IPGC to post KD 0.91 mln profit

Independent Petroleum Group Company has completed the preparation of the preliminary financial results of the company for the period ending Sept 30, 2008. The company is expected to reach profit for the three months ending Sept 30, 2008 to KD 911,000 equivalent to about 6.16 Kuwaiti fils per share, and profit for the nine month period ending Sept 30, 2008 is estimated at KD 4,639,000, equivalent to about 31.17 Kuwaiti fils per share.

For the three months ending Sept 30, 2007 the company earned a profit of KD 1,152,000 equivalent to 7.61 Kuwaiti fils per share while the earnings for the nine months period ending Sept 30, 2007 amounted to KD 4,579,000, equivalent to 30.25 Kuwaiti fils per share.

Note that the expected profits for the nine months ending Sept 30, 2008 include unrealized losses of KD 3,739,000.

The company will announce final financial results for the periods ending Sept 30, 2008 after review by auditors within the next two weeks.

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Kuwait Stock Exchange announces the shares of Al-Masaken International Real Estate Company will be included in the parallel market, with effect from Tuesday Oct 14, 2008, as (Masaken).

Dar gets buyback approval

Kuwait's Investment Dar, the Islamic firm which controls British luxury car maker Aston Martin, said on Sunday it has secured central bank approval to buyback up to 10 percent of its stock.

The six-month buyback period starts on Oct. 23, the firm said in a statement on the bourse website.

Several Kuwaiti firms and banks are buying back their own shares in a bid to support the local bourse, which has been sliding for weeks along with other Gulf stock markets in the wake of a global financial crisis.

Minister of Commerce and Industry Ahmad Baqer said last week that a governmental task group commissioned to discuss the market decline recommended that firms buy back their shares to support the market.

Dar's stock was down 5.88 percent on Sunday, while the Kuwait index fell 2.91 percent. (RTRS)

Kuwait salaries rise by 10.1% as dinar rallies after dollar depeg

DUBAI, UAE, Oct 12: Private sector salaries in the Gulf region increased at an average rate of 11.4 percent over the last year, according to figures released today by GulfTalent.com, the Middle East's leading online recruitment firm.

In its fourth annual survey of salary trends in the region entitled 'Gulf Compensation Trends 2008', GulfTalent.com revealed the following increases in basic salary by country, over the twelve-month period to August 2008:

UAE 13.6 percent; Qatar 12.7 percent; Oman 12.1percent; Bahrain 10.5 percent; Kuwait 0.1 percent; and Saudi Arabia 9.8 percent

The UAE and Qatar topped the list of pay rises with increases of 13.6 percent and 12.7 percent respectively. This was followed by Oman at 12.1 percent.

Bahrain came fourth at 10.5 percent. Kuwait and Saudi Arabia once again came at the bottom, with average rises of 10.1 percent and 9.8 percent respectively, though still high by historical standards.

All six markets saw pay increases accelerate relative to last year. The majority of these, however, are still below the forecast rates of inflation for 2008, suggesting diminishing net disposable incomes as pay rises fail to keep up with rising cost of living.

A notable exception is Bahrain, where the average salary increase of 10.5 percent is marginally higher than the 9.0 percent inflation rate forecast for the country this year.

Across the region, the frantic pace of growth in the construction and energy sectors escalated demand for engineers, who received the biggest average pay rises. This was followed by finance professionals in second place, largely due to the rapid expansion in the banking sector.

According to GulfTalent.com's study, pay rises were driven by a continued shortage of talent across most sectors, as well as the spiralling cost of living, particularly in residential rents. Following global trends, food prices have also soared this year, helping bring double-digit inflation to virtually all the Gulf states.

Other contributing factors highlighted in the report include large pay hikes awarded to government employees, as well as rising salaries in India, the Gulf's main source of expatriate professionals.

The weakness of the US currency until a few months ago is cited as another factor driving up wages for much of the year, with several companies introducing formal exchange rate protection in the compensation packages of their expatriates. The pressure has subsided, however, following the sharp rise in the value of the US Dollar over the last few months.

Kuwait appears to have benefited from its decision to unpeg its currency from the US Dollar. With the Kuwaiti Dinar rising by 8 percent against other Gulf currencies, Kuwaiti salaries have become more attractive for expatriates relative to its neighbours.

Kuwait's decision to cut will be via Opec

Iran pushes for production cut

KUWAIT CITY, Oct 12, (RTRS): Any decision to cut Kuwait's oil production levels will be done through OPEC, the country's oil minister, Mohammad Al-Olaim said in remarks published in a local newspaper on Sunday.

"Any demand in the direction of reducing the production of Kuwaiti oil will be through the OPEC organization," al-Olaim told al-Rai newspaper.

He said the Organization of the Petroleum Exporting Countries (OPEC) will meet on November 18 to discuss the current slide in global crude oil prices, and Kuwait will adhere to the decision of the group.

Iran is set to push for a production cut at OPEC's emergency meeting in November as ministers from the oil producing group express concerns over sliding crude prices and a worsening global financial crisis.

On Sunday, the Islamic Republic's Oil Minister Gholamhossin Nozari was quoted as saying by a local newspaper that unless OPEC acted decisively to arrest the current slide in oil prices, investment conditions in the oil industry would be hit severely.

"At this meeting our country's request (for the Organisation of Petroleum Exporting Countries) to cut production and the members' crude quotas will be submitted," Nozari told the Iranian newspaper the Poul daily.

Slide

The Islamic Republic will study carefully the steep slide in oil prices and the deteriorating global economy, before making a proposal on output reductions for the cartel, said the producer's OPEC governor, Muhammad Ali Khatibi.

"It is not fair to say so early. That is why we should consider all factors carefully and look at the supply-demand balance," Khatibi told Reuters.

Khatibi said that especially troubling was how deep oil prices had fallen in recent months versus other financial indexes.

"Oil prices have fallen more than 40 percent and the decline is not comparable to other financial indexes," he said.

Oil prices touched 13-month lows on Friday in a global flight from risk amid concerns of a global recession and further signs of cooling energy demand.

US crude plunged $8.89 to settle at $77.70 a barrel on Friday.

While the falling price has been a relief for consumer countries, OPEC members rely on oil revenues.

Along with Iran, the world's fourth-largest crude producer and traditionally a price hawk in OPEC, Nigeria, Qatar, Libya and Iraq have floated the idea of a cut in the group's oil production levels.

Output

The cartel, which pumps about 40 percent of the oil produced globally, does not officially have quotas, but the term is sometimes used to describe agreed output targets for each member country.

OPEC agreed to comply with its formal output target at its September meeting, a move which meant the group would cut supply by about 500,000 barrels per day (bpd), about 1.5 percent of its production in August.

On Sunday, Qatar's Oil Minister Abdullah al-Attiyah said OPEC will cut supply to balance the market if the global financial crisis slows demand, reiterating what he had said last week.

"I have nothing more to add to what I already said last week," he told Reuters.

OPEC President Chakib Khelil was quoted as saying by Algeria's official news agency that the future of oil demand in China and the Middle East was a "great unknown", and it was essential for OPEC to balance supply and demand if a surplus of supply developed.

Meanwhile, the falling oil price is an "alarm bell" for Iran, the world's fourth-largest crude producer, a senior central bank official said in comments published on Sunday.

Deputy Central Bank governor Hossein Ghazavi, echoing the comments of other Iranian officials, also said the financial crisis sweeping the world would only have a limited impact on Iran's economy, business daily Donya-ye Eqtesad reported.

"Falling oil prices have a considerable risk and these days the falling price of this strategic product is like an alarm bell that is ringing," the newspaper quoted Ghazavi saying after oil prices fell more than 10 percent on Friday.

Oil touched 13-month lows on Friday in a global flight from risk amid concerns of a worldwide recession and further signs of slumping energy demand.

On Friday, U.S. crude plunged $8.89 to settle at $77.70 a barrel, the lowest levels since Sept. 10, 2007, and down 17 percent from last Friday's settlement.

Big Oil top list

Iraq to 'kick off' 1st oil bid round

BAGHDAD, Oct 12, (AP): Oil Minister Hussain al-Shahristani will meet Monday in London with representatives of international oil companies for the country's first round of bidding for new contracts since the US-led invasion in 2003, his spokesman said.

Last April, the war-torn country chose 35 oil companies out of the 120 that applied to participate in the bidding round to develop six major oil fields and two gas fields.

Topping the list are the world's oil giants: Royal Dutch Shell PLC, BP PLC, ExxonMobil Corp, Chevron Corp and Total.

Later, six state-run oil companies were added to the list and a British company was dropped since it did not submit the required documents.

The prequalification process covered legal, financial, technical, training, and health and safety aspects. A variety of documents such as tax, legal and work records, including lists of upstream projects for the past five years, production rates and investments, had to be presented.

Ministry spokesman Assem Jihad said that the purpose of London's meeting is to present the international oil companies with data and details for fields on offer which were announced end of June and the forms of the contracts.

"In light of these information, the companies will be in a better position to submit their bids which are planned to be approved by next summer," Jihad told The Associated Press.

Contract

He said the ministry signed a contract last June with consultant Gaffney Cline and Associates to help package the field data and the forms of the contract.

Another Oil Ministry official said the ministry will give the companies a six-month timetable from the receipt of data and other details to submit their bids.

It plans to announce winners in June 2009.

The fields are Bai Hassan and Kirkuk in northern Iraq and Rumaila, Zubair, West Qurna Stage -1- and Missan oil fields, which includes Buzurgan, Fauqa (or Fakkah) and Abu Gharab in the south.

In addition to Akkas gas field in western Iraq and the Mansouria gas field in the east.

The official, who spoke only on condition of anonymity as he was not authorized to publicize information before Monday's meeting, said it will be a 20-year service contract.

He added that the companies have been categorized into three categories: the first can bid as operators, the second can bid to operate all the fields except Kirkuk, a complex field with a fractured reservoir and sour gas.

While the third cannot bid only as part of a consortium, and cannot lead a consortium and this likely to be the six state-run oil companies.

Iraq sits on more than 115 billion barrels of oil, but decades of wars, UN sanctions, violence and sabotage have battered its oil industry.

As security improves, Iraq is trying to bring in foreign companies to help increase crude output from the current 2.5 million barrels a day to 4.5 million barrels a day by the end of 2013.