring new GPUs, a new Arm-based CPU — Vera — and advanced networking with NVLink 6, CX9 SuperNIC and the X1600 converged InfiniBand/Ethernet switch.

“Our company has a one-year rhythm. Our basic philosophy is very simple: build the entire data center scale, disaggregate and sell to you parts on a one-year rhythm, and push everything to technology limits,” Huang explained.

NVIDIA’s creative team used AI tools from members of the NVIDIA Inception startup program, built on NVIDIA NIM and NVIDIA’s accelerated computing, to create the COMPUTEX keynote. Packed with demos, this showcase highlighted these innovative tools and the transformative impact of NVIDIA’s technology.

## ‘Accelerated Computing Is Sustainable Computing’

NVIDIA is driving down the cost of turning data into intelligence, Huang explained as he began his talk.

“Accelerated computing is sustainable computing,” he emphasized, outlining how the combination of GPUs and CPUs can deliver up to a 100x speedup while only increasing power consumption by a factor of three, achieving 25x more performance per Watt over CPUs alone.

“The more you buy, the more you save,” Huang noted, highlighting this approach’s significant cost and energy savings.

## Industry Joins NVIDIA to Build AI Factories to Power New Industrial Revolution

Leading computer manufacturers, particularly from Taiwan, the global IT hub, have embraced NVIDIA GPUs and networking solutions. Top companies include ASRock Rack, ASUS, GIGABYTE, Ingrasys, Inventec, Pegatron, QCT, Supermicro, Wistron and Wiwynn, which are creating cloud, on-premises and edge AI systems.

The NVIDIA MGX modular reference design platform now supports Blackwell, including the GB200 NVL2 platform, designed for optimal performance in large language model inference, retrieval-augmented generation and data processing.

AMD and Intel are supporting the MGX architecture with plans to deliver, for the first time, their own CPU host processor module designs. Any server system builder can use these reference designs to save development time while ensuring consistency in design and performance.

## Next-Generation Networking with Spectrum-X

In networking, Huang unveiled plans for the annual release of Spectrum-X products to cater to the growing demand for high-performance Ethernet networking for AI.

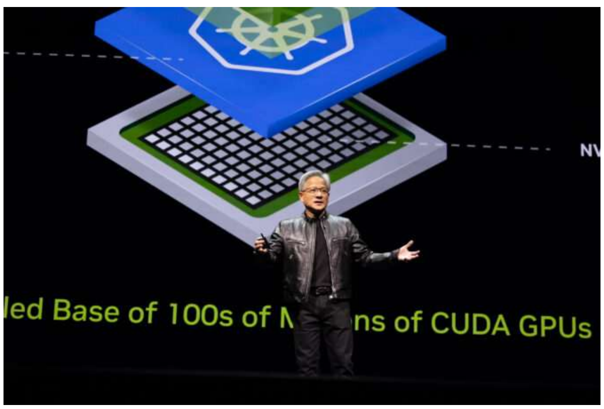
NVIDIA Spectrum-X, the first Ethernet fabric built for AI, enhances network performance by 1.6x more than traditional Ethernet fabrics. It accelerates the processing, analysis and execution of AI workloads and, in turn, the development and deployment of AI solutions.

CoreWeave, GMO Internet Group, Lambda, Scaleway, STPX Global and Yotta are among the first AI cloud service providers embracing Spectrum-X to bring extreme networking performance to their AI infrastructures.

## NVIDIA NIM to Transform Millions Into Gen AI Developers

With NVIDIA NIM, the world's 28 million developers can now easily create generative AI applications. NIM — inference microservices that provide models as optimized containers — can be deployed on clouds, data centers or workstations.

NIM also enables enterprises to maximize their infrastructure investments. For example, running Meta Llama 3-8B in a NIM produces up to 3x more generative AI tokens on accelerated infrastructure than without NIM.



Nearly 200 technology partners — including Cadence, Cloudera, Cohesity, DataStax, NetApp, Scale AI, and Synopsys — are integrating NIM into their platforms to speed generative AI deployments for domain-specific applications, such as copilots, code assistants, digital human avatars and more. Hugging Face is now offering NIM — starting with Meta Llama 3.

"Today we just posted up in Hugging Face the Llama 3 fully optimized, it's available there for you to try. You can even take it with you," Huang said. "So you could run it in the cloud, run it in any cloud, download this container, put it into your own data center, and you can host it to make it available for your customers."

## NVIDIA Brings AI Assistants to Life With GeForce RTX AI PCs

NVIDIA's RTX AI PCs, powered by RTX technologies, are set to revolutionize consumer experiences with over 200 RTX AI laptops and more than 500 AI-powered apps and games.

The RTX AI Toolkit and newly available PC-based NIM inference microservices for the NVIDIA ACE digital human platform underscore NVIDIA's commitment to AI accessibility.

Project G-Assist, an RTX-powered AI assistant technology demo, was also announced, showcasing context-aware assistance for PC games and apps.

And Microsoft and NVIDIA are collaborating to help developers bring new generative AI capabilities to their Windows native and web apps with easy API access to RTX-accelerated SLMs that enable RAG capabilities that run on-device as part of Windows Copilot Runtime.

## NVIDIA Robotics Adopted by Industry Leaders

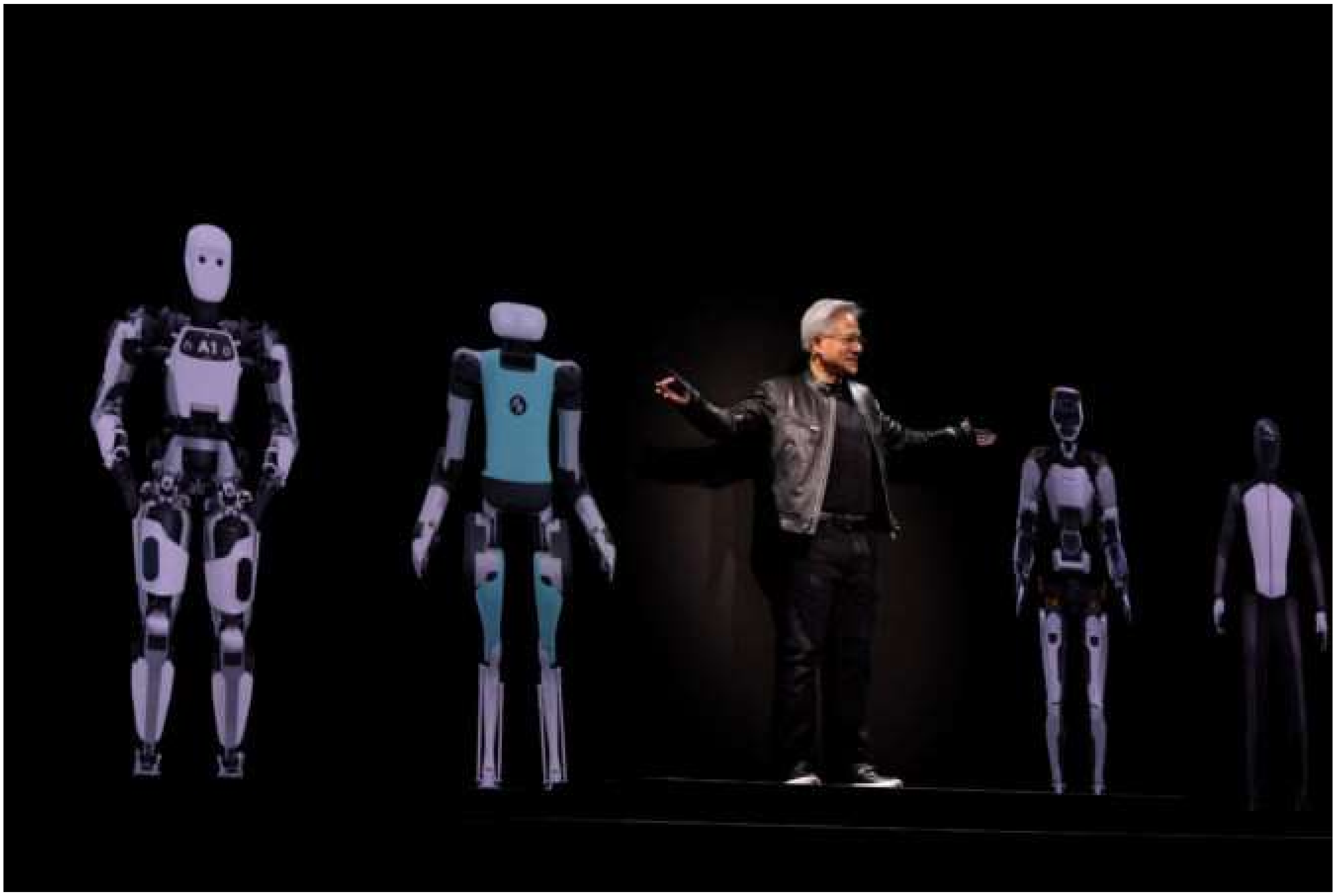
NVIDIA is spearheading the $50 trillion industrial digitization shift, with sectors embracing autonomous operations and digital twins — virtual models that enhance efficiency and cut costs. Through its Developer Program, NVIDIA offers access to NIM, fostering AI innovation.

Taiwanese manufacturers are transforming their factories using NVIDIA's technology, with Huang showcasing Foxconn's use of NVIDIA Omniverse, Isaac and Metropolis to create digital twins, combining vision AI and robot development tools for enhanced robotic facilities.

"The next wave of AI is physical AI. AI that understands the laws of physics, AI that can work among us," Huang said, emphasizing the importance of robotics and AI in future developments.

The NVIDIA Isaac platform provides a robust toolkit for developers to build AI robots, including AMRs, industrial arms and humanoids, powered by AI models and supercomputers like Jetson Orin and Thor.

"Robotics is here. Physical AI is here. This is not science fiction, and it's being used all over Taiwan. It's just really, really exciting," Huang added.




Global electronics giants are integrating NVIDIA's autonomous robotics into their factories, leveraging simulation in Omniverse to test and validate this new wave of AI for the physical world. This includes over 5 million preprogrammed robots worldwide.

"All the factories will be robotic. The factories will orchestrate robots, and those robots will be building products that are robotic," Huang explained.

Huang emphasized NVIDIA Isaac's role in boosting factory and warehouse efficiency, with global leaders like BYD Electronics, Siemens, Teradyne Robotics and Intrinsic adopting its advanced libraries and AI models.

NVIDIA AI Enterprise on the IGX platform, with partners like ADLINK, Advantech and ONYX, delivers edge AI solutions meeting strict regulatory standards, essential for medical technology and other industries.

## A Tribute to Taiwan

Huang ended his keynote on the same note he began it on, paying tribute to Taiwan and NVIDIA's many partners there. "Thank you," Huang said. "I love you guys."

Categories: Corporate | Data Center | Driving | Gaming | Generative AI

Tags: COMPUTEX 2024

# Fed versus fundamentals

**Saad Rahim**
Chief Economist

The return to stable market conditions noted in our 2023 Annual Results persisted through the six months ending in March 2024, as commodity prices declined from recent highs. Economic growth was strong despite global interest rates remaining at seemingly restrictive levels.

The US economy continued to power ahead since the start of our financial year in October 2023. This has kept inflation elevated, as consumers utilise high savings, wage growth and low debt levels to keep spending on discretionary purchases, especially on services.

Significantly, US growth has been strong even with one of its most important sectors, housing, still in the doldrums. As is the case with other areas of potential weakness, such as rising auto loan and credit card delinquencies, if the Federal Reserve does decide to cut rates, those pressures will be alleviated and can serve as a further tailwind to growth.

INDUSTRIAL CYCLE

More broadly, we are now seeing a turn in the industrial cycle across the globe as new orders start to outpace inventories and exports from manufacturing bellwethers such as Korea and Taiwan start to rebound.

This is different from the 2023 fiscal year when what we would term "thematic" areas spurred industrial growth rather than more traditional, cyclical drivers such as property and manufacturing.

By way of context, thematic areas are those focused on the energy transition (this includes renewables and electric vehicles); technology (including semiconductors, datacentres and artificial intelligence); and manufacturing investment (retooling industry for new growth markets).

In the US, both thematic and most cyclical drivers are forging ahead, while in Europe both areas are lagging. Thematics have also been the main growth driver in China, partly offsetting weakness in property and manufacturing.

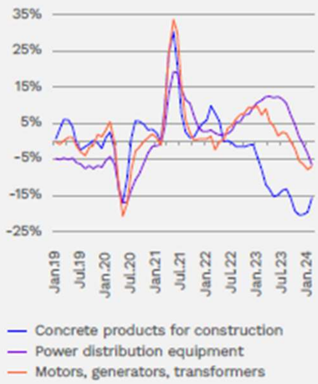
Certainly, China's economic scorecard in the latter half of 2023 and so far in 2024 has been uneven, with some strong months followed by weak ones. CHINA

The Chinese property sector is still struggling, although this is specific to new starts and sales of new homes. The secondary/existing home market on the other hand has seen record strength, indicating that the current malaise is not all due to a lack of demand for housing, but rather a lack of confidence that purchasing a yet-to-be built home will result in delivery. However, the government is engaging in steps to boost growth with new stimulus measures, including central government-backed purchasing of excess housing inventory, lowering of down payment requirements and a mortgage rate floor.

Turning to commodity markets, again we saw a period where prices became disconnected from physical market fundamentals.

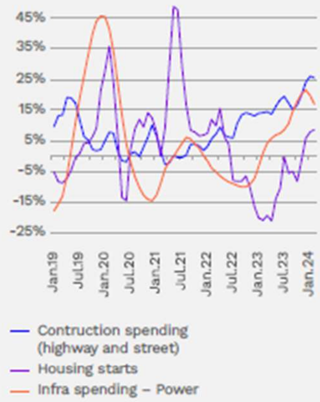
PRICE DISCONNECT

**Output of energy infrastructure and construction products, Europe**




*Source: Bloomberg, Trafigura Research*

**Power infrastructure spending and housing starts, US**




*Source: Bloomberg, Trafigura Research*

**Power infrastructure spending and housing starts, China**


*Source: Bloomberg, Trafigura Research*

Take Brent crude oil. It started our fiscal year trading above USD90 per barrel but then slumped to the low USD70s in December 2023. This drop occurred even as product cracks rebounded by 40 percent, backwardation in the front month spread remained relatively elevated, and other physical markers indicated a balanced, if not tight, market, driven in part by the OPEC+ cuts that were extended during this period.

Watching the price action, it might then have appeared that global demand was weak. In fact, the International Energy Agency estimated that global demand growth was around 2.2 million barrels per day (mmb/d) in 2023, the second year in a row where growth exceeded 2mmb/d and historically seen as a very strong demand level.

What perhaps explains the disconnect between price and physical market fundamentals is the fact that elevated oil prices in the early part of our fiscal year raised fears that inflation would remain elevated and the Federal Reserve would be forced to hold interest rates at a high level for an extended period. Indeed, those concerns, in turn, pushed interest rates much higher, with the yield on 10-year US Treasuries moving up from 4.2 percent to 5.0 percent.

Copper saw a similar dynamic, in as much as low inventories and reasonably robust demand growth did not translate into higher prices, which remained stuck in a range of USD8,200-USD8,600 per tonne before the turn of the year.

That dynamic changed sharply in the first few months of 2024 even as Chinese growth slowed. The prospect of Federal Reserve cuts at some point in the future, even if later and fewer than previously anticipated, changed the narrative and investment flows started to pick up.

COPPER

The result is that prices of non-ferrous metals have moved much higher than fundamentals in the physical spot market might indicate or justify, especially for copper. In March 2024, copper broke out of its tight trading range to hit USD9,500 per tonne before moving to an all-time high of USD11,100 per tonne before retreating to just below USD10,000 at the time of writing.

Looking forward, the discussion around cuts – whether they are OPEC+ cuts, smelter cuts or Federal Reserve cuts – will continue to influence the direction of markets.

OPEC+'s recent decision to phase out some of its production cuts from October, combined with strong supply in the products market, has driven oil prices below USD80/bbl at the time of writing.

However, demand is holding up and product inventories remain relatively low. As such, if demand accelerates in line with normal seasonal trends it could result in tighter markets going forward.

OIL

Mine supply for both copper and zinc has been disappointing since October 2023, including unforeseen issues such as the sudden closure of a very large copper mine in Panama. That, in turn, has led to a significant concentrates shortage, resulting in smelters having to cut production, and pointing to tighter inventories of refined metal even if demand is lacklustre.

COPPER

Finally, while the Federal Reserve maintains a bias in favour of cuts, US growth remains strong and may delay that process. If inflation continues to come down on a credible path towards the Federal Reserve's target, and if the employment sector does cool off further, then it may be able to start cutting rates.

Regardless of the short-term moves, long-term demand for commodities remains intact. India continues to emerge as a larger force in commodities demand, and if its per capita demand mirrors the trajectory of any other major economy as it develops, then the potential additions to demand will be world-scale, whether it is copper, steel or oil.

INDIA

New sources of demand also continue to emerge, with the latest being in the form of the need of datacentres and AI. These were not a factor in most forecasts when we began our fiscal year, but increasingly are becoming a major driver. We estimate power consumption requirements in AI alone are likely to overtake those for electric vehicles. Delivering and transporting the commodities needed to fuel and power these growth areas remains a critical component of the world economy.

AI

https://newsroom.aaa.com/2024/06/is-the-ev-hype-over/

# Is the EV Hype Over?

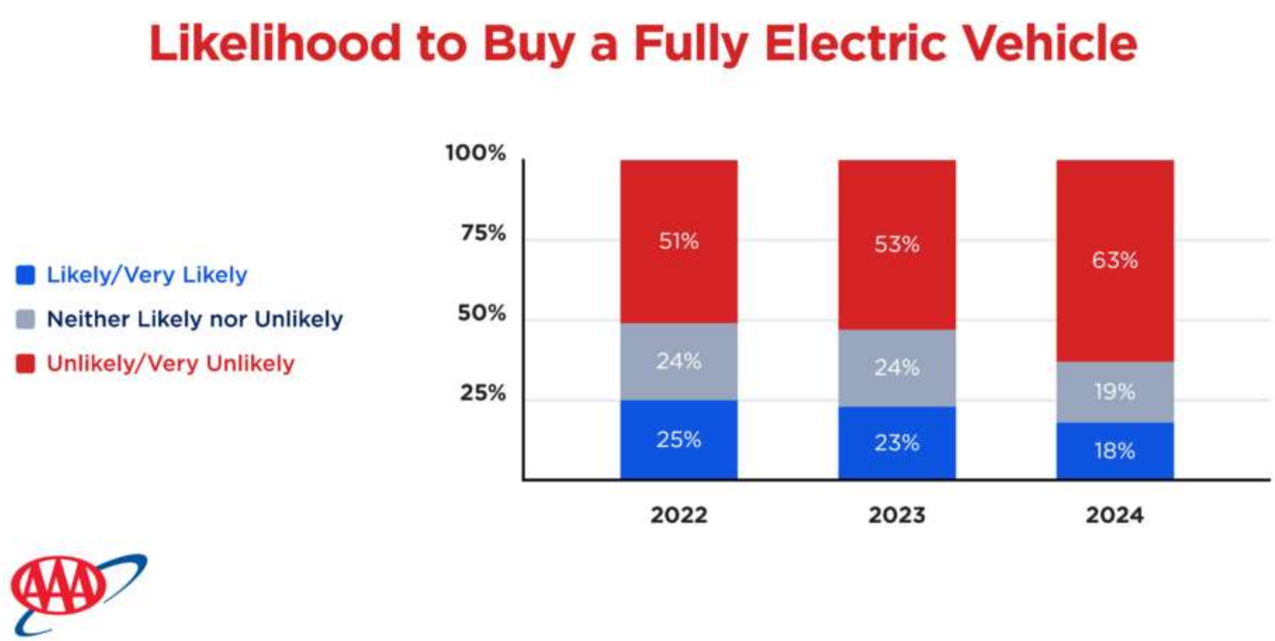
## AAA finds interest in EVs declining as Americans turn their attention to hybrids

Brittany MoyePublic Relations & Content Manager
BMoye@national.aaa.com
6/6/2024

**ORLANDO, Fla. (June 6, 2024)** – The most recent annual consumer survey by AAA on Electric Vehicles (EVs) indicates a **decline** in consumer interest in purchasing EVs. **Only 18%** of U.S. adults say they would be "very likely" or "likely" to buy a new or used EV (not a hybrid) – down from 23% last year. Even more revealing, **63% cited** "unlikely or very unlikely" to purchase an EV for their next car purchase.

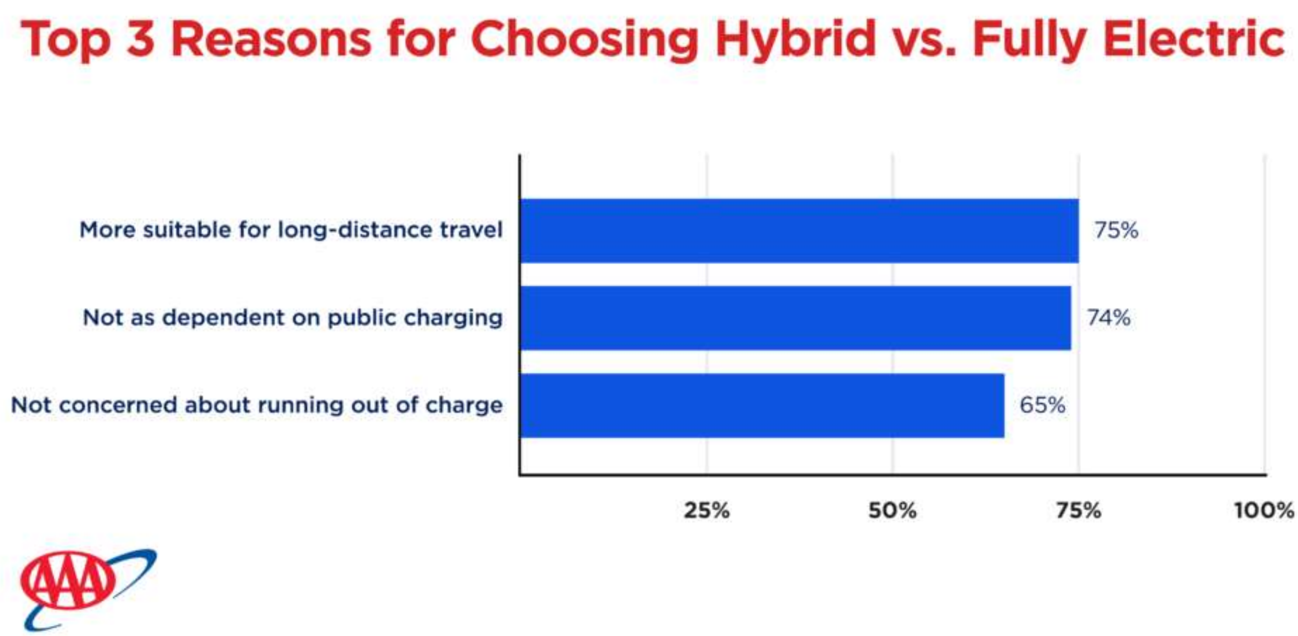
***"Early adopters who wanted an EV already have one," said Greg Brannon, director of automotive research at AAA. "The remaining group of people who have yet to adopt EVs consider the practicality, cost, convenience, and ownership experience, and for some, those are big enough hurdles to keep them from making the jump to fully electric."***

AAA found the **main** hesitations in purchasing an EV continue to be cost, lack of convenient charging options, and range anxiety. **Three in ten** also cited the inability to install a charging station where they live.



Accessible, reliable, affordable, and convenient charging is key to growing EV interest and adoption. For people who live in an apartment or condo, at-home charging options are likely not possible. An EV might be a great choice for households with 2+ cars, but it might not fit the consumer who has to rely on their car for everyday use and travel.

AAA believes there may be a near-term ceiling related to consumer adoption of battery electric vehicles due to their costs, charging accessibility, and range anxiety. However, hybrid options could bridge these gaps, broadening consumer interest in owning an EV. AAA's survey also found that **one in three** U.S. adults (31%) say they would be "very likely" or "likely" to buy a hybrid. Access to a hybrid vehicle lessens the anxiety for consumers because it allows people to enjoy the benefits of electrification without feeling like they are disrupting their current lifestyle or travel plans (longer distance driving, less charging options, etc.).




***"Deciding to make the leap to full electric may feel overwhelming for many consumers, and a hybrid option may be the way to bridge this gap," continued Brannon. "Consumer demand will ultimately dictate the future, and my prediction is that we will have a mix of EVs, hybrids, and internal combustion vehicles in dealerships and on the roads in the US for many decades ahead."***

To help educate the public, AAA conducts ongoing research on EVs, including consumer sentiment surveys, testing to determine factors impacting electric vehicle range, the true cost of electric vehicle ownership, and a survey on consumers' experience with going electric.

AAA has a range of resources and services for EV owners, those interested in making the switch, or those who want to try a rental.

- **EV 101**: Online resource for anyone interested in going electric, whether shopping for new OR used.
- **The "CARBs" of Driving an EV**: An acronym for 1st time EV Drivers that survey Point of View (POV) survey from 1st-time drivers on how to remember EV-based driving tips.
- **Your Driving Cost Calculator**: An online resource available to consumers that gives a yearly breakdown of EV ownership costs
- **#AdultingwithAAA:** Car Care Electric Vehicles – Low Maintenance – No Problem: AAA series for young adults providing helpful tips, advice, and life hacks on all things "Adulting."
- **Mobile EV Charging Pilot**: Available in select cities, this service is now part of our roadside assistance and will get EV owners back on the go if they run out of charge. That's just one of the many benefits and services we offer our EV members.
- **EV Research**: AAA in-house experts research consumer sentiment around EVs and their functionality.
- **AAA Car Guide:** For those in the market for newer EVs, the online resources also contain links to the two prior editions in 2022 and 2023.

**Methodology**

The survey was conducted April 4-8, 2024, using a probability-based panel designed to be representative of the U.S. household population overall. The panel provides sample coverage of approximately 97% of the U.S. household population. Most surveys were completed online; consumers without Internet access were surveyed over the phone.

A total of 1,152 interviews were completed among U.S. adults, 18 years of age or older. The margin of error for the study overall is +/- 4% at the 95% confidence level. Smaller subgroups have larger error margins.

**About AAA**

Started in 1902 by automotive enthusiasts who wanted to chart a path for better roads in America and advocate for safe mobility, AAA has transformed into one of North America's largest membership organizations. Today, AAA provides roadside assistance, travel, discounts, financial and insurance services to enhance the life journey of over 64 million members across North America, including over 57 million in the United States. To learn more about all AAA offers or become a member visit AAA.com.

Brittany MoyePublic Relations & Content Manager

https://www.reuters.com/business/energy/germany-gets-informal-eus-go-ahead-support-gas-fired-power-sources-say-2024-06-07/?taid=66632fafb543f00001119448&utm_campaign=trueAnthem:+Trending+Content&utm_medium=trueAnthem&utm_source=twitter

# Germany gets informal EU go-ahead to support gas-fired power, sources say

By Markus Wacket
June 7, 20245:00 AM MDTUpdated 7 hours ago

BERLIN, June 7 (Reuters) - Germany won the European Union's informal approval to pay billions of euros to gas powered plants to be able to stabilise the grid when unsteady renewable energy supplies fall short, people familiar with the negotiations told Reuters on Friday.

An agreement in principle was reached with the EU's competition authorities for state support to utilities for the 10 gigawatt (GW) scheme but some details for an official approval are to be hammered out over the next few weeks, government and company sources said.

They added that the German government secured an agreement to a set of terms that will change over time as the long-term scheme, which is known as the National Power Station Strategy, evolves.

Berlin expects to receive an EU document outlining the informal agreement on Friday, the sources said.

Germany is transitioning to renewables, having switched off nuclear power and seeking to phase out coal-powered electricity, but wants to give state support for natural-gas powered plants that underpin the grid during demand peaks and lows in unsteady supply from wind and solar power.

The power stations need to be able to also run on green hydrogen but the transition to the new fuel will likely be between 2035 and 2040, the government has said.

The German economy ministry did not confirm an agreement, and said that very good progress had been made in EU talks.

The EU Commission said it was in close and constructive discussions with German authorities but would not further comment on details or timing.



The state plans to tender contracts for utilities, such as RWE (RWEG.DE), opens new tab, EnBW (EBKG.DE), opens new tab and Uniper (UN0k.DE), opens new tab, to build and run the plants. Contracts will be based on financial rewards for standing by in what is known as a capacity market.

The reverse auctions will be designed to award contracts to companies agreeing to the lowest subsidies.

German Economy Minister Robert Habeck said on Thursday he was nearing an agreement after drawn-out negotiations with the EU.

Sticking points included uncertainty over when the plants will switch from natural gas to hydrogen, he added. The nation's Power Station Strategy was unveiled in February.

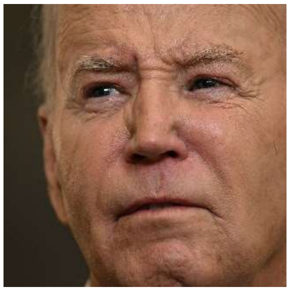


Reporting by Markus Wacket in Berlin; additional reporting by Foo Yun Chee in Brussels; writing by Ludwig Burger; editing by Andrey Sychev and David Evans

https://www.wsj.com/politics/policy/joe-biden-age-election-2024-8ee15246?mod=hp_lead_pos7

# Behind Closed Doors, Biden Shows Signs of Slipping

## Participants in meetings said the 81-year-old president performed poorly at times. The White House said Biden is sharp and his critics are playing partisan politics.



President Biden on May 31. BRENDAN SMIALOWSKI/AFP/GETTY IMAGES

By Annie Linskey Follow and Siobhan Hughes Follow
June 4, 2024 9:00 pm ET

WASHINGTON—When President Biden met with congressional leaders in the West Wing in January to negotiate a Ukraine funding deal, he spoke so softly at times that some participants struggled to hear him, according to five people familiar with the meeting. He read from notes to make obvious points, paused for extended periods and sometimes closed his eyes for so long that some in the room wondered whether he had tuned out.

In a February one-on-one chat in the Oval Office with House Speaker Mike Johnson, the president said a recent policy change by his administration that jeopardizes some big energy projects was just a study, according to six people told at the time about what Johnson said had happened. Johnson worried the president's memory had slipped about the details of his own policy.

Last year, when Biden was negotiating with House Republicans to lift the debt ceiling, his demeanor and command of the details seemed to shift from one day to the next, according to then-House Speaker Kevin McCarthy and two others familiar with the talks. On some days, he had loose and spontaneous exchanges with Republicans, and on others he mumbled and appeared to rely on notes.

"I used to meet with him when he was vice president. I'd go to his house," McCarthy said in an interview. "He's not the same person."

The 81-year-old Biden is the oldest person to hold the presidency. His age and cognitive fitness have become major issues in his campaign for a second term, both in the minds of voters and in attacks on him by Republicans. The White House and top aides said he remains a sharp and vigorous leader.

Some who have worked with him, however, including Democrats and some who have known him back to his time as vice president, described a president who appears slower now, someone who has both good moments and bad ones.

For much of his career, Biden enjoyed a reputation on Capitol Hill for being a master negotiator of legislative deals, known for his detailed knowledge of issues and insights into the other side's motivations and needs—and for hitting his stride when the pressure was on. Over the past year, though, with Republicans in control of the House, that reputation has diminished.

Biden’s age and cognitive fitness have become major issues in his campaign. PHOTO: AL DRAGO/BLOOMBERG NEWS

White House officials dismissed many of the accounts from those who have met with the president or been briefed on those meetings as motivated by partisan politics.

“Congressional Republicans, foreign leaders and nonpartisan national-security experts have made clear in their own words that President Biden is a savvy and effective leader who has a deep record of legislative accomplishment,” said White House spokesman Andrew Bates. “Now, in 2024, House Republicans are making false claims as a political tactic that flatly contradict previous statements made by themselves and their colleagues.”

This article is based on interviews with more than 45 people over several months. The interviews were with Republicans and Democrats who either participated in meetings with Biden or were briefed on them contemporaneously, including administration officials and other Democrats who found no fault in the president’s handling of the meetings. Most of those who said Biden performed poorly were Republicans, but some Democrats said that he showed his age in several of the exchanges.

The White House kept close tabs on some of The Wall Street Journal’s interviews with Democratic lawmakers. After the offices of several Democrats shared with the White House either a recording of an interview or details about what was asked, some of those lawmakers spoke to the Journal a second time and once again emphasized Biden’s strengths.

“They just, you know, said that I should give you a call back,” said Rep. Gregory Meeks, a New York Democrat, referring to the White House.

Bates, the White House spokesman, said: “We thought it was important that all perspectives be represented” to correct what he said were “false and politically motivated claims.”

Former President Donald Trump, who at 77 is 3½ years younger than Biden, also has faced questions about his mental acuity. Indeed, both candidates have been captured repeatedly on camera slipping up on facts or otherwise botching their public remarks, providing a steady stream of fodder for both Democrats and Republicans to attack the mental capacity of the opposing candidate.

Like Biden, former President Donald Trump has made errors in public remarks. PHOTO: DAVID DEE DELGADO/GETTY IMAGES

During Biden’s January meeting on Ukraine, the president laid out a forceful case for providing aid, according to administration officials and some participants, who added that using notes in such meetings is common practice. White House spokesman Bates denied that Biden had misspoken during his one-on-one exchange with Johnson in February about energy policy.

Administration aides familiar with last year's debt-ceiling negotiations said Biden was effective, that his role was to be above the fray and to provide detailed instructions behind the scenes. They said McCarthy privately told administration officials at the time that he was impressed with Biden's performance, and that McCarthy suggested as much in public remarks.

They said the passage of both Ukraine funding and a debt-ceiling increase without major concessions to Republicans shows he succeeded.

Some who attended the meetings attributed off-key moments to his speech impediment and his tendency to be long-winded. Those who expressed concern about Biden said the behavior they saw suggested an unevenness, not the caricature of an addled leader that some of his political opponents draw. The White House said the president's doctors have found him fit to serve, and that his recent annual physical showed no need for a cognitive test.


Administration officials said Biden was sharp and engaged during long hours in the White House Situation Room after Iran's missile attack on Israel. PHOTO: ADAM SCHULTZ/THE WHITE HOUSE/ASSOCIATED PRESS

Members of the Biden administration offered numerous examples of other situations that they said showed the president was sharp and engaged, including long hours in the Situation Room in April during and after Iran's missile attack on Israel, and late nights on the phone with lawmakers from his White House residence.

Voter perceptions about the mental acuity of both candidates are being shaped partly by footage and news coverage of their public slips.

During a May 20 Rose Garden event, Biden said one of the U.S. hostages held in Gaza was present as a guest, before correcting himself. VIDEO: C-SPAN

On May 20, during a Rose Garden event celebrating Jewish American Heritage month, Biden said one of the U.S. hostages held in Gaza was a guest at the White House event, before correcting himself. One day earlier, at a campaign event in Detroit, he indicated that he was vice president during the Covid-19 pandemic, which started three years after he left that office. It was one of numerous flubs in the single speech that prompted the White House to make corrections to the official transcript.

In January, he mixed up two of his Hispanic cabinet secretaries, Alejandro Mayorkas and Xavier Becerra. During a February fundraiser in New York, he recounted speaking to German Chancellor Helmut Kohl—who died in 2017—at the 2021 Group of Seven meeting. That same month, at a different fundraiser, he said that during the 2021 G-7 summit he had spoken to former French President François Mitterrand, who died in 1996.

Trump, for his part, mixed up Nikki Haley, a Republican presidential primary opponent, and House speaker emeritus Rep. Nancy Pelosi, the California Democrat, during a January speech. At a rally in Virginia in March, he referred to Biden as Barack Obama when commenting on Russian leader Vladimir Putin's opinion of U.S. leadership. During his criminal trial in New York in May, he closed his eyes for extended periods.

After the Jan. 6, 2021, attack on the Capitol, there was so much concern over Trump's mental state that some of his cabinet officials discussed whether there should be a greater check on his power and at least one considered invoking the 25th Amendment to remove him from office.

A Trump spokeswoman said he is “sharp as a tack.”

In a March Wall Street Journal survey of voters in seven battleground states, just 28% said Biden was better suited physically and mentally for the presidency, while 48% picked Trump.

Questions about Biden’s age were amplified in February when Special Counsel Robert K. Hur, who interviewed him for roughly five hours over two days in October during the probe into his handling of classified documents, reported that Biden’s memory had been “significantly limited.” Biden responded in a news conference: “I know what the hell I’m doing.”

Americans have had minimal opportunities to see Biden in unscripted moments. By the end of April, he had given fewer interviews and press conferences than any of his recent predecessors, according to data collected by Martha Joynt Kumar, an emeritus professor at Towson University. His last wide-ranging town-hall-style meeting with an independent news outlet was in October 2021.

He has had fewer small meetings with lawmakers as his term has gone on, visitor logs show. During his first year in office, even with pandemic restrictions, he held more than three dozen meetings of fewer than 20 lawmakers in the West Wing. That number fell to roughly two dozen in his second year, and about a dozen in his third year.

Bates, the White House spokesman, said the new Republican-controlled House presented fewer opportunities for a Democratic president to push major legislation.

**Jan. 17, 2024: Ukraine Meeting**

With Ukraine running out of munitions, the White House called together top lawmakers to discuss what it would take to get congressional funding, along with the scope of border-security changes demanded by Republicans. The president moved so slowly around the Cabinet Room to greet the nearly two dozen congressional leaders that it took about 10 minutes for the meeting to begin, some people who attended recalled.

Biden started the meeting reading from notes to make broad points about the need to give money to Ukraine, which struck several participants as odd given that the lawmakers present already generally agreed that more funds were needed. Some attendees had trouble hearing him.

Biden deferred so frequently to other lawmakers that much of the conversation didn’t include him, some people who attended the meeting recalled. When questions came directly to him, he would turn to staffers, they said.

“You couldn’t be there and not feel uncomfortable,” said one person who attended. “I’ll just say that.”

Gene Sperling, a top Biden aide who also worked for former presidents Bill Clinton and Obama, said it is standard practice for presidents to read from cards in serious policy meetings with lawmakers. Casey Redmon, a National Security Council official who attended, said Biden turned to aides only twice, deferring one question to National Security Adviser Jake Sullivan and another to Director of National Intelligence Avril Haines.

House Minority Leader Hakeem Jeffries, a New York Democrat who attended, said Biden was “incredibly strong, forceful and decisive.” The White House provided similar statements from two top officials who attended: Shalanda Young, director of the Office of Management and Budget, and Deputy National Security Adviser Jon Finer. Bates, the White House spokesman, said no one in the room said anything at the time about having trouble hearing Biden.

“What you see on TV is what you get,” said Sen. James E. Risch, an Idaho Republican, who attended the meeting but shared only his general impression of meetings with Biden. “These people who keep talking about what a dynamo he is behind closed doors—they need to get him out from behind closed doors, because I didn’t see it.”

House Speaker Mike Johnson speaking outside the White House on Jan. 17 after meeting with Biden and congressional leaders about Ukraine aid. PHOTO: SAMUEL CORUM/GETTY IMAGES

Others who attended said Biden's demeanor and level of engagement fluctuated and he seemed lively and engaged at some points. When the topic moved to an immigration overhaul, Johnson, the House speaker, offered Biden a list of dozens of executive actions he could undo to improve border security. Biden, rather than responding to Johnson's suggestions, chided him, according to people at the meeting, "I've forgotten more about immigration than you'll ever know."

Bates, the White House spokesman, characterized Biden's retort as a "lighthearted comment" about his long experience with immigration policy. Bates said Johnson later publicly described the meeting positively, and that the meeting put Congress on the trajectory to pass Ukraine aid.

Meeks, the New York Democrat, said he didn't come away from the meeting worried about Biden's acuity. "I found him to be the same Joe Biden that I've known since I came to Congress," said Meeks, who was elected in 1998.

**Feb. 27, 2024: Biden and Johnson**

Just after a late-February meeting of House and Senate leaders about military assistance to Ukraine, Biden pulled aside Johnson for a chat about funding and what it would take to bring the matter to a House vote.

Johnson brought up a new administration energy policy that halts future permits for shipping LNG to many countries, including in Europe, while the climate, economic and national-security impact of those exports are studied. The policy fanned concern that the ban would scuttle new projects and ultimately force U.S. allies to import more from energy-rich adversaries like Russia. The policy also affects several multibillion-dollar projects in Johnson's home state of Louisiana by denying them, for now, key export permits.

"Mr. President, you are helping Vladimir Putin," Johnson told the president, according to one of the people briefed on the exchange. Biden said that wasn't true, and that the new policy was only a study, according to several people familiar with Johnson's version of what happened. Johnson was dismayed that Biden appeared to have forgotten details of his own policies, they said.

Bates, the White House spokesman, said that those who have heard Johnson's version are repeating "a false account." He said the study is part of the new policy, and that the pause doesn't affect current exports. Administration officials said Biden was attempting to signal to Johnson that the policy wouldn't have the detrimental effects he worried about.

The president pulled House Speaker Johnson aside for a one-on-one chat after a meeting in the Oval Office on Feb. 27. PHOTO: BONNIE CASH/PRESS POOL

No new Energy Department permits for exporting LNG have been issued since the pause was announced.

Johnson declined to be interviewed for this article. Taylor Haulsee, a spokesman for Johnson, said the speaker stands by the account that Biden appeared to misunderstand the policy.

Senior White House officials disputed assertions that Biden doesn't understand his policies or appears disengaged, saying he has been sharp when dealing with crises and pushing through his legislative priorities.

In mid-April, during the pressure-packed hours when Iran was attacking Israel, Biden stayed in the Situation Room tracking Iran's missiles and drones as they were shot down while strategizing with senior aides about what to say to Israeli Prime Minister Benjamin Netanyahu when the attack ended, according to an administration official.

Biden sought de-escalation, telling Netanyahu on that call that he didn't need a major military response to the unprecedented attack. Using military shorthand that refers to tit-for-tat responses as "turns," the official said, Biden told the Israeli leader: "Don't do a turn three."

When the call ended, Biden told his national security team that he suspected Israel would still respond in some way, but that his argument was likely to minimize the response. He was right: Israel hit a military target in central Iran, a limited strike.

**May 2023: Debt Ceiling**

In 2011, when Biden was vice president, he played a central role in negotiations with Republicans over increasing the debt ceiling, striking a deal when the country was on the precipice of a default. According to some Republicans involved in similar negotiations with him in May 2023, his level of engagement was uneven.

"He would ramble," said McCarthy, who led the Republican side of the talks. "He always had cards. He couldn't negotiate another way."

When the deal was coming together, though, McCarthy wasn't as openly critical of the president. He said he enjoyed meeting with him, and he praised Biden's staff. "I thought his team was very professional, very smart, very tough at the same time," he told reporters in May 2023.

For the final phase of the talks, McCarthy assigned fellow Republican House members Garret Graves of Louisiana and Patrick McHenry of North Carolina to work with White House aides on nitty-gritty issues.

Biden and then-House Speaker Kevin McCarthy met in the Oval Office on May 22, 2023, to negotiate raising the debt ceiling. PHOTO: DREW ANGERER/GETTY IMAGES

At times, the White House team would defer items, saying Biden needed to make the final call. But Biden wouldn't discuss those points in detail when he had check-in talks with McCarthy, according to people familiar with the conversations. He kept the calls general, expressing optimism about working things out, according to one of those people.

Administration officials said Biden was employing an oft-used negotiating tactic of staying above the fray. McCarthy, one of the officials said, was doing the same thing.

On May 21 of last year, 11 days away from a possible default, Biden called McCarthy from Air Force One on his way back from a summit meeting in Japan to discuss the negotiations. “On that phone call, he was more with it than any other time,” McCarthy said. Biden told stories about the other foreign leaders at the conference and referenced how the debt-ceiling talks could impact various members of Congress politically, according to people familiar with it.

When McCarthy and other lawmakers met with the president the next day, McCarthy said, Biden lacked the spontaneity he had projected on the plane. “He was going back to all the old stuff that had been done for a long time,” McCarthy said. “And he was shocked when I’d say: ‘No, Mr. President. We talked about that meetings ago. We are done with that.’”

Administration officials said that during a negotiation it is not unusual for the White House to reassert its original position at various points, sometimes to show Democrats that the president is still pushing for their priorities.

The president spoke so softly and with such little enunciation that attendees said they struggled to hear what he was saying, people familiar with the meeting said. He told the same story more than once about his experiences with the DuPont company during his time as a Delaware senator, one of the people said.

Administration officials who were at the meeting said they saw nothing unusual about Biden’s demeanor and that they didn’t struggle to hear what he said or recall him repeating a story. Bates, the White House spokesman, said Biden didn’t rely overly on notes, and that through his long career he has frequently repeated anecdotes in meetings.

When the Republican negotiators came out of the meeting, McCarthy was upbeat, telling reporters that the “tone” of the White House meeting was “better than any other time we’ve had discussions.”

As Republican negotiators drove away from the White House, they called a colleague to update him on the talks, according to someone familiar with the call. One topic of discussion: the president and his acuity.

*Jim Oberman contributed to this article.*

Write to Annie Linskey at annie.linskey@wsj.com and Siobhan Hughes at Siobhan.hughes@wsj.com

https://www.db.com/news/detail/20220907-christian-sewing-s-keynote-at-the-handelsblatt-banken-summit-2022?language_id=1

News September 7, 2022

# Christian Sewing's keynote at the Handelsblatt Banken Summit 2022

- Check against delivery -

Dear Mr Matthes, Ladies and Gentlemen,

I am delighted to be with you today at a time that is more challenging than anything I have experienced in more than 30 years of banking. While the Covid pandemic proved to be a temporary shock to the world economy, Russia's war against Ukraine has destroyed a number of certainties on which we built our economic system over the past decades.

- The brakes have been applied to globalisation and, in the face of major geopolitical tensions, it is unlikely to pick up its old momentum any time soon.
- As a result, many seemingly perfect global value and supply chains have been disrupted.
- The workforce, which for a long time was thought to be available without limit, has become a bottleneck factor worldwide.
- At the same time, electricity and gas have become scarce and extremely expensive. Energy is set to stay an expensive commodity in Europe for some time. This represents a structural competitive drawback and it is a threat to our economy. In the long term, we will need to respond with structural solutions.

These points are the most important reasons for soaring inflation. As a result, we will no longer be able to avert a recession in Germany.

Yet we believe that our economy is resilient enough to cope well with this recession – provided the central banks act quickly and decisively now. Right now many people still have their savings to fall back on to pay the higher prices; many companies are still sufficiently financed. But the longer inflation remains high, the greater the strain and the higher the potential for social conflict.

**Three lessons**

This combination of short and longer-term challenges seems unique at this point. And while it is essential we meet the short-term needs, we also have to explore what this means for our long-term ability to compete. The greatest complexity still lies ahead of us when we begin to draw the real lessons of the past few years. In my view, there are three main lessons:

Firstly, we have seen how dangerous it is for us in Europe to become too dependent on individual countries or regions. At the moment the main focus is on energy and raw material imports from Russia – and rightly so. We must do everything we can to ensure that our cars, our heating and our factories are not only able to run when an autocrat in the Kremlin is favourably disposed towards us. All efforts by politicians and companies to change this deserve unconditional support.

That is not enough, though. When it comes to dependencies, we also have to face the awkward question of how to deal with China. Its increasing isolation and growing tensions, especially between China and the United States, pose a considerable risk for Germany.

China is a cornerstone of our economy. About 8 percent of our exports go to China and 12 percent of our imports are from the country. More than a tenth of the sales of all DAX-listed companies are from China. At the latest during the pandemic it has become clear just how much our supply chains rely on China. Reducing this dependency will require a change no less fundamental than decoupling from Russian energy.

At the same time – and this is my second lesson – we need to tackle the climate crisis with much more resolve than to date. Climate change is already causing damage of gigantic proportions. In light of Covid and the war in Ukraine, the danger is that the topic will slip down the list of priorities. That would be the biggest mistake we could make, though.

Fighting the climate crisis is a generational task that will radically change the economy and society. Every company will have to face the issue – not just out of its responsibility to society, but to secure its own continued existence. Those who fail today to put sustainability firmly at the centre of their strategy will – in ten years – have trouble selling their products, finding employees or attracting investors. They will disappear from the market.

The third lesson, I believe, is that we have been under the illusion for the past 30 years that we could live forever in an ever more globalised world with no major conflicts and with steady growth. Francis Fukuyama has often been criticised for equating the end of the Cold War with the "end of history". But de facto we acted as if this thesis was correct; we have been acting as if the world was on its way to becoming one big village where everyone is interested in economic cooperation because, after all, everyone benefits from it. That has stopped being the case for some time now, though.

The truth is that 30 years of presumed calm will now be followed by a period of heightened volatility with economic uncertainty, regular crises and geopolitical conflicts that are also likely to drag on for decades. Trouble spots are not cut off from the rest of the world; they impact other regions in a number of ways. As such, we must come up with holistic solutions that take this degree of interplay into account. Dealing with this complexity will be a great challenge for us. Good risk management is the order of the day.

"We must not leave the playing field and with it the access to global capital markets largely to foreign banks. The past few months should have taught us this. In Germany, we must not allow ourselves to add a further dependency – access to finance – to our current dependencies on gas, raw materials and supply chains."Christian Sewing, CEO

**National feat of strength**

Let us not delude ourselves: we certainly have our work cut out for us if we are to accomplish these three tasks – reducing dependencies, dealing with permanently higher volatility and driving the historic transformation of our economy. We will only succeed through a concerted joint effort, with politics, business and society all working closely hand in hand.
The financial sector must and can play a crucial role.

We need banks that are able to finance these mammoth tasks, while protecting their clients against risks and being reliable partners, accompanying clients worldwide.

And for this we need a domestic financial sector that stands on its own two feet and can assert itself against its global competitors. We must not leave the playing field and with it the access to global capital markets largely to foreign banks. The past few years should have taught us this. In Germany, we must not allow ourselves to add a further dependency – access to finance – to our current dependencies on gas, raw materials and supply chains.

We have the means to prevent this, but we still have much to do. As a financial sector, we have already achieved a lot: we are much more stable and resilient today than we were ten years ago. We are profitable. Our industry has foregone relatively little profit in the first half of the year and even managed to increase revenues. And the loan defaults that the industry faces in the coming months should remain manageable because banks have taken the necessary provisions.

**Progress in the financial sector is far from sufficient**

That is far from enough, though, if the German financial sector is to play a leading role in the long term. What we need is:

- For us banks to work harder at becoming even more efficient and focusing even more on clients, especially in digital services.
- We need reliable regulation that does not always create higher hurdles and tie up more capital than necessary – capital that is needed right now to finance the economy.
- And sooner or later we will also need consolidation, not nationally, but Europe-wide. Size counts in banking – and if we don't want to hand over the playing field to the Americans, Europe must create the right conditions for big banks. I can only repeat what I've said before: both the European banking union and the capital markets union are essential here.

The above points are not new, but they are becoming more urgent. We are actually very well equipped so there is no reason to talk ourselves down. We are operating in an economy that has shown enormous resilience and that will also navigate the upcoming recession – because corporate balance sheets are strong, and debt is low by international standards. This economy has great potential as long as we focus now on aligning ourselves for the long term and on how to minimise the threat of de-industrialisation: with less regulation, more courage and more pragmatism; this attitude is incredibly important.

And that goes for banks, too. We have proven banks can be part of the solution. We can do much more, though. Before the financial crisis of 2007, just 15 years ago, Europe's banks were more profitable than their competitors in the US. Since then, the Americans have unrelentingly left us behind. We could, of course, agonise over this. Instead, we should rather see it as an incentive to buck the trend. The dominance of American banks is no law of nature.

At Deutsche Bank, we are convinced that the way to achieve this is by being a strong partner to our clients. They need a bank that supports them in all kinds of environments, in all markets and all over the world. This is what we emphasised when we formulated our Global Hausbank aspiration. We have radically transformed our business since 2019 and strategically repositioned ourselves in line with this aspiration.

We are convinced that this strategy will be especially effective in volatile times – because now is the moment when advice and expertise are highly sought after.

And this does not apply to us alone. Despite all the differences between the banks in Germany, we have one thing in common: we were there for our clients during the pandemic, we were there for our clients when Russia invaded Ukraine and we continue to be there – in these volatile times that urgently call for sustainable transformation. We have regained a great deal of trust. Let us work together to create the conditions for renewed dynamic growth across our entire economy.

**Dan Tsubouchi** @Energy_Tidbits · 2h

Separate second merchant ship hit by the Houthis drones yesterday.
#OOTT

> **United Kingdom Maritime Trade Operations (UKM** @UK_MT( · 16h
>
> UKMTO WARNING INCIDENT 080 ATTACK - UPDATE 001
>
> ukmto.org/indian-ocean/u...
>
> #MaritimeSecurity #MarSec

# UKMTO WARNING

**INCIDENT 080 – ATTACK UPDATE 001**

| Incident Date: | Incident Time: |
|---|---|
| 08 June 2024 | 2000UTC |

**Source: Master**
**Issued: 08 June 2024 2240UTC**

The Master reports that the vessel was hit by an unknown projectile, a small fire was contained in the mooring station and now reported extinguished. All crew are reported safe and the vessel is now proceeding to its next port call.

Authorities continue to monitor the situation.

Vessels are advised to transit with caution and report any suspicious activity to UKMTO.

UKMTO Watchkeeper
Email: watchkeepers@ukmto.org
Emergency Tel: +44 (0)2392 222060

UKMTO

2 · 1 · 1.3K

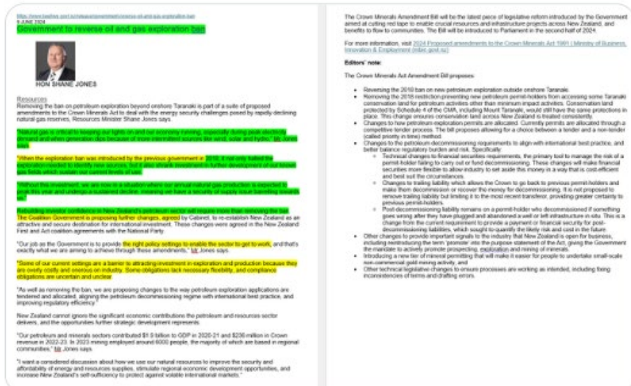
**Dan Tsubouchi** @Energy_Tidbits · 3h

Big Reality Check!

***"Natural gas is critical to keeping our lights on and our economy running, especially during peak electricity demand and when generation dips because of more intermittent sources like wind, solar and hydro"*** NZ @mangonui08

NZ reverses ban on #Oil #NatGas

Show more



Government to reverse oil and gas exploration ban

HON SHANE JONES

Resources

Removing the ban on petroleum exploration beyond onshore Taranaki is part of a suite of proposed amendments to the Crown Minerals Act to deal with the energy security challenges posed by rapidly declining natural gas reserves, Resources Minister Shane Jones says.

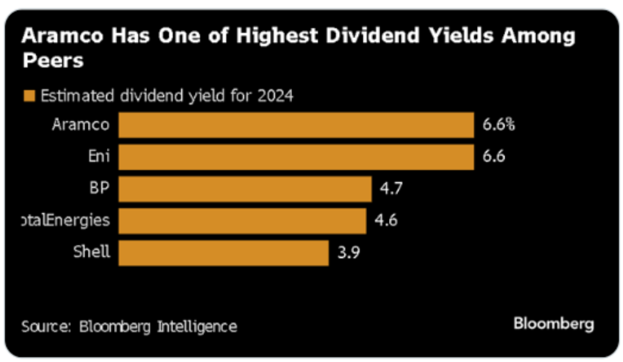
2 15 1.5K

**Dan Tsubouchi** @Energy_Tidbits · 3h

Aramco 6.6% yield is attractive but foreign investors wouldn't have invested $6.5b unless they see strong #Oil prices continuing to support that yield.

Nearly 60% of Aramco $11.2b issue was outside of Saudi vs only 23% in IPO.

Thx @MattMartin128 @julia_fioretti #OOTT

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**Dan Tsubouchi** @Energy_Tidbits · 20h

No surprise

Iraq has late requirement for international Oil co's operating in Kurdistan to attend tomorrow's meeting in Baghdad.

"*The ultimatum could put the talks in jeopardy*" reports @KarwanFaidhiDri.

#OOTT

> **Karwan Faidhi Dri** @KarwanFaidhiDri · Jun 8
>
> Iraqi govt has informed oil companies operating in Kurdistan they must disclose their contracts with Erbil in order to attend Sunday's much-anticipated meeting in Baghdad about resuming Kurdish oil exports. The ultimatum could put the talks in jeopardy
> rudaw.net/english/middle...

4 11 3.7K

**Dan Tsubouchi** @Energy_Tidbits · 23h

Daily Europe air traffic -3.2% below pre-Covid.

7-day average as of:
Jun 6: -3.2% below pre-Covid
May 30: -0.8%
May 23: -1.9%
May 16: -1.2%
May 9: -3.2%
May 2: -2.9%
Apr 25: -3.2% ...
Show more


2 2 6 1.6K

Dan Tsubouchi @Energy_Tidbits · 23h

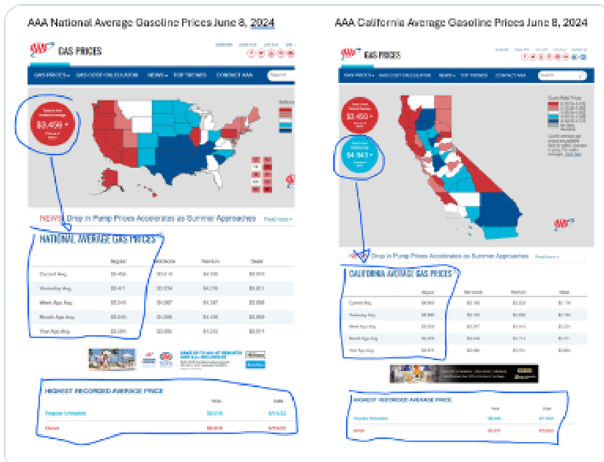
US gasoline prices keep drifting down.

Jun 8 $3.46, -$0.08 WoW, $0.18 MoM & -$0.10 YoY.

California below $5 to $4.94 is $0.12 WoW.

See 👇 05/24 @GasBuddyGuy expects "progressive decreases between Memorial Day, July 7 & Labor Day"

Thx @AAAnews #OOTT




> Dan Tsubouchi @Energy_Tidbits · May 24
>
> 
> 
>
> Biden hopes this forecast turns out true!
>
> US #Gasoline prices +$0.06 YoY BUT well followed @GasBuddyGuy expects "*progressive decreases between Memorial Day, July 4 and Labor Day*" subjec...

5 1.7K

Dan Tsubouchi @Energy_Tidbits · Jun 8

Vortexa oil floating storage est 70.28 mmb at Jun 7.

BUT negative as last 7 wks average, incl Jun 7, is up to 77.62 mmb as prior weeks were revised up with big upward revisions to May 24 & 31.

Gulf Coast back to normal.

Thx @vortexa @business
#OOTT


4 11 2.1K

SAF

**Dan Tsubouchi** @Energy_Tidbits · Jun 7

321 crack spreads up small +$0.27 WoW to $24.31 on Jun 7.

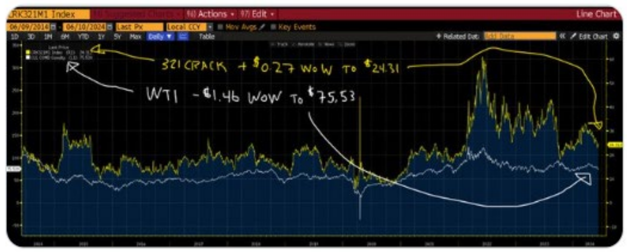
But down $4.65 over past 6 weeks so no surprise WTI was -$1.46 WoW to $75.53 on Jun 7.

$24.31 above historical $15-20 but not necessarily high enough to drive up WTI.

Thx @business

...

Show more




1 · 4 · 18 · 2.7K

SAF

**Dan Tsubouchi** @Energy_Tidbits · Jun 7

More Renewables = More Natural Gas Electricity Generation

Germany to support utilities to add #NatGas powered generation to stabilize the grid when renewables fall short reports @Reuters Markus Wacket

More #NatGas is needed for more intermittent power generation.

#OOTT

https://www.reuters.com/business/energy/germany-gets-informal-eus-go-ahead-support-gas-fired-power-sources-say-2024-06-07/?taid=66632fafb543f00001119448&utm_campaign=trueAnthem:+Trending+Content&utm_medium=trueAnthem&utm_source=twitter

**Germany gets informal EU go-ahead to support gas-fired power, sources say**

By Markus Wacket
June 7, 20245:00 AM MDTUpdated 7 hours ago

BERLIN, June 7 (Reuters) - Germany won the European Union's informal approval to pay billions of euros to gas powered plants to be able to stabilise the grid when unsteady renewable energy supplies fall short, people familiar with the negotiations told Reuters on Friday.

An agreement in principle was reached with the EU's competition authorities for state support to utilities for the 10 gigawatt (GW) scheme but some details for an official approval are to be hammered out over the next few weeks, government and company sources said.

They added that the German government secured an agreement to a set of terms that will change over time as the long-term scheme, which is known as the National Power Station Strategy, evolves.

Berlin expects to receive an EU document outlining the informal agreement on Friday, the sources said.

Germany is transitioning to renewables, having switched off nuclear power and seeking to phase out coal-powered electricity, but wants to give state support for natural-gas powered plants that underpin the grid during demand peaks and lows in unsteady supply from wind and solar power.

The power stations need to be able to also run on green hydrogen but the transition to the new fuel will likely be between 2035 and 2040, the government has said.

The German economy ministry did not confirm an agreement, and said that very good progress had been made in EU talks.

The EU Commission said it was in close and constructive discussions with German authorities but would not further comment on details or timing.

**00:09Can Mexico's new president shake up the country's oil legacy?**

**The video player is currently playing an ad.**

The state plans to tender contracts for utilities, such as RWE (RWEG.DE), opens new tab, EnBW (EBKG.DE), opens new tab and Uniper (UN0k.DE), opens new tab, to build and run the plants. Contracts will be based on financial rewards for standing by in what is known as a capacity market.

The reverse auctions will be designed to award contracts to companies agreeing to the lowest subsidies.

German Economy Minister Robert Habeck said on Thursday he was nearing an agreement after drawn-out negotiations with the EU.

Sticking points included uncertainty over when the plants will switch from natural gas to hydrogen, he added. The nation's Power Station Strategy was unveiled in February.

The Reuters Power Up newsletter provides everything you need to know about the global energy industry. Sign up here.

Reporting by Markus Wacket in Berlin; additional reporting by Foo Yun Chee in Brussels; writing by Ludwig Burger; editing by Andrey Sychev and David Evans

Our Standards: The Thomson Reuters Trust Principles.

2 · 13 · 24 · 6.1K

**Dan Tsubouchi** @Energy_Tidbits · Jun 7

Data center reality check.

"*if the projected amount of electricity that is going to be needed to power all this .....the capacity that will be built will have to be hydrocarbon based. You cannot have reliable wind that is going to running 100% of the time*" Huntsman CEO.

Also

Show more


4 10 36 7.7K

**Dan Tsubouchi** @Energy_Tidbits · Jun 7

Electricity Gap is coming!

"*a new data center takes a little over a yr to build, it takes 10 yrs to permit these new #NatGas burning power plants. It takes even longer for Wind & Solar. So that's a disconnect we have*" Huntsman CEO.

Higher power costs ahead!

#OOTT @SquawkCNBC


3 13 32 7K

**Dan Tsubouchi** @Energy_Tidbits · Jun 6

Time for Biden to pivot to hybrids vs EV?.

Only 18% of Americans likely/very likely to buy an EV as early adopters have EVs, remaining see "p*racticality cost, convenience, and ownership experience ....from making the jump*.." Vs 31% likely/very likely to buy a Hybrid. @AAAnews

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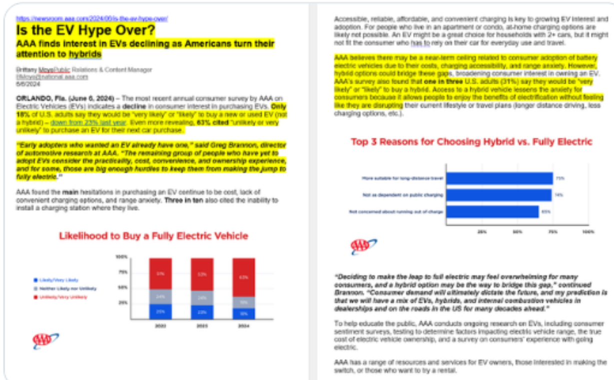



**Dan Tsubouchi** @Energy_Tidbits · May 22

Are old ICE cars too reliable to junk or are new cars, incl EVs, too expensive to consider junking an ICE?

Or a bit of both?

...

1 7 21 4K

**Dan Tsubouchi** @Energy_Tidbits · Jun 6

What about IEA?

""***All*** *agree that 1.5 - 2 mln barrels a day for this year plus extra demand growth; estimates for the next year are about 1.5 mln barrels per day,"* Novak said."

Looks like Novak forgot IEA who are at +1.1 mmb/d YoY in 2024 and +1.2 mmb/d YoY in 2025.

#OOTT


1 1.2K

**Dan Tsubouchi** @Energy_Tidbits · Jun 6

How will Putin respond as US missiles "used in proximity to the border" ie. less than 200 miles inside Russia?

"*We're not authorizing strikes 200 miles into Russia and we're not authorizing strikes on Moscow, on the Kremlin.*" Biden to @DavidMuir.

Thx @FritzFarrow
#OOTT

https://abcnews.go.com/Politics/exclusive-biden-muir-us-weapons-wont-be-used-strike-moscow-kremlin/story?id=110865520

Exclusive: Biden tells Muir US weapons will not be used to strike Moscow, Kremlin

Biden is in Normandy commemorating the 80th anniversary of D-Day.

By Fritz Farrow June 6, 2024, 5:06 AM

**Exclusive: Biden tells Muir US weapons will not be used to strike Moscow, Kremlin**

In an ABC News exclusive, World News Tonight anchor David Muir interviewed Pres. Joe Biden in Norm...Show More

President Joe Biden was adamant that U.S. weapons would not be used to strike Moscow or the Kremlin after he authorized Ukraine to use them in Russia during an exclusive interview with ABC News anchor David Muir at the Normandy American Cemetery on the 80th anniversary of D-Day.

Muir asked Biden if U.S.-made weapons have already been used in Russia since he signed off on their use, limiting use to areas near the Russian-occupied Kharkiv region. The president did not directly answer, but made clear they would not be authorized to be used to target Russia's capital city or seat of government.

"They're authorized to be used in proximity to the border when they're being used on the other side of the border to attack specific targets in Ukraine," Biden told Muir of U.S. weapons. "We're not authorizing strikes 200 miles into Russia and we're not authorizing strikes on Moscow, on the Kremlin."

ABC News' David Muir sat down exclusively with President Joe Biden in Normandy, France, on the 80t...Show more

ABC News

Muir asked the president about Vladimir Putin's comments overnight, that "the supply of high-precision weapons to Ukraine for strikes on Russian territory is direct participation in this war."

"Does that concern you?" Muir asked Biden.

"I've known him for over 40 years. He's concerned me for 40 years. He's not a decent man," Biden said. "He's a dictator, and he's struggling to make sure he holds his country together while still keeping this assault going. We're not talking about giving them weapons to strike Moscow, to strike the Kremlin, to strike against -- just across the border, where they're receiving significant fire from conventional weapons used by the Russians to go into Ukraine to kill Ukrainians."

Biden is in France to commemorate the day Allied forces stormed the beaches of Normandy in 1944, setting off a chain of events that led to the fall of Nazi Germany and the end of World War II. Later Thursday, Biden plans to meet with Ukrainian President Volodymyr Zelenskyy to discuss the war effort.

1 · 3 · 1K

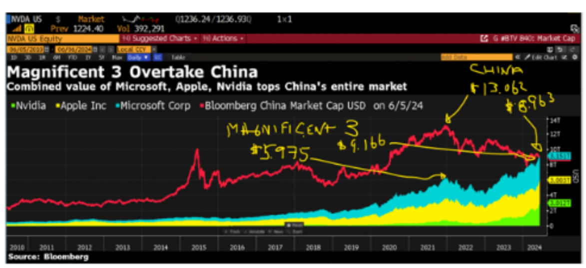
**Dan Tsubouchi** @Energy_Tidbits · Jun 6

Apple + Microsoft + Nvidia market cap is now #2 market cap country in the world.

Just passed China driven by Nvidia quadruple in last 2.5 yrs AND China's 40% drop in market cap.

Good thing these aren't #Oil co's as they would be taxed like crazy.

Thx @business
#OOTT




| Market Capitalization ($ Trillions) | | | | | |
|---|---|---|---|---|---|
| | China | Apple | Microsoft | Nvidia | Magnificent 3 |
| 05-Jun-24 | 8.963 | 3.003 | 3.151 | 3.012 | 9.166 |
| 16-Dec-21 | 13.062 | 2.826 | 2.439 | 0.710 | 5.975 |
| Change | -4.099 | 0.177 | 0.712 | 2.302 | 3.191 |
| Source: Bloomberg | | | | | |

1 · 4 · 1.2K

**Dan Tsubouchi** @Energy_Tidbits · Jun 6

Usual good read @trafigura @saadrahim commodity recap/outlook.

Headline will be copper prices moved higher than fundamentals in spot market BUT also reminds of disappointing supply.

Normal seasonal demand trend for #Oil is key to tighter markets.

India is big for future

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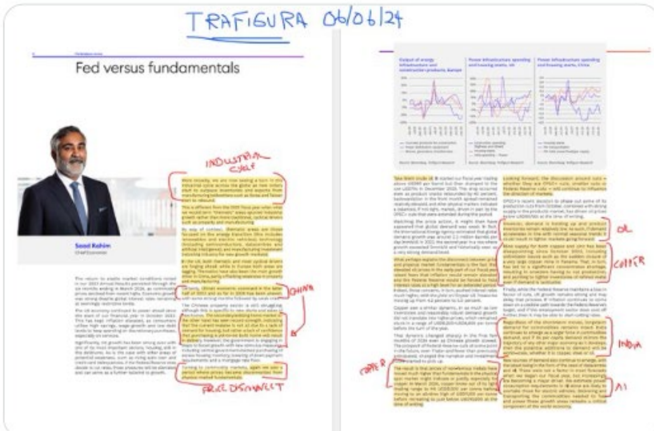


1 · 4 · 21 · 4.6K

**Dan Tsubouchi** @Energy_Tidbits · 45m

Peak Oil Demand? Not yet in Spain.

Spain #Oil & #PetroleumProducts consumption continues up strong YoY in April.

Oil: 1.537 mmb/d, +12.0% YoY
Jet Fuel: +10.0% YoY
Gasoline: +9.5% YoY
Diesel for roads: +8.1% YoY
Diesel for agriculture, etc: +14.7% YoY...

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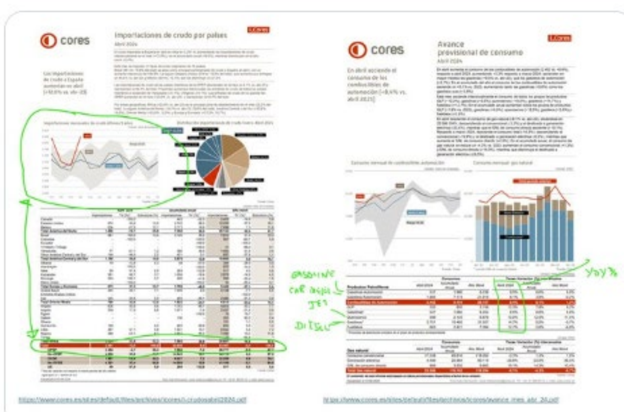


6 · 10 · 3.1K

Dan Tsubouchi @Energy_Tidbits · 5h

For those not near their laptop, @EIAgov just released #Oil #Gasoline #Distillates inventory as of May 31 at 8:30am MT. Table below compares EIA data vs @business expectations and vs @APIenergy yesterday. Prior to release, WTI was $73.65. #OOTT

| Oil/Products Inventory May 31: EIA, Bloomberg Survey Expectations, API | | | |
|---|---|---|---|
| (million barrels) | EIA | Expectations | API |
| Oil | 1.23 | -2.30 | 4.10 |
| Gasoline | 2.10 | 1.70 | 4.00 |
| Distillates | 3.20 | 2.17 | 2.00 |
| | 6.53 | 1.57 | 10.10 |
| Note: Oil is commercial. So excludes a +0.9 mmb build in SPR for the May 31 week | | | |
| Note: Included in the oil data, Cushing had a 0.85 mm build for May 31 week | | | |
| Source EIA, Bloomberg | | | |
| Prepared by SAF Group https://safgroup.ca/news-insights/ | | | |

2 10 1.4K

Dan Tsubouchi @Energy_Tidbits · 8h

China stalled recovery.

China copper stocks "*growing at exactly the time of yr when they should be shrinking fast*" "*Typically peak in Mar and slide lower as factories ramp up activity heading into the summer*" reports @MartinShanghai

Like @Vortexa 👇 Jun 4 on China onshore oil

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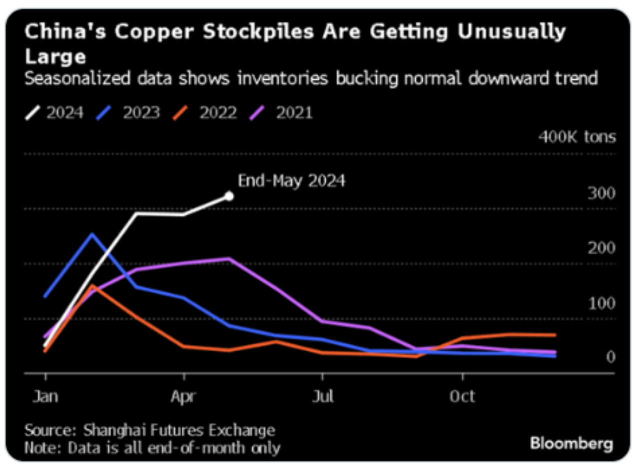


Dan Tsubouchi @Energy_Tidbits · Jun 4

China onshore oil stocks.

@Vortexa's Pamela Munger

"*we're showing them reaching similar levels to last yr, which is above the seasonal range & above the 3-yr ...*"

1 2 1.6K

**Dan Tsubouchi** @Energy_Tidbits · 18h

Negative indicator to China recovery

2nd mth of net monthly foreign direct investment negative flows.

Apr: -$5.99b
Mar: -$0.9b
Feb: $5.3b
Jan: $3.9b
Dec: -$0.8b
Nov: -$2.0b...
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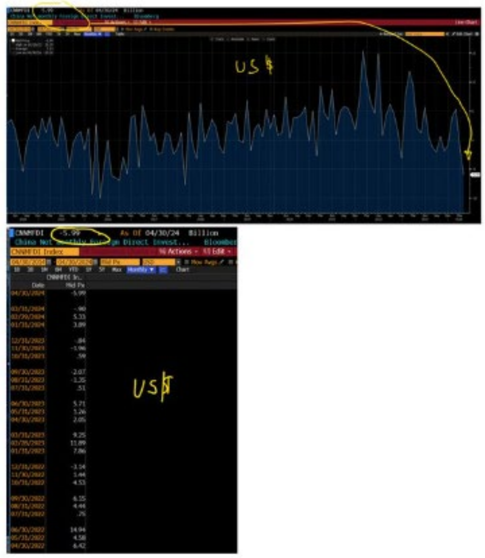
China Net Monthly Foreign Direct Investment Including April 2024 Data (US$)




Source: Bloomberg

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**Dan Tsubouchi** @Energy_Tidbits · Jun 4

Oil market better in H2 than price reflecting?

Always worth giving strong consideration to @CroftHelima views on OPEC.

She is one of the small # "in the room" for Q&A with key players.

Most of all, she has a direct relationship with The Man, Saudi Energy Minister Abdulaziz.
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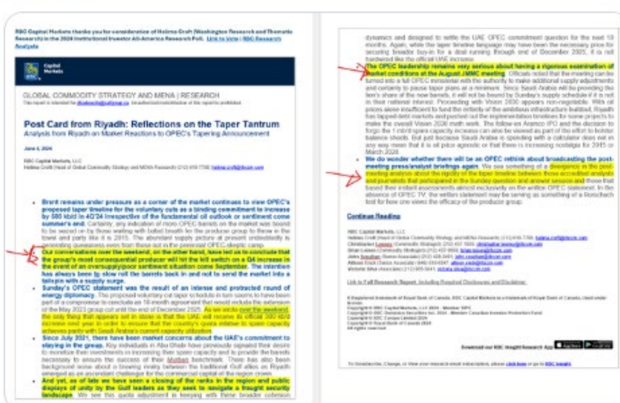

GLOBAL COMMODITY STRATEGY AND MENA | RESEARCH

Post Card from Riyadh: Reflections on the Taper Tantrum

6 · 21 · 99 · 14K

**Dan Tsubouchi** @Energy_Tidbits · Jun 4

Boeing CEO

"*I am worried about the ramifications of isolation are gonna, I don't want to overstate the word, but they are going to bring down economies*"

"*Isolation then brings disenchantment and disenchantment ultimately brings political turnover*"

Thx @GuyJohnsonTV. #OOTT


2 · 1 · 3 · 3.1K

**Dan Tsubouchi** @Energy_Tidbits · Jun 4

China onshore oil stocks.

@Vortexa's Pamela Munger

"*we're showing them reaching similar levels to last yr, which is above the seasonal range & above the 3-yr average*"

"*you would expect, naturally, inventories to be drawing down, not building*"

#OOTT @gulf_intel @sean_evers

***"Chinese onshore crude oil inventories, we're showing them reaching similar levels to last year, which is above the seasonal range and above the 3-year average. …"*** **Vortexa's Pamela Munger**.


SAF Group created transcript of comments by Pamela Munger (Senior Market Analyst, Vortexa) with Sean Evers (Founder & Managing Partner Gulf Intelligence) on Gulf Intelligence Daily Energy Markets podcast on June 4, 2024. [LINK]

Items in '*italics*' are SAF Group created transcript

At 12:30 min mark, Evers "… *in the context of China, lots of storage. What is Vortexa seeing from that point of view, in particularly from a China perspective?*" Munger "*Good question. So our Chinese onshore crude oil inventories, we're showing them reaching similar levels to last year, which is above the seasonal range and above the 3-year average. So, and stocks are building. Stocks are building at a time refineries are supposed to be coming off from maintenance. So they're supposed to be returning back on line, you would expect, naturally, inventories to be drawing down, not building. Shangdong onshore crude inventories, we track separately and those are well above the seasonal range for the last, for this particular last year. Those refineries are doing even more poor, shall we say, than kind of the main refineries.*"

Prepared by SAF Group https://safgroup.ca/news-insights/

2 · 4 · 7 · 4.9K

**Dan Tsubouchi** @Energy_Tidbits · Jun 4

"*You see* ***very high oil products at sea....*** *You see a big build-up of oil products at sea* ***in addition to the additional time*** *it is now taking to move around the Cape of Good Hope* ..." @Vortexa Pamela Munger.

#OOTT @gulf_intel @sean_evers

"***You see a big build-up of oil products at sea in addition to the additional time it is now taking to move around the Cape of Good Hope …*" Vortexa's Pamela Munger**.


SAF Group created transcript of comments by Pamela Munger (Senior Market Analyst, Vortexa) with Sean Evers (Founder & Managing Partner Gulf Intelligence) on Gulf Intelligence Daily Energy Markets podcast on June 4, 2024. [LINK]

Items in "*italics*" are SAF Group created transcript

At 2:30 min mark, Evers "… *your thoughts what you can tell us what you see in the shipping lanes of the world that give us some sort of clues as to the scale of demand out there. We are seeing oil, crude and products spending a lot longer on the sea?"* Munger *"Yes, certainly. And what we're noticing, and just kind of bouncing off Neil for a moment, I agree with everything that he said in terms of the demand outlook. So not just at sea. But with our combined onshore inventories and our seaborne imports, we can create what we call implied refinery runs. So we get a really good idea of what's happening in China before it happens. And we've been noticing this very, essentially, core demand in China for crude, for refinery processing, which has resulted in what we see as announced run cuts and lower margins. They don't have much of an export market or they don't refine in order to export. You can also see their stocks building. And also just in general at sea, you see very high oil products at sea. So moving back to the clean products side, Russia is having a lot of trouble finding homes for its barrels after some of the newer, stricter sanctions on financial institutions, on ports, on specific vessels. You see a big build-up of oil products at sea in addition to the additional time it is now taking to move around the Cape of Good Hope instead of going thru the East of Suez for all those Middle Eastern clean products as well."*

Prepared by SAF Group https://safgroup.ca/news-insights/

2 2 5 3K

SAF

**Dan Tsubouchi** @Energy_Tidbits · Jun 3

Israel IDF says intercepted Houthis ballistic missile targeting southern port city of Eliat. x.com/idfonline/stat...

Earlier Houthis claimed launched ballistic missile "Palestine" at Israel. saba.ye/en/news3336879...

#OOTT


**צבא ההגנה לישראל** @idfonline · Jun 3

לוחמי ההגנה האווירית יירטו בהצלחה לפני זמן קצר באמצעות מערכת "חץ" טיל קרקע-קרקע שעשה את דרכו לעבר שטח הארץ ממרחב ים סוף. התרעה על ירי רקטות וטילים הופעלה במרחב אילת, אין נפגעים

1 · 1 · 2.6K

SAF

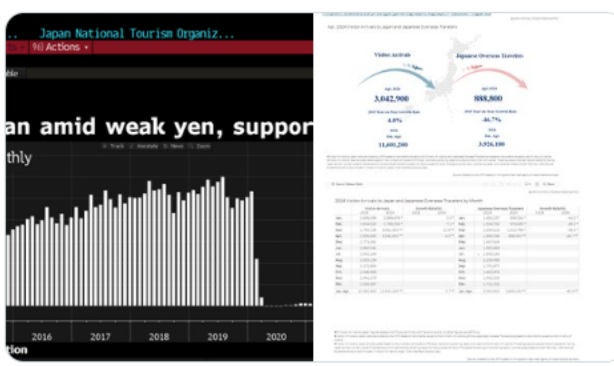
**Dan Tsubouchi** @Energy_Tidbits · Jun 3

Tourists to Japan continue to hit new record driven by weak Yen.

@SheryAhnNews just had 👇 graph.

Japan National Tourist data: 3,042,900 visitors in Apr, +4.0% vs pre-Covid 2019. Mar was all-time record at 3,081,600, +11.6% vs pre-Covid 2019.

#OOTT

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**Dan Tsubouchi** @Energy_Tidbits · Jun 3

It's way cheaper!

And why China prioritizes imports of RUS #NatGas via pipeline vs #LNG imports.

2019-21: China only paid $4.40/mmbtu for RUS pipeline gas vs RUS charged Europe ~$10/mmbtu

See 👇 @maxseddon @NastyaStognei @HenryJFoy @leahyjoseph report.

...

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> **max seddon** @maxseddon · Jun 2
>
> We found out why Russia and China can't agree on the Power of Siberia-2 gas pipeline.
>
> China wants to pay close to the subsidized Russian domestic price and will only commit to buying a fraction of capacity:...
>
> Show more

1 2 2.6K

**Dan Tsubouchi** @Energy_Tidbits · 1h

Venezuela #Oil exports up to 708,900 b/d in May.

Note, 205,000 b/d of VEN oil imported by Chevron to Gulf Coast PADD 3, 1st time over 200,000 b/d since 2019.

Good timing for Biden, more VEN oil into PADD 3 ahead of Nov 5.

Thx @mariannaparraga

#OOTT

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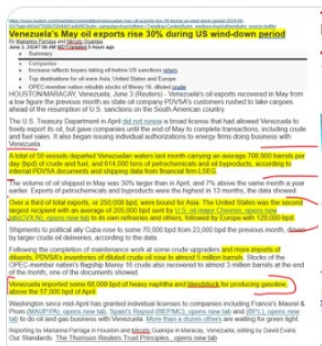


**Venezuela's May oil exports rise 30% during US wind-down period**

By Marianna Parraga and Mircely Guanipa

June 3, 2024 7:06 AM MDT Updated 5 hours ago

- Summary
- Companies
- Increase reflects buyers taking oil before US sanctions return
- Top destinations for oil were Asia, United States and Europe
- OPEC-member nation rebuilds stocks of Merey 16, diluted crude

HOUSTON/MARACAY, Venezuela, June 3 (Reuters) - Venezuela's oil exports recovered in May from a low figure the previous month as state oil company PDVSA's customers rushed to take cargoes ahead of the resumption of U.S. sanctions on the South American country.

The U.S. Treasury Department in April did not renew a broad license that had allowed Venezuela to freely export its oil, but gave companies until the end of May to complete transactions, including crude and fuel sales. It also began issuing individual authorizations to energy firms doing business with Venezuela.

A total of 50 vessels departed Venezuelan waters last month carrying an average 708,900 barrels per day (bpd) of crude and fuel, and 614,000 tons of petrochemicals and oil byproducts, according to internal PDVSA documents and shipping data from financial firm LSEG.

The volume of oil shipped in May was 30% larger than in April, and 7% above the same month a year earlier. Exports of petrochemicals and byproducts were the highest in 13 months, the data showed.

Over a third of total exports, or 250,000 bpd, were bound for Asia. The United States was the second largest recipient with an average of 205,000 bpd sent by U.S. oil major Chevron, opens new tab(CVX.N), opens new tab to its own refineries and others, followed by Europe with 129,000 bpd.

Shipments to political ally Cuba rose to some 70,000 bpd from 23,000 bpd the previous month, driven by larger crude oil deliveries, according to the data.

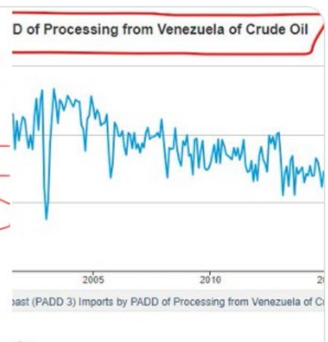
Following the completion of maintenance work at some crude upgraders and more imports of diluents, PDVSA's inventories of diluted crude oil rose to almost 5 million barrels. Stocks of the OPEC-member nation's flagship Merey 16 crude also recovered to almost 3 million barrels at the end of the month, one of the documents showed.

Venezuela imported some 68,000 bpd of heavy naphtha and blendstock for producing gasoline, above the 57,000 bpd of April.

Washington since mid-April has granted individual licenses to companies including France's Maurel & Prom (MAUP.PA), opens new tab, Spain's Repsol (REP.MC), opens new tab and (BP.L), opens new tab to do oil and gas business with Venezuela. More than a dozen others are waiting for green light.

Reporting by Marianna Parraga in Houston and Mircely Guanipa in Maracay, Venezuela; editing by David Evans

Our Standards: The Thomson Reuters Trust Principles., opens new tab

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**Dan Tsubouchi** @Energy_Tidbits · 9h

Sustainable Aviation Fuel.

IATA: SAF "could" rise to 0.5% of fuel consumption in 2024.

IATA est SAF at 2.8x cost of #JetFuel, unchanged vs Dec 2023.

Wonder why, IATA sees air industry carbon offset costs down to $0.6b vs Dec 2023 est of $1.0b.

Air fare costs going higher!

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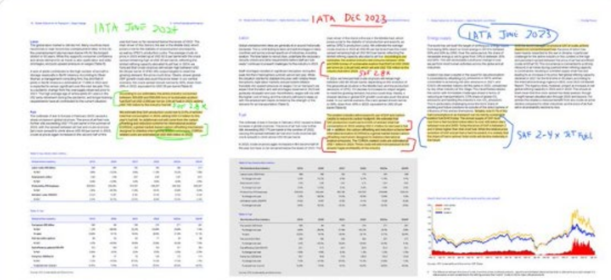


Source: IATA Global Outlook for Air Transport June 2024, Dec 2023, June 2023

**Dan Tsubouchi** @Energy_Tidbits · 19h

Falling further behind on Sustainable Aviation Fuel.

IATA reduces fcast growth in renewable fuel capacity, of which SAF output will be derived from.

...

2 2 3 9.9K

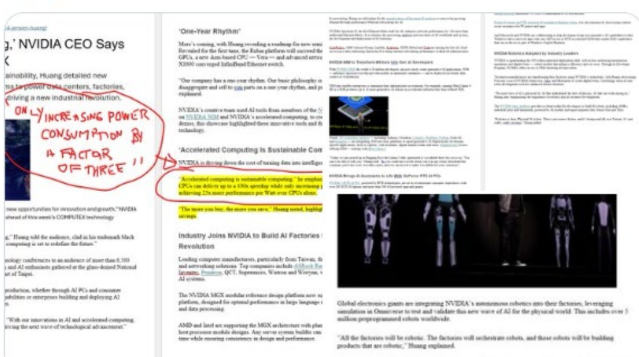
**Dan Tsubouchi** @Energy_Tidbits · 19h

More AI data centers = more #NatGas

"*Accelerated computing .... **only increasing power consumption by a factor of three***" #Nvidia Jensen Huang keynote today.

AI increases power consumption by 3x and, **IF** it wants 24/7 power, it means #NatGas should be the big winner.

#OOTT

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SAF

**Dan Tsubouchi** @Energy_Tidbits · 19h

7th straight mth of expansion for China smaller & export oriented firms.

China Caixin Manufacturing PMI May 51.7 (est 51.6)
Apr 51.4
Mar 51.1
Feb 50.9
Jan 50.8
Dec 50.8
Nov 50.7
...
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1 9 16 2.5K

SAF

**Dan Tsubouchi** @Energy_Tidbits · 19h

Falling further behind on Sustainable Aviation Fuel.

IATA reduces fcast growth in renewable fuel capacity, of which SAF output will be derived from.

23/06/06: Fcast 55 MT in 2028

24/06/01: Fcast 49 MT in 2028, 51 MT in 2030.

#JetFuel #Oil will be needed for longer....
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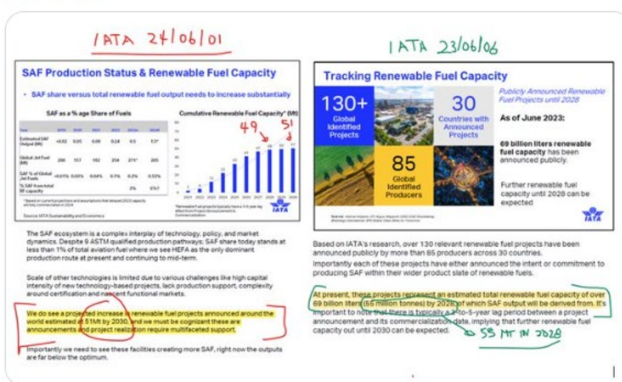


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