

India's Reliance yearly profits subdued on global oil slump

AFP, Mumbai

India's Reliance Industries reported a small profit increase for the year on Friday as a slump in oil prices hurt its major revenue streams of petrochemicals and refining.

The Mumbai-based firm said in a statement that consolidated net profit for the year, which ended March, rose 4.8 percent to 235.66 billion rupees (\$3.78 billion) from 224.93 billion rupees (\$3.61).

Reliance's net profit for the last quarter, however, rose 8.5 percent to 63.81 billion rupees (\$1.02 billion) from 58.81 billion (\$943.98 million) compared with the same period a year ago.

That figure was better than a median estimate of 59.6 billion rupees by 16 analysts surveyed by Bloomberg.

"The earnings power demonstrated by our hydrocarbon businesses in this environment validates our philosophy of investing in world-scale, cost competitive assets, cutting-edge technology and the talent of people," Reliance chairman, Mukesh Ambani, said in a statement.

Revenues from its refining business

nosedived nearly 42 percent in the quarter to 564.42 billion rupees, and fell 16.3 percent year-on-year to 3,398.90 billion rupees due to the recent slump in oil prices, the company said.

The drop in prices and subdued global demand cut Reliance's exports of refined products to \$5.2 billion over the quarter from \$9.9 billion a year ago.

Although Reliance derives most of its earnings from its massive energy operations, it is trying to diversify and now owns a supermarket chain and a telecommunications company. Those forays have been aided by Reliance's high credit ratings cushioned by a \$13.5 billion cash pile.

The firm controlled by Ambani, India's wealthiest man, aims to launch a multi-billion-dollar telecommunications network called Reliance Jio Infocomm this year to capitalise on fast-growing mobile and internet demand in India.

It won more spectrum last month in the latest round of auctions by the Indian government and the firm hopes this will give it an edge over competitors when it launches 4G mobile services.

TTIP, a red rag to a bull in Germany

AFP, Berlin

Say four simple letters, TTIP, to many Europeans and you're likely to be met with a blank stare.

But in Germany, where resistance to the proposed US-EU free trade pact or Transatlantic Trade and Investment Partnership is fiercest, the response is likely to be a volley of angry words.

In fact, in the whole of Europe, perhaps only in Austria and Luxembourg is the interest and opposition likely to be of a similar magnitude, as a new round of talks -- the ninth since last year -- kicks off in New York on Monday.

According to a YouGov poll published at the end of March, 43 percent of Germans believe that the pact, which has the government's support, would be "bad" for their country, compared with 30 percent who see it as "good."

Out of the seven countries polled, no other showed a similar level of scepticism.

The biggest bones of contention are health and safety standards, notably in the area of food, but also a clause which would allow corporations to sue governments in tribunals that are above national law.

Peter Sparding, a researcher at the German Marshall Fund in Washington, said that "given Germany's position as Europe's largest economy and one of the world's leading traders, the debate in Germany has the potential to affect the scope and scale of a final agreement."

In many European countries, non-governmental organisations (NGOs) and unions have joined in the anti-TTIP campaign. But in Germany, the scale of the opposition is huge. Nearly 600 demonstrations are planned worldwide on Saturday in protest against free trade agreements, with more than 200 being held in Germany alone.

And out of 1.7 million signatures collected Europe-wide by the European collective "Stop TTIP", around one million came from Germany -- nearly 10 times as many as in France and 50 times as many as in Italy.

For Maritta Strasser, director of the anti-TTIP campaign at Campact, one of the NGOs behind "Stop TTIP", the extent of the opposition to the pact in Germany was largely due to the fact that it was made a topic of public debate early on.

But other Europeans were gradually waking up to the concerns expressed by Germans, she said. "The more people know about it, the more they reject it," she said.

Tanja Boerzel, professor in political science at the Free University in Berlin, pointed to "reasons relating to our political culture and our history."

She believed there has long been a "latent anti-Americanism" that is fanning the anti-globalisation debate in Germany and a "fear of casino-capitalism" which many people feel that the United States embodies.

Recent revelations of spying and surveillance by US intelligence services, including the tapping of Chancellor Angela Merkel's mobile phone, have fuelled anti-US sentiment, she said. The political left -- including many members of the Social Democrat SPD party -- is particularly critical of the United States.

And since the SPD is part of the ruling coalition with Merkel's conservative CDU-CSU parties, the SPD leadership finds itself in the schizophrenic position of defending a pact which many of its party members reject.



Robert W Gibson, British high commissioner; Francois de Maricourt, chief executive officer of HSBC Bangladesh; and Iqbal Ahmad, director of Institute of Business Administration of Dhaka University, pose with the top three teams of a business case competition organised by the British bank.



Officials pose at a party organised to mark the Global Hotel Alliance (GHA) Week -- from April 13-17 -- at Sonargaon Hotel in Dhaka recently.



NCC Bank Managing Director Golam Hafiz Ahmed poses with the participants of a training programme on foreign exchange. Deputy Managing Director Akhtar Hamid Khan was also present.



A Rouf Chowdhury, chairman of Bank Asia, inaugurates the bank's gymnasium at its corporate office in Purana Paltan, Dhaka. Rumea A Hossain, chairman of executive committee, and Md Mehmood Husain, managing director, were also present.

Eliminate barriers to trade with India

FROM PAGE B1

Of Bangladesh's total exports to India, 20 percent are garments and the rest are others, especially agri-products, he said.

"We should deepen trade relations with India to exploit the trade opportunity in the agriculture sector," he said.

At the same time, the government should improve the capacity of Bangladesh Standards and Testing Institution (BSTI), Rahman said.

He was speaking at a seminar on "non-tariff barriers in Bangladesh-India trade: addressing SPS issues and concerns" at Brac Centre Inn in Dhaka. Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh, chaired the event.

"We were supposed to be the best friend of India for having commonalities in culture, lifestyle and food habit, but unfortunately we are not," said M Anis Ud Dowla, chairman of ACI Ltd, a local company that has business with India.

He said seed export to India requires quarantine test, which is done in India, and Bangladeshi exporters need to wait for four weeks to receive certificates. "By this time the season ends and Bangladesh cannot export seeds to India."

He said both the governments should sit together to resolve the certification issues politically.

Syed Humayun Kabir, director general of SARSO, said common standards for two items -- biscuit and refined sugar -- have been set so far for all Saarc nations. "Thirty more items are in the process for getting common standards," Kabir said.

Sometimes trade barriers arise due to a

lack of awareness of rules and regulations, said Mostafa Abid Khan, director of Bangladesh Foreign Trade Institute.

Zillul Hye Razi, trade adviser to the European Union delegation in Bangladesh, said a lack of managerial capacity often leads to such barriers.

Tanveer Islam, general manager (export) of Pran Group, which has been facing SPS-related problems for exporting its products to India, said Bangladeshi exporters need to wait for approvals from the Central Food Laboratory (CFL) of India.

India has specific packaging requirements, which is another barrier, he said, adding that all food samples need to be sent to Kolkata as CFL facilities are not available near all land ports.

Khaleda Akhter, senior research associate of the CPD, said bilateral trade between Bangladesh and India has been on the rise. Bangladesh's exports to India increased to \$456 million in fiscal 2013-14 from \$144 million in 2004-05.

Bangladesh imports goods worth \$6 billion from India through formal channels each year.

"It is interesting to note that the share of non-apparel items is significantly higher than that of garment products in Bangladesh's exports to India," she said in a keynote.

Farooq Ahmed, secretary general of Metropolitan Chamber of Commerce and Industry, Amitava Chakraborty, director general of the WTO cell of the commerce ministry, and Humayun Rashid, acting president of Dhaka Chamber of Commerce and Industry, also spoke.

Compensation still eludes Rana Plaza victims

FROM PAGE B1

Over Tk 100 crore has been collected by the PM's fund but only Tk 22 crore has been disbursed so far, said BGSS, referring to the labour ministry's disclosure a year ago.

"We are yet to see any explanation regarding the rest of the amount in the fund," said Anu Muhammad, professor of economics at Jahangirnagar University.

Muhammad, also a member secretary of National Committee to Protect Oil, Gas, Mineral Resources, Power and Ports, demanded formulation of a compensation policy for workers, not only of the garment industry but all sectors, including construction.

Citing the highest amount of compensation mentioned in the labour law, which is Tk 125,000, he said the government should be ashamed how such a small amount can be passed off as just compensation.

He also demanded establishing public hospitals, especially for industrial workers.

A minimum standard should be established for compensation, a minor revision is required in the law in this regard, said Syed Sultan Uddin Ahmed, assistant executive director of the Bangladesh Institute of Labour Studies.

He said two years have gone by since the Rana Plaza collapse, but the victims' workers and their families have so far received 70 percent of the amount they were pledged, be it compensation or financial support.

"It is our failure," he said, adding that owners are responsible for compensating workers and it is the responsibility of the government to see it through.

Barrister Sara Hossain expressed dissatisfaction over the delay in ensuring justice for the victims of Rana Plaza. She said all the cases, beginning from Spectrum Garments to Rana Plaza, are still pending.

Trillions of dollars needed to end poverty by 2030

FROM PAGE B1

But in an era of budget austerity, Western governments have made it clear, ahead of a development finance summit in Addis Ababa in July, that foreign aid will be insufficient to do the job. Total official development aid (ODA) currently runs at about \$131 billion a year.

Heads of state must embrace a new financing framework, one that mobilises ODA, private investment and higher levels of government revenues, United Nations Secretary-General Ban Ki-moon said on Friday.

"Much more is needed. We need to shift the conversation from billions (of dollars) to trillions," Ban told a World Bank panel on development finance.

Improving tax collection in developing countries was high on the agenda at several meetings held this week during the World Bank/International Monetary Fund (IMF) spring meetings to discuss new models for increasing development finance.

Budget support merits stern reforms: WB

FROM PAGE B1

Meanwhile, a finance ministry official said the government has submitted a three-year reform plan, scheduled to start next fiscal year, to the WB to get the budget support.

The meeting in Washington was a continuation of the series of meetings the two parties have had over the issue of budget support, he said.

At present, owing to the slump in global oil prices no subsidy is required for fuel though. However, in the current fiscal year around Tk 10,000 crore will be required by the power sector. The official said the WB wants a pricing formula in place that would link both the petroleum and electricity prices with production costs.

The multilateral lender has also sought for specific and time-bound programmes in energy and transport sectors under the budget support. The government will also set up an apex body to help complete large projects, according to the reform plan it presented to WB.

In the transport sector, the apex body will coordinate activities of various government agencies in Dhaka to successfully complete the large ongoing projects in the first year of the three-year reform period. It will also prepare an urban transport policy.

The government has already passed the metro rail law in parliament and the cabinet has approved the draft law on the public private partnership (PPP) framework. These will be included in the reform conditions for getting budget support.

The government will also prepare an action plan to operationalise Dhaka Transport Coordination Authority to effectively implement the strategic transport plan.

The proposed reforms in the transport sector will help successful completion of various mega projects and ensure transport discipline and reduce traffic congestion, according to the government's reform proposals. To make the energy sector efficient, costly power will not be bought during the off-peak hours.

On top of that, the WB has also been pressing for making the interest rate on savings instrument market based, the official said. The lender has also recommended formation of a high-powered body to ensure hassle-free international business like export and import.



ParTEX Star Group Director Tabassum Kaiser inaugurates Café de ParTEX at the company's showroom on the Tejgaon Link Road in Dhaka. Vice-Chairman Aziz Al Kaiser and Managing Director Aziz Al Mahmood were also present.



Axel Helmut Marx, managing director of Staedtler Group, and Abu Shahrar Zahedee, executive director of Radiant Export Import Enterprise, sign an agreement for distribution of Staedtler products in Bangladesh.



John Nunnari, general manager of Lubrizol CPVC, and RN Paul, director of RFL, at the press event to announce the manufacture of FLOWGUARD™ Plus pipes and fittings at RFL's facilities.