

**SANAA (Dispatches)** -- Yemeni officials say fighting has erupted between two Saudi-backed militant factions, killing at least 18 people on both sides in the past two days. They said Tuesday that the fighting in the southwestern city of Taiz pits forces loyal to Ali Mohsen al-Ahmar against those loyal to Aboul Abbas, a militia commander. Both are part of the Saudi-led "coalition" that has been waging a war on Yemen since 2015. The officials said Amin Mahmoud, the self-proclaimed governor of Taiz, survived a roadside bomb targeting his convoy in the southern port city of Aden.

**TEHRAN (Dispatches)** -- Saudi Arabia has released three Iranian fishermen arrested by the kingdom's coastguard last year. IRNA quoted an Iranian official as saying on Tuesday, following negotiations between the two sides. Ardeshtir Yarahmadi, the head of the fisheries department of Iran's Bushehr province, said the three fishermen were arrested in June 2017 after their boat drifted into the Saudi waters. They had been freed this week after "negotiations between foreign ministry officials of both countries", Yarahmadi said, without giving the date of their release. In February, Saudi Arabia freed nine Iranian fishermen detained for two years, accusing them of entering its waters.

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## UK's Quercus Abandons Iran Solar Project

**OSLO (Dispatches)** -- British renewable energy investor Quercus said it will halt the construction of a 500 million euro (445.9 million pounds) solar power plant in Iran due to recently imposed U.S. sanctions on Tehran.

The solar plant in Iran would have been the first renewable energy investment outside Europe by Quercus and the world's sixth largest, with a 600 megawatt (MW) capacity.

Iran has been trying to increase the share of renewable-produced electricity in its energy mix, partly due to air pollution and to meet international commitments, hoping to have about 5 gigawatt in renewables installed by 2022.

In June, before the U.S.-imposed sanctions, more than 250 companies had signed agreements to add and sell power from about 4 gigawatt of new renewables in the country, which has only 602 MW installed, Iranian energy ministry data showed.

Washington reimposed sanctions last week after pulling out of a 2015 international deal aimed at curbing Iran's nuclear program in return for an easing of economic sanctions.

U.S. president Donald Trump has also threatened to penalize companies that continue to operate in Iran, which led banks and many companies around the world to scale back their dealings with Tehran.

"Following the U.S. sanctions on Iran, we have decided to cease all activities in the country, including our 600 MW project. We will continue to monitor the situation closely," Quercus chief executive Diego Biasi said in an email on Tuesday.

The firm will continue to monitor the situation closely, said Biasi, who declined to comment further.

Last year Quercus said it would set up a project company and sell shares via a private placement after attracting interest from private and institutional investors, including sovereign wealth funds.

Construction was expected to take three years, with each 100 MW standalone lot becoming operational and connecting to the grid every six months.

The 600 MW plant it aimed to construct in Iran would be the firm's largest investment. Quercus declined to comment on the details of its decision to cease the plan and on any financial losses that could result from it.

Fearing the consequences of the U.S. embargo, a string of European companies have recently announced they would scale back their business in Iran.

On Tuesday, German engineering group Bilfinger said it did not plan to sign any new business in

the country, while automotive supplier Duerr on Aug. 11 said it had halted activities in Iran.

Another project, planned by Norway's Saga Energy, which said last October it aimed to build 2 GW of new solar energy capacity in Iran and to start construction by the end of 2018, has also stalled.

Saga Energy's chief of operations Rune Haaland told Reuters it was still working on getting the funding, which is more complicated since recent developments, and although it aimed to push on with its plans, construction could be delayed.

On Sunday, the US ambassador to London said the UK should join Donald Trump in adopting a hardline attitude towards Iran.

The foreign secretary, Jeremy Hunt, joined with his French and German counterparts last week to voice their "deep regret" at Washington's withdrawal from the Joint Comprehensive Plan of Action (JCPOA) and vow to protect European companies from U.S. reprisals if they continue to trade with Iran.

But those pledges have failed to arrest an exodus of European companies working with Iran.

In an article in the Sunday Telegraph, Woody Johnson said: "It is time to move on from the flawed 2015 deal."

"We are asking global Britain to use its considerable diplomatic power and influence and join us as we lead a concerted global effort towards a genuinely comprehensive agreement."

## Taliban Overrun Army Base Amid Ghazni Battle

**KABUL (AFP)** -- Taliban fighters overrun an army base in northern Afghanistan, officials said Tuesday, killing at least 17 soldiers with dozens feared captured in a stinging blow to security forces already struggling to push insurgents from eastern Ghazni.

The fall of the base in Ghormach district of volatile Faryab province came with security forces -- who have struggled to hold back the Taliban since NATO combat troops pulled out in 2014 -- already stretched by the days of fighting in Ghazni, a strategic provincial capital two hours from Kabul.

Militants gained control of the base after days of heavy fighting, according to army spokesman for northern Afghanistan Mohammad Hanif Rezaee.

He said around 100 soldiers were on the base when it was first attacked Sunday. "It is a tragedy that the base fell to the enemy. Some soldiers were killed, some captured and some fled to nearby hills," Rezaee told AFP.

At least 17 were killed in the attack, according to defense ministry spokesman Ghafoor Ahmad Jawed, while a local MP said Taliban fighters captured another 40 in

the base, known as Chenaya.

"Preparations are underway to launch an operation to recapture the base," said the ministry's spokesman.

Tahir Rehmani -- head of Faryab's provincial council -- said the base fell after the soldiers begged for reinforcements and air support from Kabul but were ultimately ignored. "They were too busy with Ghazni," said Rehmani.

Ghazni, further east and which the Taliban first assaulted late Thursday, remains in government hands, officials have said.

But fears of civilian casualties in the city were growing as Afghan security forces backed by U.S. air power struggled to push the Taliban out five days after the assault began.

The United Nations said unverified reports put civilian casualties at more than 100, with residents also at risk from several days of U.S. airstrikes.

Communication networks remained largely down in Ghazni, making any information difficult to verify. But residents said the violence continued.

"Ghazni is a ghost city now. The Taliban

**LONDON (Dispatches)** -- Clouds are gathering over the outlook for the oil market, as trade tensions and rising crude supply threaten to swamp demand growth, but some of the world's most prominent energy investors are convinced the price will return to record highs.

The escalating trade war between the United States and China threatens global growth. The physical markets are already showing signs of strain as unwanted crude builds on ships and crushes prices for cargoes of oil.

Aside from that, interest rates around the world are rising and the dollar is strengthening, which means emerging market oil buyers are seeing their import bill growing almost daily.

Both OPEC and the International Energy Agency have warned about the risk of trade disputes to global demand growth in their most recent monthly market outlooks.

Funds have cut their bullish bets on Brent and U.S. crude futures and options to their lowest in almost a year.

Despite all this, prominent hedge funds such as Andurand Capital

and Westbeck Capital are betting oil could skyrocket to \$150 a barrel from around \$75 now.

The main driver is expected to be upcoming U.S. sanctions on Iran's energy sector, which kick in November.

"Our view is that by November 4, we will have lost between 1.3 and 1.4 million barrels (of output) a day. It is a very big number. That's based on the view that the U.S. will allow a few temporary exception waivers .... Ultimately, we could see losses from Iran exceed 2 million barrels a day," Jean-Louis Le



Donald Trump has said he had received assurances from Saudi Arabia that the kingdom would increase oil production to make up for lost Iranian barrels but energy strategists have dismissed the U.S. president's call to abruptly increase oil production as political "noise".

## Hardcore Hedge Funds:

# Iran Sanctions to Push Oil Above \$150

Mee, chief executive officer of London-based Westbeck, said.

U.S. President Donald Trump in May walked away from a 2015 nuclear deal between world powers and Tehran that he said was one-sided in Iran's favor.

Trump has also blamed OPEC for the 45-percent rise in oil prices over the last 12 months and, in June, exchanged sharp words with Iran on the subject.

Pierre Andurand, who runs the \$1.2-billion Andurand Commodities Fund and predicted the rise and subsequent crash in the oil price in 2008, responded on Twitter by pointing out OPEC's spare capacity was at its lowest ever. "There is going to be a real issue," he wrote, predicting prices above \$150 per barrel within two years.

"We don't sense a great deal of engagement yet from generalist investors. A few of them are starting to look at it now," Will Smith, Westbeck chief investment officer said.

"This is going to catch everybody by surprise. Some of the specialists are bullish -- including Pierre (Andurand), ourselves and Energy Aspects," he said.

Aside from the risk to Iranian supply, Venezuela's crude production, which has already collapsed as a result of economic crisis, could fall below 1 million barrels per day (bpd) by the end of the year, compared with 2 million bpd in mid-2017, Smith said.

Trump has said Saudi Arabia's ruler King Salman had agreed to

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## Terror in UK: Car Hits Pedestrians Near Parliament in London

**LONDON (AP)** -- A car plowed into pedestrians and cyclists near the Houses of Parliament in London during the morning rush hour Tuesday, injuring three people in what police suspect is the latest in a string of attacks in the British capital that used vehicles as weapons.

A rooftop camera recorded the car driving past Parliament and suddenly veering sharply to the left, striking cyclists waiting at a set of lights before crossing the road and crashing into a barrier outside Parliament. Armed police surrounded the car within seconds, pulling a man from the vehicle.

Police said the driver, a man in his late 20s, was arrested on suspicion of terrorism offences. He was alone and no weapons were found in the car.

"Given that this appears to be a deliberate act, the method and this being an iconic site, we are treating it as a terrorist incident," Assistant Commissioner Neil Basu of the Metropolitan Police told reporters outside Scotland Yard.

Police flooded the area after the incident was reported at 7:37 a.m., cordoning off

streets surrounding the heart of Britain's government. The nearby Westminster subway station was closed, and police asked people to stay away from the area, which is filled with government offices and major tourist attractions including Westminster Abbey.

The suspect was not cooperating with police, and officers were working to confirm his identity, said Basu, who oversees UK counterterrorism policing. No other suspects have been identified and police believe there is no further threat to Londoners, he said.

Prime Minister Theresa May tweeted: "My thoughts are with those injured in the incident in Westminster and my thanks to the emergency services for their immediate and courageous response."

U.S. President Donald Trump was less measured, tweeting that the crash was "another terrorist attack in London." Trump added: "These animals are crazy and must be dealt with through toughness and strength!"

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