

Economic policy should be guided by research: World Bank

By Tawanda Musarurwa

HARARE – Economic policy formulation should be guided by research if economies in the region are going to experience inclusive growth, World Bank country manager for Zimbabwe Rosemary Mukami Kariuki has said.

“Rapid economic growth will fail to be inclusive without gainful job creation, poverty reduction and improvement in income disparities. Therefore creating gainful employment and improving the livelihoods of all individuals are important ways through which society can participate directly in the economy.

“However, the complexity and the uniqueness of our econo-



World Bank country manager for Zimbabwe Rosemary Mukami Kariuki

mies provides us with a challenge to conduct research that yields recommendations that are not only relevant, but are

forward-looking and responsive to the fast-changing needs of the population,” she said while officially opening the Macro-

economic and Financial Management Institute of Eastern and Southern Africa (MEFMI)’s Annual Research and Policy

Seminar this morning.

The theme of the seminar was Inclusive Growth for Sustainable Development.

Most economies in the MEFMI region are still faced with the aftermath of the 2009 global financial crisis, which has led to socio-economic challenges such as low and uneven economic growth, high unemployment rates, increases in poverty, and widening income disparities.

“Such research is key to the development of rigorous, coherent and robust frameworks for

economic management that is vital for sustainable development,” she said.

According to MEFMI executive director Caleb Fundanga efforts will be made to ensure that papers that have been presented at the seminar and accepted will contribute to policy-making in the region.

“The Annual Research and Policy Seminar will culminate in the publication of accepted papers in a peer reviewed journal, the MEFMI Research Journal. This is expected to strengthen the link between research and policy,

and to ultimately support evidence-based policy-making.

“The discussions are also expected to contribute to an understanding of the challenges facing the attainment of sustainable development in the region and the appropriate policy options available,” he said.

Some of the papers presented at the seminar revolved around issues such as the extent to which governments should support small and medium-sized enterprises; how much resources should be allocated to strengthening social protection

when fiscal needs for infrastructure development are high; effects of domestic debt on growth in the region, and how should governments achieve high and inclusive growth while preserving fiscal sustainability, among others.

The event is an annual event that was launched in 2015, with the aim of fostering dialogue and exchange of knowledge, and thus contributing to the search for solutions to emerging challenges confronting the African region, through evidence-based policy recommendations. ●

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The Traffic Safety Council of Zimbabwe Management and Staff congratulate and welcome new Board Chairperson Mr Albert Mugabe, the Vice-Board Chairperson, Dr G K Machengete and fellow Board Members namely, Mr L Ncube, Ms A Matopodzi, Mrs T Mpofu, Mr A L Z Sango, Snr. Assistant Comm. F Chikowero-Mjanga, Mr N Katsvairo, Mrs J Matanhire, Mr K S Gongera and Mr O M Chinyere on your recent appointment to the Traffic Safety Council Board of Directors.

We look forward to tapping from your valuable road safety expertise as well as your local and global experiences in promoting road safety, the national road safety strategy and ultimately the goal of continuously reducing deaths, injuries and property damage due to road traffic crashes.

We have no shadow of doubt that with your wisdom and guidance, the Traffic Safety Council of Zimbabwe shall go a long way in taming the traffic jungle in Zimbabwe. We wish you the best as you commence this demanding but noble public service.

Congratulations, Makorokoto, Amhlophe!

We take this opportunity to urge all road users to always exercise **EXTREME CAUTION** when using our roads so as to avoid preventable road traffic deaths, injury and property damage.



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Zim to see through implementation of Lima plan: Mzembi

HARARE – The Zimbabwe government will prioritize reviving a 2015 arrears clearance program, popularly known as the Lima plan, agreed to in 2015 with global lenders including the World Bank in order to access fresh capital, Foreign Affairs Minister Walter Mzembi said Wednesday.

Under the Lima plan, Zimbabwe committed to paying off its arrears with the International Monetary Fund, World Bank and the African Development Bank as a pre-condition to accessing new lines of credit, but has so far only managed to clear overdue amounts owed to the IMF.

Zimbabwe owes the World Bank and the AfDB over \$1 billion in arrears, but despite committing to paying these off, funding challenges have stalled the Lima plan leading to speculation that the plan could have been abandoned.



But, Mzembi told envoys accredited to Zimbabwe that the government was committed to the Lima plan.

“As we seek new economic relations, we will refocus on the 2015 Lima process on our debt repayment plan,” he said.

“I am confident that together we can revive that process.”

Mzembi said Zimbabwe was keen to normalize relations with hostile countries and would soon embark on a diplomatic charm offensive to achieve this.

“I shall be looking beyond the political fallout the country had with its erstwhile colonizer, the United Kingdom and other key Western countries including the United States of America, I shall seek an honest and forthright dialogue with these countries in order to let go of the past and explore and pursue mutually beneficial economic opportunities,” he said.

Some Western countries have over the past decade isolated Zimbabwe as well as imposed sanctions as punishment for correcting a colonial imbalance

by re-distributing agricultural land to the black majority.

“Let us forget the past and seek new honest relations.”

Under the Lima plan, Zimbabwe also has to employ a raft of economic reforms, which include reducing the fiscal deficit to sustainable levels through the alignment and re-organisation of the public service.

Currently, the government wage bill gobbles up more than half of the national budget, which is funded entirely on taxes.

The government is also expected to strengthen stability and confidence of the financial sector as well as accelerate ease of doing business reforms and reduce the cost of doing business under the Rapid Results Approach to enhance investor confidence. -

New Ziana. ●



National AIDS Council

Co-ordinating the multi-sectoral response to HIV and AIDS

INVITATION TO TENDER

Tenderers are invited to tender for the following:

Tender Number	Description
NAC /IFT/05/2017	Designing, Printing and Supplying of Promotional Materials
NAC /IFT/06/2017	Supply and Delivery of Tyres
NAC /IFT/07/2017	Supply and Fixing of Workstations
NAC /IFT/08/2017	Supply and Fixing of Carports
NAC /IFT/09/2017	Supply and Delivery of IT Equipment

SITE VISIT DATE: 21 NOVEMBER 2017 AT 1400 HOURS

Tenders must be enclosed in sealed envelopes and endorsed on the outside with the ADVERTISED tender number, the closing date, and must be posted in time to be sorted into **Post Office Box MP 1311 Mt Pleasant, Harare** or **delivered by hand to the Procurement Committee Chairperson, 100 Central Avenue** on or before **10:00am** on the closing date.

Documents are obtainable from **NAC at number 100 Central Avenue** upon payment of a non refundable fee of **\$10.00**. Tender documents shall be sold between **10:00 hours** and **15:30hours** during working days only.

CLOSING DATE: 05 December 2017

A new housing developer is looking for the following positions to be filled in:

1. Chief Executive Officer
2. Commercial Executive
3. Operations Executive
4. Modular Construction Foreman

Chief Executive Officer

The Chief Executive Officer (CEO) will be reporting to the Board of Directors and will be responsible for:

- The company's day-to-day operating activities
- Revenue and sales growth;
- Expense, cost and margin control;
- Aligning all facets of the business to meet the delivery objectives of the business.

Requirements

- Construction Law Degree
- Minimum 10 years' experience at MD/CEO Level
- Strong team leadership skills
- 3 Reference letters
- 2 paged biography handwritten

Commercial and Quality Control Executive

The Commercial and Quality Control Executive will be reporting to the Chief Executive Officer and will be responsible for:

- Determining and formulating policies
- Providing the overall direction of the company within the guidelines set up by a board of directors.
- Planning and coordinating commercial activities
- Overseeing company commercial functions, compliance and policy and procedure development to insure production efficiency, quality, service, and cost-effective management of resources.
- Determines contractual agreements with clients, contractors and vendors.
- Ensure profitability targets are achieved through sound commercial management strategies and processes

Requirements

- Bachelor of Engineering or Process Engineering Degree
- 10 years Construction Industry experience
- 8 years as a Commercial Manager
- Sound commercial management strategies and processes
- 3 Reference Letters

- 2 paged biography handwritten

Operations Executive

The Operations Executive will be reporting to the Chief Executive Officer and will be responsible for:

- Determining the operational methodology to ensure operations run effectively and efficiently
- Achieving revenue and profit targets
- Programming and planning of the works
- Implementing and measuring key initiatives and targets that drive and maintain business growth
- Providing direction to Modular Construction Foreman

Requirements

- B Tech Civil Engineering degree
- 20 years Construction Industry experience
- Must have been responsible for delivering major projects of not less than \$150 million
- 3 Reference Letters
- 2 paged biography handwritten

Modular Construction Foreman

The Modular Construction Foreman will be reporting to the Operations Executive and will be responsible for:

- Setting up and monitoring modular construction systems
- Delivering construction structures
- Coordinating the activities of the construction team
- Providing leadership and direction to the construction team
- Implementing and executing the project plan
- Controlling of material and equipment inventory

Requirements

- Experience in foot track modular construction
- Construction Management or Project Management, construction science, construction management, building science, or civil engineering
- 15 years experience
- 3 Reference letters
- 2 paged biography Handwritten

Only qualified and experienced candidates who meet the above criteria should email their Curriculum Vitae, Reference letters and biography to jobssmo@gmail.com by **6 November 2017**.

AZTA opts for Emirates as best International Airline

BH24 Reporter

HARARE - The Association of Zimbabwe Travel Agents (AZTA) has for the sixth consecutive year voted Emirates as the Best International Airline.

Commenting on the recent award, Emirates Zimbabwe commercial manager Fahad Bastaki thanked the organisation for their recognition.

"Emirates prides itself in providing exceptional premium class service along with value for money and it is particularly exciting that AZTA has recognised the airline yet again," Mr Baskati said.

The prestigious award is voted for by local travel agents, who declared Emirates the overall favourite for Zimbabweans.

The awards ceremony was attended by representatives from the Zimbabwe Council



of Tourism, Zimbabwe Tourism Authority, hotels, tour operators, car hire operators, Ministry of Tourism officials, airlines and other travel industry stakeholders.

Emirates popularity is down to its combination of value for money and exceptional

service- both in the air and on the ground in Zimbabwe and across its global network.

The airline operates a Boeing 777-300 aircraft on its Harare route and features industry-leading comfort and services.

The aircraft is fitted with eight

private suites in First Class, 42 lie-flat seats in Business Class and 310 seats in Economy.

Emirates also recently announced their intention to use local cuisines on flights to help travellers feel at home throughout the entire journey. ●



MINISTRY OF SPORT, RECREATION, ARTS AND CULTURE

Formal Tender Invitation

Tenders are invited from reputable companies registered by the State Procurement Board for the Supply and delivery of Vehicles as follows;

	Tender Number	Description	Publication Date	Closing Date
Lot 1	MoSRAC /01/17	15 x Double Cab, 4 x 2 Vehicles	03/11/2017	14/11/2017
Lot 2	MoSRAC /01/17	5 x Single Cab, 4 x 2 Vehicles	03/11/2017	14/11/2017

Tenders must be enclosed in sealed envelopes and endorsed on the outside with the advertised tender number, the description and the closing date. Tender documents are obtained from the **Ministry of Sport, Recreation, Arts and Culture offices; Second Floor, Unity Court, Corner First and Kwame Nkurumah Avenue**, upon payment of a non-refundable fee of **\$10.00**.

Prospective bidders should submit three (3) copies of their bid proposals to the **State Procurement Board, 5th Floor, Old Reserve Bank Building, Bank Chambers, 76 Samora Machel Ave, Harare**, by 1000hrs on the closing date).

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Equities return on bullrun



HARARE –The ZSE’s main-stream Industrial Index continued in the positive territory following a 3.12 points increase to settle at 533.20 as CAFCA added \$0, 0575 to close at \$0, 3455, while beverages giant Delta

put on \$0, 0299 to \$3, 2307 and telecoms giant Econet closed at \$0, 0240 to end at \$1, 8812.

Also on the up was crocodile skin producer Padenga, which advanced by \$0, 0179 to trade at \$0, 8150 while

Hippo gained \$0, 0073 to close at \$1, 7698.

On the downside, ZBFH came off \$0, 0200 to trade at \$0, 3800, while Ariston eased \$0, 0017 to \$0, 0175 and Masimba inched down \$0, 0005 to close at \$0, 0721.

The Mining index advanced by 2.56 points to end at 137.94 after RioZim gained \$0, 0331 to trade at \$1, 1953. The balance of the mining counters were unchanged

- **BH24 Reporter** ●

LANCET CLINICAL LABORATORIES ACHIEVED SANAS ACCREDITATION

ISO 15189:2012

LANCET CLINICAL LABORATORIES has been accredited by the SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM (SANAS). Facility Accreditation number M0584. The facility is accredited in accordance with the recognised International Standard ISO 15189:2012.

Status as an ISO Accredited Organisation means that Lancel Clinical Laboratories has met internationally recognised standards for the provision of quality laboratory results.

Our decision to become ISO 15189:2012 accredited demonstrates a commitment to provide continuous quality improvements and our motivation was driven by a desire to meet customer needs and increase customer satisfaction.

Not all Medical Laboratories seek accreditation, and not all that undergo the rigorous onsite audit are granted accreditation. In Zimbabwe of all the SANAS Accredited Medical Laboratories, Lancel Clinical Laboratories is the medical laboratory which has the highest number of accredited disciplines and the highest number of accredited laboratory tests.

Lancel Clinical Laboratories is accredited in the following disciplines:

Histology
Cytology
Haematology
Chemistry
Microbiology
Endocrinology
Serology

Discipline / Sample Type	Type of Tests	Equipment / Method
Chemistry		
Serum	Albumin	Chemicon
Urine	Albumin (Micro)	Chemicon
Serum	Albumin Phosphatase (AP)	Chemicon
Serum	Albumin Aspartate Aminotransferase (ALT)	Chemicon
Serum	Albumin Creatinine	Chemicon
Serum	Albumin Phosphatase	Chemicon
Serum	Bilirubin (Total)	Chemicon
Serum	Bilirubin (Direct)	Chemicon
Serum, Urine, CSF	Cholesterol	Chemicon
Whole Blood	Cholesterol (Total)	Chemicon
Serum, Urine	Creatinine (Kinetic)	Chemicon
Serum	Creatinine (Jaffe)	Chemicon
Serum	Creatinine (Kinetic)	Chemicon
Serum	CPK	Chemicon
Serum	Gamma-Glutamyl Transferase (GGT)	Chemicon
Plasma	Glucose	Chemicon
Serum	HbA1c	Chemicon
Plasma	Iron	Chemicon
Serum	Lactate Dehydrogenase (LDH)	Chemicon
Serum, Urine	Phosphorus	Chemicon
Serum, Urine	Potassium	Chemicon
Serum, Urine, CSF	Sodium	Chemicon
Serum, Urine	Sulfur	Chemicon
Serum, Urine	Urea	Chemicon
Serum, Urine	Urea	Chemicon
Endocrinology		
Whole Blood	HbA1c	Chemicon
Whole Blood	Insulin	Cobas P122
Haematology		
Blood	Activated Partial Thromboplastin Time (APTT)	CA 200 / Manual Method
Blood	Bleed Time	Manual Method
Blood	ESR	Wintrolab
Blood	ESR	Wintrolab
Blood	Fibrinogen (Turbidimetric Rate ESR)	Wintrolab / Spectrophotometer
Blood	Full Blood Count	Wintrolab SE 1800
Blood	International Coagulation	Manual Method
Blood	Prothrombin Time (PT) - INR	Manual Method
Blood	Prothrombin Time (PT) - INR	CA 200 / Manual Method
Blood	Red Cell Distribution	Manual Method

Discipline / Sample Type	Type of Tests	Equipment / Method
Molecular Biology		
Plasma	HIV Viral Load	Cobas AmpliScribe / Cobas 480
Microbiology		
Serum, Rectal Swabs, Urine	Microbiology	Manual Method
Swab	Non-fermenting	Manual Method
CSF, Urine	CF Count	CF Count
CSF, Blood, Cerebrospinal Fluid, Eye Swabs, Pus Swabs, Tissue Swabs	Gram Stain	Manual Method
CSF, Sputum, Pus Swabs, Eye Swabs, Pus Swabs, Tissue Swabs	Rapid Identification and Sensitivity	Manual Method
Serum, CSF, Urine, Swab, Tissue Swabs, Blood Culture	Culture	Manual Method
Urine	Culture	Manual Method
Serum	Adenovirus / Rotavirus	Manual Method
Serum	Chlamydia	Manual Method
Serology		
Serum, CSF	Antinuclear (ANA) (IF/IC)	Manual Method
Blood	Cryptosporidium Antigen	Manual Method
Serum	Human Herpes Virus 8 (HHV-8)	Manual Method
Serum	Human Herpes Virus 9 (HHV-9)	Manual Method
Serum	Human Herpes Virus 10 (HHV-10)	Manual Method
Cytology		
Cervical Smears	Pap Smear	Manual Method
Fluids	Wet Smear	Manual Method
Histology		
Tissue	Routine Histological Techniques	Shandon Tissue Processor, Philips, Olympus, Leica, etc.
Tissue	Immunohistochemistry	Roche Benchmark DS

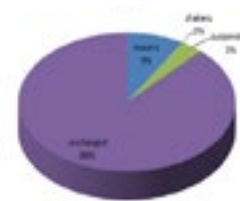
Original Date of Accreditation: 20 February 2017
 Issued by: THE SOUTH AFRICAN NATIONAL ACCREDITATION SYSTEM

ZSE

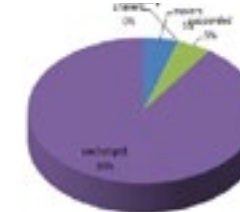
TOP GAINERS	CHANGE	TODAY PRICE	LOSERS	PRICES	
CAFCA.ZW	0.3455	+19.97	ARIS.ZW	0.0175	-8.85
RIOZ.ZW	1.1953	+2.85	ZBFH.ZW	0.3800	-5.00
PHL.ZW	0.8150	+2.25	MSHL.ZW	0.0721	-0.69
BARC.ZW	0.0887	+1.95			
ECO.ZW	1.8812	+1.29			

Stock Exchange

TODAY



PREVIOUS



INDICES

VALUE

CHANGE

INDUSTRIAL

533.20

+0.59

MINING

137.94

+1.89

VACANCY

HEAD CORPORATE FINANCE

Industrial Psychology Consultants (Pvt) Ltd has been retained by National Building Society to recruit a Head Corporate Finance. Applications are invited from suitably qualified and experienced persons of all the above position.

Overall Job Purpose

The Head Corporate Finance is responsible for structuring viable housing projects funding model.

Main Duties and Responsibilities

- ◆ Negotiates and structures financial deals of all business funding arrangements.
- ◆ Executes financial investigations and evaluations of projects with the view to adequately forecast financial requirements and increase shareholder value.
- ◆ Recommend and justify preferred strategic options to the executive team and other stakeholders.
- ◆ Continuously monitor market trends and the competitive landscape to help identify new business opportunities.
- ◆ Develops and implements projects, funding to ensure that the institution achieves its strategic objectives.
- ◆ Liaises with the company executives, finance team, lawyers, financial advisors and regulatory bodies in the execution of projects financing.

Academic Qualifications and Experience Required

- ◆ A minimum of a Masters degree in Finance or equivalent, plus an MBA from a reputable accredited institution.
- ◆ Chartered Accountant/ Chartered Financial Analyst or equivalent would be an added advantage.
- ◆ A minimum of 10 years relevant work experience in finance structuring of infrastructure projects.

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Friday 17 November 2017**



Zimbabwe Prisons and Correctional Service



Cde Don Muvuti

economic and political development. May The Almighty God give the bereaved Muvuti family the strength to overcome this great loss which has not befallen them alone but the entire nation.
May his soul find eternal peace.

The Commissioner-General, Deputy Commissioner-Generals, Commissioners, Senior Officers, Officers and members of the Zimbabwe Prisons and Correctional Service join the **Head of State and Government and Commander-in-Chief of the Zimbabwe Defence Forces, Cde Robert Gabriel Mugabe** and the Muvuti family in mourning the passing on of **Cde Don Muvuti**.

We have indeed learnt with great sadness and sorrow the untimely departure of the veteran liberation fighter and decorated Nationalist whose contribution towards the attainment of our hard won Independence shall forever be cherished.

In Cde Muvuti, the country has been robbed of yet another gallant son-of-the soil who was steadfast in emancipating the subjugated black majority in colonial Rhodesia and also remained resolute in promoting and safeguarding the gains of our sovereignty in the post colonial era.

As we condole over the loss of the dear departed who contributed immensely towards the liberation struggle through resource mobilization to fight colonial injustices, we draw lessons from the rich legacy of loyalty, patriotism and selflessness that he bequeathed to us.

May his great spirit of nationalism, diligence in executing assigned tasks and his incomparable loyalty to serve his country inspire us to jealously defend our sovereignty which fosters socio-

**ZORORAI MURUGARE GAMBA REMAGAMBA!
LALA NGOXOLO QHAWE LAMAQHAWA!
REST IN ETERNITY HERO OF HEROES!**

THE BH24 DIARY

- SEEDCO AGM SeedCo Administration Block Stapleford 1000hrs 28.11.17

LOAD SHEDDING STATUS



POWER GENERATION STATS

Gen Station	Energy (Megawatts)
09 November 2017	
Hwange	363 MW
Kariba	730 MW
Harare	15 MW
Munyati	19 MW
Bulawayo	0 MW
Imports	0 - 450 MW
Total	1502 MW

Rand settles into narrow band amid few fresh market drivers

JOHANNESBURG - The rand was little changed on Thursday morning amid a lack of fresh drivers.

TreasuryOne dealer Phillip Pearce characterised the muted price action as the "calm before the storm", pointing to looming ratings decisions by S&P Global Ratings and Moody's on the SA's sovereign debt.

"Not only is S&P in the country but Moody's have made an unscheduled visit, which should set the alarm bells off that a downgrade may happen sooner than later," Pearce said in an e-mailed note.

The relative stability in the rand comes after two weeks of intense volatility, caused mainly by the medium-term budget policy statement, which economists said increased the chance of a credit downgrade.

By some estimates, SA could lose at least R100bn in bond outflows if the country's



local-currency debt is downgraded.

The immediate effect could play out in a much weaker rand and local bonds, a

scenario that could force the Reserve Bank to consider increasing interest rates.

But some analysts argue that markets, which tend to

be forward looking in their approach, have already absorbed a downgrade to sub-investment grade.

Higher bond yields could provide a window of opportunity for yield-seeking investors.

Moody's and S&P, which are expected to announce their ratings in about two weeks, could choose to wait until after the outcome of a crucial ANC's conference in December.

Deputy President Cyril Ramaphosa and ANC MP Nkosazana-Dlamini Zuma are regarded as the frontrunners in the succession battle for the ANC's top job.

At 9.58am, the rand was R14.1427 to the dollar from R14.1559, at R16.4128 to the euro from R16.4148 and at R18.5907 to the pound from R18.5704

The euro was at \$1.1605 from \$1.1596. - **BusinessLive** ●

Oil near \$57 after roller-coaster day as U.S. output hits record

Oil traded near \$57 a barrel after swinging wildly in the previous session as investors focused on U.S. crude production that climbed to the highest in more than three decades.

Futures were little changed in New York. Prices on Wednesday closed 0.7 percent lower after soaring 1.3 percent as multiple platforms suspended operations in the Gulf of Mexico. U.S. output expanded for a third week to 9.62 million barrels a day, the highest in weekly Energy Information Administration data going back to 1983. Crude inventories rose 2.24 million barrels last week, compared with a 2.45-million drop forecast in a Bloomberg survey.

Oil has advanced about 20 percent since the start of September on signs the Organization of Petroleum Exporting Countries and its allies will extend output cuts past March. An anti-corruption probe in Saudi Arabia, the world's top exporter,



has added to price gains as arrests were seen as consolidating power for the crown prince who has supported prolonging the production reductions.

"Higher prices are a definite factor in bringing production

back on -- this is a problem for OPEC," said Michael McCarthy, a chief strategist at CMC Markets in Sydney. "The first response comes from the most agile producers, but once it looks like oil prices could be sustained at higher levels, then even less

agile producers can come back online."

West Texas Intermediate for December delivery was at \$56.89 a barrel on the New York Mercantile Exchange, up 8 cents, at 7:50 a.m. in London. Total volume traded was about 27 percent below the 100-day average. Prices lost 39 cents to \$56.81 on Wednesday, falling for a second session.

Brent for January settlement gained 15 cents to \$63.64 a barrel on the London-based ICE Futures Europe exchange, after falling in the past two sessions. The global benchmark crude was at a premium of \$6.51 to January WTI.

Crude stockpiles at Cushing, Oklahoma, the delivery point for WTI and the biggest U.S. oil-storage hub, rose by 720,000 barrels to 64.6 million, the EIA said Wednesday. Gasoline supplies fell a third week to 209.5 million barrels.

• - Bloomberg ●

Four things the Paradise Papers tell us about global business and political elites

By Ronen Palan

The so-called Paradise Papers may sound familiar – leaked documents from a law firm that specialises in offshore services reveal how the global elite avoids paying taxes. Even the name has the same ring to it as last year’s Panama Papers expose. But the Paradise Papers are different, reflecting the complexity of the global offshore tax system.

Panama is generally considered among tax haven experts as one of the least reformed corners of the offshore world. International rules regarding tax evasion and avoidance are intended to help national governments to pursue their own offenders, but the Panama Papers revealed that the country was being used primarily by the business and political elites of countries like Russia, China and many more in Latin America and Asia; countries where the governments are closely linked to business and which are less



likely to use tools provided by new international rules to pursue offenders. Hence, relatively few Americans or Europeans were caught in the Panama story. And Mossack Fonseca, the law firm at the centre of the leak has since been discredited.

The Paradise Papers reveal the goings on of the elites of the offshore world – this time in the supposedly highly-regulated havens of the Cayman

Islands, Bermuda, Singapore and the like. All places that received a fairly clean bill of health during the OECD peer review process only a few years ago. The law firm at the centre of this new leak, Appleby, insists there is “no evidence of wrongdoing” in any of the revelations.

Nonetheless, the Paradise Papers will tell us a lot about the activities of business and political elites of well-regu-

lated countries like the US and UK – implicating big multinationals such as Nike and Apple, and individuals including the British Queen.

1. Tax avoidance is a booming industry

Clearly, jurisdictions such as the Caymans Islands and Bermuda that levy no income tax, capital gains tax, VAT, sales, wealth or corporate tax, still attract a great deal of businesses. Why, for instance, has the Duchy of Lancaster, the Queen’s private portfolio, invested in two offshore funds, in Cayman and Bermuda? After all, the Queen pays tax only voluntarily.

A more charitable interpretation is that any big investor who is seeking to diversify their portfolio would inevitably end up using offshore funds. The papers show that about £10m (US\$13m) of the Queen’s private money was invested offshore – a very small percentage of her wealth. There is nothing ille-

gal about this but the ethics of it have been questioned.

Practically, the entire wealth investment industry – the industry that invests for the rich and the wealthy of our world – operates through the offshore world. And the reason why is simple. Each fund or transaction, or aeroplane or yacht, or whatever that one cares to register in the Caymans or Bermuda, is not subject to tax. And it's hidden from public view.

2. Secrecy prevails through trusts

Despite a spate of new regulations, the Paradise Papers show that anyone who wishes to conceal their affairs from competitors, allies, governments or the public can still do so with great ease. And they can do so through the facilities of a "trust", an archaic Anglo-Saxon instrument that serves as a fool-proof shield from scrutiny.

We have learned, for instance, that Wilbur Ross,

the US secretary of commerce, had commercial links to Vladimir Putin's family, which operated through a system of linked trusts located in various offshore jurisdictions. I do not think that even the Mueller inquiry in the US into the Trump administration's links with Russia could have pierced the veil of secrecy offered by offshore trusts.

But the leaked documents from law firm Appleby reveal that any complex business deals that would involve concealment and subterfuge would work their way through trusts. It is high time we do something about these trusts.

3. Highly complex tools are used

The Paradise Papers show how complex financial innovations such as the use of derivatives and financial swaps arrangements, can be used for tax avoidance. This is an area of avoidance that is normally not well under-

stood and scantily studied.

New research colleagues and I are conducting, however, has found that cross-currency interest rate swaps are used pervasively in tax minimisation mechanisms. It is difficult to detect and involves a parent and subsidiary companies swapping a loan in one currency to another. This swaps the risks and the interest rate of the original currency for the subsidiary's – a legitimate risk minimisation instrument. At the same time, this facilitates moving funds offshore to low tax jurisdictions.

4. The law needs to change

Many professional service firms operate through offshore jurisdictions. They all claim to be highly professional, following not only the letter, but also the spirit of the law.

But if these firms are not directly liable for the activities of their clients, the

offshore world will continue to thrive. These firms take advantage of regulatory loopholes to arbitrate between different rules and jurisdictions in order to minimise taxation. The question is for how long such practices are going to be considered legitimate.

The Paradise Papers reveal how little the world really knows about the level of tax avoidance that takes place. UK citizens, for instance, can legally invest in offshore funds and set up companies in those havens. But they must reveal these holdings to the tax man.

We do not know whether those named in the papers did, and we do not know whether the tax authorities will do something about those who did not. We only know that a lot is going through offshore. The Paradise Papers show that, despite promises of the opposite, opacity is still pervasive in the offshore world.

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