

Venezuela Crude Reserves at 130b Barrels

Venezuela's proven crude oil reserves had swelled to 130 billion barrels as of late April, marking a rise of 30 billion from its prior estimate, energy and oil minister Rafael Ramirez said. Ramirez, who also runs Venezuela's state oil giant Petroleos de Venezuela SA (PDVSA), made the announcement at a regional energy summit as world oil prices continued to strike record highs, AFP wrote.

"As of April 2008 we have increased by 30 billion barrels of oil our additional proven crude reserves" north of the Orinoco River, Ramirez said. The energy minister said the South American state, which is a key member of the Organization of the Petroleum Exporting Countries (OPEC), hopes to have its proven oil reserves certified at 235 billion barrels by 2009.

Saudi Arabia has proven oil reserves of around 264 billion barrels, followed by Canada with 174 billion, Iran with 136 billion and Iraq with 115 billion barrels.



IMF to Lend Turkey \$3.6b

The International Monetary Fund approved Friday a 3.65-billion-dollar loan to Turkey, the final segment of a three-year stand-by credit worth nearly \$10 billion, Reuters reported.

"The Turkish economy has continued to perform reasonably well despite a challenging external environment, with economic activity showing resilience and foreign direct investment inflows remaining buoyant," IMF managing director Dominique Strauss-Kahn said.

The IMF executive board completed Friday its seventh and final review of the economic reforms undertaken by the Turkish government demanded in exchange for the credit, the multilateral institution said. The board particularly praised Turkey's social security and tax reforms.

Turkey and the IMF signed the stand-by arrangement on May 11, 2005. It replaced a three-year IMF agreement in 2001 that enabled Ankara to overcome a severe financial crisis.

The country has borrowed \$45.8 billion from the IMF since a 2001 financial crisis and was the fund's last major borrower from a string of crises in emerging economies including Brazil and Argentina, which repaid their IMF debt ahead of schedule.

Microsoft Contests EU Fine

Microsoft has appealed against a 899 million euros (\$1.4 billion; £680.9 million) fine given for defying sanctions imposed on it for anti-competitive behavior. The penalty--the largest ever from the European Commission--came after it failed to comply with a 2004 ruling that it abused its market position, BBC reported.

The ruling said that Microsoft was guilty of not providing key code to rival software makers. Microsoft said it was appealing to seek "clarity from the court".

The Commission said that it was confident the fine was "legally sound". The challenge has been lodged with the EU Court of First Instance.

When they handed down the punishment in February, EU regulators said Microsoft was the first to break an EU anti-trust ruling.

The fines came on top of earlier fines of 280 million euros imposed in July 2006, and of 497 million euros in March 2004.



Citi Will Shed \$400b in Assets

Citigroup Inc said on Friday it plans to shed \$400 billion of assets within three years and boost revenue by up to 10 percent annually, in a bid to restore profitability after huge losses tied to flagging mortgage and credit markets, Reuters reported.

Vikram Pandit, who became chief executive of the largest US bank in December, revealed the plans at a much-anticipated presentation to investors and analysts. He has faced growing demands to slash costs, shed poor-performing businesses, and reinvigorate a stock price down by more than half in the last year.

Citigroup shares were down 60 cents, or 2.5 percent, at \$23.70 in afternoon trading on the New York Stock Exchange.

"It's definitely going to be a show-me story," said Thane Bublitz, a senior analyst at Thrivent Financial for Lutherans in Appleton, Wisconsin.

Citigroup lost nearly \$15 billion in the last two quarters, and has suffered more than \$45 billion of write-downs and credit losses since last summer, as the housing slump deepened, subprime mortgages imploded and credit markets tightened. More jobs will be cut, on top of 13,200 announced this year.

News in Brief

US Trade Deficit Shrinks

The US trade deficit shrank to \$58.2 billion in March from a revised 61.7 billion a month earlier, as the weak dollar fueled a surge in exports, the Commerce Department was quoted by AP as saying on Friday.

The trade deficit narrowed by more than expected in March as most economists had forecast it would shrink to \$61.3 billion. The improvement in the US trade picture was largely tied to the ailing dollar which has dropped sharply in value against other world currencies and made US-made goods much more affordable.

February's trade deficit was revised lower to \$61.7 billion from an original estimate of 62.3 billion.

Nissan, NEC to Make Lithium-Ion Batteries

Nissan Motor Co and NEC Corp will join forces in the world's first mass production of lithium-ion batteries for hybrid and electric vehicles, Bloomberg said.

The two companies plan to spend 20 billion yen (\$194 million) to build a plant in Kanagawa Prefecture, south of Tokyo, the Nikkei business daily said.

Production will begin early next year under Automotive Energy Supply Corp. (AESC), an equally owned joint venture Nissan and NEC established in April 2007, the newspaper said. The venture will mass-produce enough lithium-ion batteries for 10,000 electric vehicles at the initial stage and plans to raise production capacity by six-fold in the future, it said.

Bangla-Tata Talks Scheduled

Bangladesh government will reopen negotiations with Indian conglomerate Tata on Sunday on the group's record three-billion-dollar investment plan, officials said. Senior Tata officials led by its executive director Alan Rosling will meet top government bureaucrats nearly two years after the conglomerate postponed what would be the biggest single foreign investment in Bangladesh, Business Standard wrote.

The Indian salt-to-telecoms giant offered to build a steel plant, two power plants, a fertilizer plant and a coal mine back in 2006, after upgrading a 2004 plan. Bangladesh investment board chief Kamaluddin Ahmed confirmed the talks, but refused to provide agenda details. A Tata official said the group was encouraged by "positive indications" from the Dhaka government.

Chinese to Grow Rice in Tanzania

A Chinese seed company is planning to grow rice in Tanzania as China seeks new ways to cope with soaring global grain prices and shrinking domestic farmland.

The Chongqing Seed Corp has enclosed an area of 300 hectares (740 acres) in the central African country and will start growing rice there from next year. The company, located in the southwest Chinese city of Chongqing, planned to grow and process rice in Tanzania and then sell part of it in China. "We will probably send around 10 technicians and managers there," an executive with a Tanzania project team affiliated to the seed firm told AFP.

"We are certainly open to any cooperation or investment opportunities there that may emerge from the aid program," he said, declining to be named.

Brazil OPEC Plan Lifts Oil Above \$126

Oil prices soared to highs above \$126 on Friday as the President of Brazil said that the South American country was considering joining The Organization of Petroleum Exporting Countries (OPEC).

According to the Business Week, the latest record, the fifth in as many sessions, was driven by a new round of speculative buying as markets remained jittery about tight global supplies and booming demand. New York's main oil futures contract, light sweet crude for June delivery, touched a high of \$126.20 in early afternoon London trading. London's Brent crude contract hit a record \$125.90.

Investor sentiment was unnerved by comments from President da Silva of Brazil, where a series of oil discoveries promises to turn the country into a key global producer in the coming years.

> Cheaper Oil

In an interview in a German magazine, da Silva said that Brazil aimed to produce oil from its Carioca field offshore from Sao Paulo in 2010 and was considering joining OPEC, the organization of 13 countries that produce 40 percent of the world's oil. "From 2010 Brazil will then become a large oil exporter. We want to join OPEC and try to make oil cheaper," he was quoted as saying.

Last month Haroldo Lima, the head of Brazil's National Petroleum Agency, cited data from Petrobras, the state oil company, which suggested that the Carioca field could contain reserves of as much as 33 billion barrels of oil. If confirmed, it would be the largest find in the world in the past 30 years.

Brazil is likely to come under heavy pressure from big consumer countries, especially the United States, not to join the OPEC, which produces 32 million of the world's 85 million barrels of oil a day.



President da Silva says Brazil wants to join OPEC in order to make oil cheaper.

> Well Supplied

Last week, OPEC brushed aside American calls for a production increase, insisting that the market was well supplied. Oil markets surged last week after a report from Gold-

standard of prices in international oil markets.

Although OPEC said time and again that the international oil market was well-supplied, oil prices have surged dramatically this month.

105.16 dpb in April.

Comparing with previous years, the prices soared in May despite the warming weather of the northern hemisphere, which should reduce oil demand. On May 1-8, the prices rocketed from 105.99 dpb to 116.93 dpb in just five consecutive trading days.

> Market Speculations

The sharp increase in oil prices is attributed to speculations in the commodity market, especially the oil market, coupled with the depreciation of the US dollar.

OPEC's current daily output stands at more than 32 million barrels and a number of new crude oil projects have started to come on-stream. In addition, the organization's spare capacity continues to increase, with the figure currently standing above 3 million barrels per day.

The sharp increase in oil prices is attributed to speculations in the commodity market coupled with the depreciation of the US dollar

man Sachs forecast that prices would reach \$150 to \$200 a barrel within two years.

The Organization of Petroleum Exporting Countries is a group of nations headquartered in Vienna that meets regularly to try to ensure

OPEC daily prices rose again by 0.9 US dollar Thursday and set a new record of \$116.93 dollars dpb.

The prices have been on constant rise since the beginning of this year, with the monthly average prices surging from 88.35 dpb in January to