

Business

Shipping sector 'seizes up' over green plans

By Alan Tovey

SHIPPING industry traders claim new environmental regulations are causing the market to seize up and could saddle them with multi-million-dollar losses.

From January 2020 ships either have to use less polluting fuel or have "scrubbers" fitted which clean harmful emissions out of their exhaust under International Maritime Organisation (IMO) rules.

London's Baltic Exchange, an information centre and clearing house for

trading and settling shipping contracts, and the global centre for maritime trade, is consulting with its industry members on how it will change its indices to reflect the new regulations.

However, traders say liquidity in the market for "forward freight agreements" (FFAs) – futures contracts to ship commodities – has dried up for deals after 2020 because of uncertainty over how the exchange will price them.

FFAs allow business to hedge costs of transporting commodities in the future, stabilising the industry against

swings in the market. Traders also fear that if the Baltic Exchange alters its indices – which are used as a benchmark to price contracts against – so they reflect the expected higher costs of meeting the new legislation, they could be left nursing losses on FFAs they have already traded post-2020.

If the pricing changes on the contracts, traders say they could collectively face losses of \$500m (£383m).

Traders also claim the Baltic Exchange's consultation is not being carried out in an open way, with the

\$500m

The losses the shipping industry claims it will incur if the Baltic Exchange does not price in the 2020 fuel specifications

organisation consulting from its 600 or so members and not the wider shipping industry which relies on its indices to price contracts. "Meeting the IMO's emissions target is one of the

biggest challenges for the industry in years but the recent past has shown that when measures are taken – whether by benchmark administrators, exchanges or regulators – without consulting the industry, it can lead to serious market disruptions," said Filimon Antonopoulos, director of Tallon Commodities, which trades in FFAs.

"In the case of the 2020 fuel new specifications, so far the Baltic Exchange has not managed to convince the industry that they are treating the affected indices in a fair way, which

creates a potential \$500m headache." Another major shipping trader said it was a "guessing game" until it is known how the indices will be priced.

"People just don't know what's going to happen and you can't trade when you don't know what's happening to pricing."

A Baltic Exchange spokesman said it was assessing how it should "best reflect" the IMO changes, with "detailed evidence being gathered from shipbrokers, traders, refiners as well as shipowners and operators".

Jim Durkin to be reinstated as chief executive at Cenkos

By LaToya Harding

CITY broker Cenkos has reinstated Jim Durkin, its former chief executive and co-founder, just 18 months after he stepped down.

Mr Durkin, who has more than 30 years of experience in the UK securities industry, will return to head up the company "once regulatory approval has been received", replacing Anthony Hotson, the former Bank of England economist who joined the firm in August last year.

The Aim-listed broker also announced that chairman Gerry Aherne has retired after six years in the role.

Jeff Hewitt, acting chairman, said:



Jim Durkin will return to head up the City broker 'once regulatory approval has been received'

"We welcome Mr Durkin back to the company and have every confidence in him leading the company. He is well-placed to undertake the role having previously been on the board and has been actively involved in the successful management of the company."

Shares in Cenkos closed up 6.5pc at 74p on the news yesterday.

Mr Durkin's surprise return comes weeks after Cenkos reported a 90pc plunge in pre-tax profits for the first half of the year, which led to Mr Hotson's departure at the end of October.

The sharp fall in profits was partly down to the company's lack of mega-deals this year that failed to match its £550m contract with Eddie Stobart in 2017. Its shares have plunged since August as it struggles to adapt to regulatory changes due to new European rules known as Mifid II which have led to a 12pc drop in research fees and commissions.



TIMOTHY A. CLARY/AP/GETTY IMAGES

Hip to be square Frank Stella's *Gray Scramble* (1968-69) is displayed during a preview at Christie's New York for the Post-War and Contemporary Art Evening Sale to take place next Thursday. Its estimate is \$5m-\$7m (£3.8m-£5.4m).

RPC suitors given more time to 'put up or shut up'

By Jack Torrance

THE two private equity firms circling vulnerable plastic packaging manufacturer RPC have been granted another month to deliberate after the FTSE 250 company asked takeover regulators to extend the deadline.

Apollo Global Management and Bain Capital, which have been considering separate swoops on the company after its shares dived earlier in the year, now have until Dec 3 to "put up or shut up".

RPC, which makes plastic films, bottles and trays, has grown rapidly through acquisition and thanks to booming demand for customised packaging from consumer goods companies trying to stand out on store shelves.

But it has found itself vulnerable to a takeover following a global backlash against single-use plastics and disagreements among shareholders over how much debt it should carry to fund its expansion.

Before it revealed takeover talks with Apollo and Bain in September, its shares were down 20pc in the year to date at 684p. They were changing hands for 797p yesterday, up 1.9pc on Friday's close.

Analysts at Peel Hunt said "the fact that discussions are ongoing with both parties has to be a positive sign", particularly given questions about RPC's financial reporting which were raised by the accountancy watchdog.

The Financial Reporting Council wrote to RPC's board in March asking it to clarify how it complied with certain accounting standards.

The analysts added: "Clearly a bid is not guaranteed but if there was an issue with the numbers, logic suggests that Apollo and Bain would have walked away by now."

While RPC says its products will not be affected by a planned EU crackdown on single-use plastics, some fear it could suffer as retailers look for alternatives to keep environmentally conscious customers happy.

US warns the world over breaking sanctions against 'malign' Iran

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messaging system SWIFT fell into line yesterday, suspending Iranian banks from the payments system. "European companies have already made their decisions," said Mr Pompeo.

The unilateral US sanctions go far beyond earlier UN-backed efforts to stop Iran's nuclear weapons programme.

European companies have already made their decisions'

This time the objective is to counter Iranian expansionism across the Middle East, taking sides in the Sunni-Shia battle for mastery over the Middle East.

Mr Pompeo cited "a broad range of malign activities", listing Iran's links to terrorist networks, its role in supplying missiles to the Houthi rebels in Yemen, the use of Shia militia to destabilise Iraq and its backing for the Assad regime in Syria.

The oil import waivers are deliberately vague. India has secured an exemption of 300,000 b/d for 180 days. This is probably the template for others. Two of the countries have already cut imports to zero.

Washington retreated a step from its

fire-breathing rhetoric after Brent crude spiked to \$87 in early October, up from around \$60 in March.

Brent has since dropped back to \$73, a correction amplified by hedge-fund liquidation. The paradox is that the world is awash with barrels on a day-to-day basis as economies in Europe and Asia slow. Yet there is no safety buffer if there are surprises. The market is on a razor wire.

The sanctions are frozen until May by the complexities of US legislation, and Congress may mandate reduced waivers. Disruption anywhere in the world could cause trouble, even assuming Iran does not fight back by obstructing the Strait of Hormuz.

Saudi Arabia insists it can raise output from 10.7m to 12m b/d if need be. Analysts are sceptical. "We don't think the Saudis can push past 11m b/d over the next six to nine months. Crash drilling would risk damaging the fields," said Richard Mallinson from Energy Aspects.

"Our base case is that prices will gradually grind higher and average \$94 in 2019, but if anything happens in Libya or Nigeria, they could spike much higher," he said.

Mr Fyfe said the wild card is what happens next year as refiners buy up diesel supplies to prepare for new rules restricting marine bunker fuel, mostly made from high-sulphur residue.

'Prices will gradually grind higher and average \$94 in 2019, but if anything happens in Libya or Nigeria, they could spike much higher'

The marine fuel effect alone could lead to a further 500,000 b/d jump in oil demand, providing the rocket fuel for a final hyperbolic rally.

The Trump administration is trying to calibrate the sanctions to limit any "blowback" into the US economy. It is keeping a close eye on petrol prices at the pump. Anything much above \$3 a gallon is deemed politically toxic.

Yet the political conflict with Iran comes at a pivotal point in the global oil cycle. Inventories are no longer high.

Neither America nor Iran can easily back down without loss of face. Mr Trump may find that his policy of managed escalation spins out of control. If so, the rest of us will face an oil shock.

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ITALIAN TENDERS

CENTRAL PURCHASING BODY - UNIONE TERRE D'ORIENTE CONSORTIUM AGREEMENT
 Invitation to tender for "Il Salento Accoglie" Sprar Project: reception service for asylum seekers and beneficiaries coming from non-EU countries (Ministerial Decree of 10.08.2016). CUP G1118000060005. Total value of the contract: € 1,021,940.02 + VAT included. Deadline for submission of tenders: 14.11.2018 at 12 noon.

SAN FRATELLO MUNICIPALITY
 Invitation to tender for sweeping service, differentiated, undifferentiated and similar urban solid waste collection, transport and disposal, and other public hygiene services for A.R.O. San Fratello. Total value of the contract: € 2,914,579.80 + VAT. Deadline for submission of tenders: 21.11.2018 at 12 noon.

AEA S.R.L.
 Invitation to tender for provision through multiannual rental, setting-up and operation of a sludge drying plant at the civil and industrial waste water purification plant of Industrial Development Consortium in Rieli. Total value of the contract: € 3,500,000.00 + VAT. Deadline for submission of tenders: 14.12.2018 at 1 pm.

AUTONOMOUS REGION OF SARDINIA - UNIVERSITY HOSPITAL OF SASSARI
 Invitation to tender for 5-year service contract for the provision of 2 lots of equipment and consumables for the immunohistochemistry laboratory and special colours for anatomy and pathological histology facilities of University Hospital of Sassari. CPV 33141825-7. Base value of the contract € 1,601,000.00 + VAT with interference risk security contributions included, of which: lot 1 - [CIG:76459483E4] € 1,515,500.00 (security contributions not subject to reduction included), lot 2 [CIG:76459518D5] € 85,500.00 (security contributions not subject to reduction included). Deadline for information requests: 30.11.2018 at 12 noon. Deadline for submission of tenders: 17.12.2018 at 12 noon.

AUTONOMOUS REGION OF SARDINIA - UNIVERSITY HOSPITAL OF SASSARI
 Invitation to tender for 3-year provision of 29 lots of enteral nutrition products, dietary and oral food supplements for the operational units of University Hospital of Sassari. Base value of the 3-year contract € 772,200.00 + VAT, subject to reduction. Deadline for information requests: 12.11.2018 at 9 am. Deadline for submission of tenders: 27.11.2018 at 1 pm.

AUTONOMOUS REGION OF SARDINIA - UNIVERSITY HOSPITAL OF SASSARI
 Invitation to tender for 2-year provision of 23 lots of non-woven material, CND T02 cloths and clothing for the University Hospital of Sassari. Base value of the 2-year contract: € 1,162,400.00 + VAT. Lot 1 - CIG: 764354440C. Deadline for information requests: 26.11.2018 at 12 noon. Deadline for submission of tenders: 11.12.2018 at 2 noon.

To participate in European Tenders:
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European Tender Services

Warner Bros' first hotel will open in Abu Dhabi

By Christian Sylt

MOVIE studio Warner Bros is to open its first hotel in the next two years, according to the developer of the property in Abu Dhabi which could feature characters such as Batman, Superman and Bugs Bunny.

The hotel will be connected to Warner Bros World Abu Dhabi, the world's largest indoor theme park which opened in July at an estimated cost of \$1bn.

It was funded by government-owned Miral Asset Management as part of a strategy to diversify Abu Dhabi's economy from its depleting oil reserves.

"A Warner Bros hotel here is a certainty. It's coming a couple of years from now," said Mohamed Khalifa Al Mubarak, Miral's chairman.

"It will be connected to some extent to the actual theme park so it is almost a two minute walk. It is the first of its kind for Warner Bros and will have a hint of it in the rooms."

According to tender documents, the plans call for an eight-storey hotel with 156 rooms as well as a seven-

storey block of 156 serviced apartments. It is a key step in turning Abu Dhabi into a theme park resort to rival Orlando.

Mr Mubarak said that despite being fully enclosed, the Warner Bros park is also set for expansion as land around it has been kept clear for the construction of new buildings.

"Absolutely we can extend the building to add lands. In the theme park industry, every couple of years you want to re-invest and bring in a brand new ride or a brand new world and that's how we work in our economics."

The 1.7m sq ft Warner Bros World opened to rave reviews. Next door is a hi-tech water park, a sprawling shopping mall, the Ferrari World theme park, featuring the world's fastest roller coaster, and the F1 track where next month's season-end will take place.

"What we are trying to do is create a place where families and individuals can spend four, five or six days, enjoy the sunshine, enjoy shopping, quality food and of course the theme parks," said Mr Mubarak.

طيران الخليج GULF AIR | Tender Invitation

Seq.	Tender Title	Tender No.	Initial Bond (Refundable)	Tender Document fee	Last date of accepting bids		
					Day	Date	Time
1	Appointment of inflight service to provide interactive games for Gulf Air inflight systems	18-09-1892-BTB	BD 2500	BD 100	Wednesday	12/12/2018	13:30

NOTE: Tender documents can be purchased online using e-Tendering system starting on 6th November 2018

- Tenderers who are eligible to supply/provide the goods/ services/ works specified above are kindly requested to purchase the tender document online through the e-Tendering portal <http://www.tenderboard.gov.bh> (for assistance please contact the Tender Board help desk on Tel: +973 17566617).
- An Initial Bond should be enclosed for the amount specified above or at a rate of 1% of the quotation value whichever of the amount is lesser, provided that no initial bond's value shall be less than BD 100/- . Ensure that the Initial bond is in a form of Certified Cheque, Cash, Bank Guarantee or Insurance Policy, valid for the duration specified in the tender documents.
- Quotation should be deposited in the tender box provided at the Tender Submission Office, Tender Board Arcapita Building 551 – Ground Floor Road 4612 – Block 346 Bahrain Bay Manama – Bahrain, before 1:30 After Noon on the tender closing date.
- All tenders/Auction are in compliance with the government tendering & purchasing regulations issued in Decrees Nos. 36 & 37 of 2002 and its executive regulations.
- The following conditions should be complied with:
 - 1- Enclose a copy of the Commercial Registration Certificate valid for the current year, and related to the subject tender.
 - 2- Submit the quotations on Form No. TB 02 - tender submission.
 - 3- Enclose a copy of Certificate of Compliance with the Employment Percentage for Bahraini Manpower issued by Ministry of Labour.
 - 4- Ensure to stamp with the official seal on all the original documents and copies thereof, which form part of the offer.
- This announcement is to be read as part of the Tender Documents.
- All public tenders related to Gulf Air Company are published on the Tender Board website: <http://www.tenderboard.gov.bh>
- For any enquiry on the Tender Documents, please contact procurement and logistics department on Telephone: +973 17338283/ +973 17338790/+973 17 338545, Fax: +973 17327999

Important Note: All participants are invited to attend the opening of the tender at at the Tender Submission Office, Ground Floor, Tender Board Office at Al Arcapita Building on the next day of the closing date.