

## WORLD

# Saudis make deeper oil cut to steady price

With budget strained, latest reduction equates to 1 percent of global supply

DUBAI — Saudi Arabia's Energy Ministry on Monday told the national oil company Aramco to further reduce crude oil production for June as low prices strain the kingdom's budget and global demand remains weak due to the pandemic.

The announcement to add 1 million barrels a day — equal to 1 percent of global supply — to the previously announced cuts follows a phone call last week between US President Donald Trump and Saudi Arabia's King Salman.

Trump had worked last month to persuade Saudi Arabia, fellow OPEC members and Russia — a group known as OPEC+ — to cut oil output by 9.7 million barrels per day for May and June after a collapse in crude prices put heavy pressure on US producers.

On Friday, the two men discussed oil and defense amid news Washington would withdraw two Patriot anti-missile batteries from Saudi Arabia that have been a defense against Iran. Washington said the withdrawal was not linked to oil.

Saudi Energy Minister Prince Abdulaziz said the deeper oil output cuts in June are designed to expedite draining a global supply glut and rebalancing the oil market.

He said the kingdom wants to be "ahead of the curve" and he sees signs of demand picking up as countries move to ease restrictions on movements imposed over the past months to stop the spread of the novel coronavirus.

"We want to expedite the process of returning back to normal," he said in a telephone interview.

A Saudi Energy Ministry official said on Monday that new cuts would bring total Saudi production down by around 4.8 million barrels a day in June versus April.

"Therefore, the kingdom's production for June, after both its targeted and voluntary cuts, will be 7.492 million barrels per day," he said.

The official also revealed that Aramco has been directed to reduce production in May, from the target level of 8.492 million barrels a day, after customers' consent.

## Stabilization of oil market

He justified the additional cut as a means to encourage OPEC+ members and other oil producers to comply with their production cuts commitment and to provide additional voluntary cuts, in order to stabilize global oil markets.

Kuwait joined Saudi Arabia in announcing fresh oil production cuts of 80,000 barrels a day in June, on top of those already agreed under the OPEC+ plan. The United Arab Emirates also said it would reduce output in June, by a further 100,000 barrels a day.

Christyan Malek, managing director of JPMorgan, said he expected Saudi Arabia to further deepen cuts, possibly by another 1-1.5 million barrels a day, under pressure from Trump and its own fiscal pressures at home.

Asked whether the deeper cuts by Saudi Arabia would continue beyond June, Prince Abdulaziz declined to comment, but struck an optimistic note on the future of the oil market.

"If things are continuously hopefully improving, we will scale back (the cuts) as we have in the (OPEC+) agreement," he said, adding that he would be "more than surprised" if by time OPEC+ meets next in June "the picture may not be more brighter".

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White House Press Secretary Kayleigh McEnany (far left) and other staff all wearing face masks listen as US President Donald Trump holds a COVID-19 response news briefing in the Rose Garden of the White House on Monday. KEVIN LAMARQUE / REUTERS

## Spotlight stays on testing in US

By AI HEPING in New York, PAN MENGQI in Beijing and CHEN WEIHUA in Brussels

While the United States marked that grim milestone of 80,000 COVID-19 deaths on Monday, US President Donald Trump praised his administration's response to the pandemic, saying "we have met the moment, and we have prevailed" on testing.

According to data from Johns Hopkins University, the US had reported 1,347,936 cases of the novel coronavirus as of early Tuesday, far and away the most reported by any country.

The US death toll from COVID-19 had reached 81,795, just as almost every state has made plans to partially reopen some businesses, something critics fear might contribute to an increase in the daily reports of fatalities.

On Monday, Trump said the US is "testing more people per capita than South Korea, the United Kingdom, France, Sweden, Finland and many other countries, in some cases combined".

Trump also announced that his administration would give \$1 billion to states to increase testing capabilities. But the actual figure,

the administration said earlier on Monday, was about \$11 billion.

The president dismissed talk that there was a breakdown in White House measures aimed at curbing the spread of the virus after two members of the staff tested positive.

Earlier, the White House issued a directive asking most officials to wear masks or face coverings in public spaces. Trump didn't wear a face mask during the news conference but all the reporters asking Trump questions on Monday were wearing face masks.

## Partial reopening

It was also announced on Monday that parts of New York state and California will reopen this week, but New York City, the city hit the hardest in the US, won't reopen nonessential businesses and allow large gatherings until June.

The city's rate of new hospitalizations, the number of available hospital beds and intensive care beds remain short of New York Governor Andrew Cuomo's thresholds, saying that the city met only four of seven criteria required to reopen.

Cuomo also said new research showing that the coronavirus

spread from Europe to New York was a factor in the early failures to contain the outbreak.

Cuomo on Friday noted it was too late for US to eventually ban travelers from Europe on March 16, citing that 3 million Europeans came through New York's airports from December to March.

As many countries are gradually easing their anti-epidemic measures, the World Health Organization on Monday said that a "slow, steady easing of lockdown measures will be key in stimulating economies while keeping a vigilant eye on the novel coronavirus".

The organization's director-general, Tedros Adhanom Ghebreyesus, said many countries have used the lockdown time to ramp up their ability to test, trace, isolate and care for patients, which he said is the best way to track the virus, slow the spread, and take pressure off the health systems.

The health body also published further guidance on the weekend to address the criteria for lifting lockdown measures.

Contact the writers through [aiheping@chinadailyusa.com](mailto:aiheping@chinadailyusa.com).

Agencies contributed to this story.

## Briefly

### UNITED STATES Trump pips Biden in fundraising record

US President Donald Trump's re-election campaign and the Republican National Committee said on Monday they had jointly raised \$61.7 million in April, just beating the month's haul for presumptive Democratic presidential nominee Joe Biden and his party. A Trump campaign statement said the April sum was a record, bringing total cash on hand to \$255 million. Biden said earlier in the day that his campaign and the Democratic National Committee raised \$60.5 million combined in April. The big fundraising figures came despite the coronavirus pandemic.

### Red notice issued for US diplomat's wife

Interpol has issued a wanted notice for Anne Sacoolas, the wife of a US diplomat, who is wanted in Britain over a fatal car crash in August. ITV reported on Monday. Britain's Crown Prosecution Service did not confirm the ITV report but said in a statement that it still wanted Sacoolas to stand trial in Britain. The United States in January rejected a formal request from Britain for the extradition of Sacoolas saying she had diplomatic immunity and that to extradite her would set "an extraordinarily troubling precedent".

### ISRAEL Pompeo visit delays govt swearing-in

The swearing-in of Israel's new unity government has been postponed by one day to Thursday due to an upcoming by US Secretary of State Mike Pompeo, officials said. A parliament spokesman said the joint administration of incumbent premier Benjamin Netanyahu and his former rival Benny Gantz would be inaugurated on Thursday instead of Wednesday. Pompeo will meet both Netanyahu and Gantz for talks on "regional security issues related to Iran's malign influence", according to the State Department.

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## Argentina extends debt negotiation deadline

BUENOS AIRES — Argentina extended negotiations over a \$65 billion debt restructuring proposal until May 22, the government said on Monday, setting the stage for tense last-ditch talks as the South American nation races to avoid default.

The new deadline comes after an initial cut-off passed on Friday with three main bond-holder groups rejecting the government's proposal and pushing for improved terms. A 30-day grace period for a \$500 million bond payment that Argentina had already missed will expire on the same day.

The major grains producer is rac-

ing to revamp unsustainable debts amid a painful recession, high inflation, and increasingly expensive borrowing costs, as concerns over a potential ninth sovereign default have rattled investors and hit bond prices.

## Three-year moratorium

The government's offer to its creditors includes a 62 percent discount on interest (\$37.9 billion) and 5.4 percent on capital (\$3.6 billion).

The country is also requesting a three-year moratorium, which would imply no payments until 2023, when President Alberto Fernandez's four-year mandate expires.

Officials deemed it was "convenient to extend that date in order to increase the participation" of creditors in the talks and "continue actively communicating with eligible bond holders", the government said.

"This extension is considered necessary within the framework of the negotiations that Argentina has promoted in good faith with its creditors to reestablish the sustainability of its public debt in foreign-law bonds," the government added.

The outcome of the talks is to be announced no later than May 25. Failure to pay would mean a

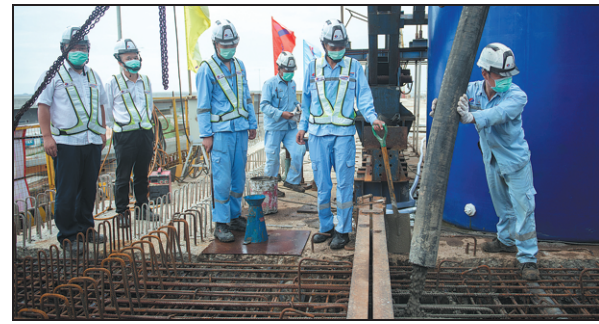
default, a near doomsday scenario for the cash-strapped country that would prevent the government from seeking credit from financial markets.

Argentina — in recession for two years — has also been in lockdown since March 20, further damaging its already battered economy.

The central bank has forecast the economy to contract 7 percent this year, taking into account two years of recession and the current economic shutdown due to the coronavirus pandemic.

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## Full steam ahead



Workers push on with construction of the No 2 Bridge of the Jakarta-Bandung High-Speed Railway in Indonesia. A key stage was reached on Sunday, when the first multi-span, rigid-frame continuous beam for the bridge was put in place. DU YU / XINHUA

## International Education Column

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