

Oil prices rise as US output falls, eyes on cap talks

Oil prices resumed their rise in Asian trade on Thursday despite an increase in US inventories, with traders hoping talks among major producers could lead to an output cap.

According to US Energy Information Administration (EIA) data, oil production fell to just over nine million barrels per day in the week to February 26 although inventories rose an expected 10.4 million.

At around 0600 GMT, US benchmark West Texas Intermediate for April delivery was up 13 cents at \$34.79 a barrel while Brent for May was seven cents up at \$37.00 a barrel.

Phillip Futures investment analyst Daniel Ang told AFP that the fall in US production provided a degree of "bullishness" in the market.

"Judging from this decrease, we could easily be seeing more drops and by the end

of the year even a 500,000-barrel-per-day drop."

Plans by major oil producers including Russia as well as OPEC members led by Saudi Arabia to cap output have also provided some support for prices in the past two weeks.

Crude, which in January was wallowing near 13-year lows below \$30 a barrel -- hit by overproduction and a supply glut -- has steadily picked up recently as dealers are buoyed by the fact there are talks.

But analysts doubt it will have much effect in the near term on crude prices, which are about 70 percent off their mid-2014 highs.

"On the balance of probability, it's going to be very hard for OPEC to do much more than, say, freeze production at current levels or agree to that, which won't have much impact on the current market," CMC Markets chief market analyst Ric Spooner told AFP.

Uber and Ola race to offer motorbike taxis in India

Uber and its Indian rival Ola on Thursday launched pilot taxi motorbike services within hours of each other, as competition between the two taxi apps ramps up.

Both start-ups are trialling the motorbike taxis in the traffic-clogged southern city of Bangalore, seeking to grab a greater share of India's ultra-competitive ride-hailing market.

The American firm's UberMOTO will start at 15 rupees (22 US cents) per ride while Ola's Bike Taxis will start at 30 rupees, but have a lower fare per kilometre.

"This will help users get to where they want to be within minutes, especially in traffic-prone cities like ours," said Pranay Jivrajka, chief operating officer of Ola, India's biggest taxi-hailing app.

Ola plans to scale up the service in the coming weeks, he said.

Ride-hailing apps have risen rapidly to become a multi-billion-dollar industry in India's congested cities, but have faced controversy over safety.

An Uber driver was convicted in October of raping a 25-year-old passenger in late 2014, a case that sparked accusations the California firm failed to conduct adequate background checks.

Uber was officially barred from New Delhi, but the ban has not been well enforced and its cars continue to operate in the capital.

Uber, the world's most valuable start-up, set up its India operation in September 2013 and now does business in more than 25 cities in the country.

Last week it launched its first motorbike taxi offering in the Thai capital Bangkok.

Iran invites Boeing for talks on fleet upgrade

Iran has invited US plane manufacturer Boeing for talks on modernising its fleet, Transport Minister Abbas Akhoundi said Thursday, weeks after Tehran's nuclear deal took effect.

"After the authorisation from the US administration to Boeing, we have invited the company to begin talks on developing the country's air fleet," Akhoundi said, without giving a date, quoted by state television news agency IRIB.

Akhoundi's deputy, Asghar Fakhrieh Kashan, told AFP: "We never closed the doors to Boeing, and we are ready for negotiations whenever they come."

Boeing said on February 19 it had received authorisation from the US administration -- despite the lack of Washington-Tehran diplomatic ties for more than three decades -- to study the commercial plane market in Iran, in the wake of the lifting of nuclear sanctions in mid-January.

Iran has already ordered about 200 planes from three Western manufacturers since nuclear-related sanctions were lifted, notably for the purchase of 118 aircraft from European manufacturer Airbus, Boeing's global rival.

The orders -- mostly in the form of hire purchase -- also include 50 planes from Brazil's Embraer, the world's third biggest

commercial manufacturer, and up to 40 aircraft from Europe's ATR which builds turboprop aircraft.

Kashan has said the Airbus deal alone -- for 73 long-haul and 45 medium-haul aircraft -- is worth between \$10 and \$11 billion. The planes -- worth as much as \$25 billion at list prices -- are to be delivered over the next four years. Iran needs 400 to 500 aircraft over the next decade to modernise its ageing fleet, according to the head of Iran's civil aviation authority.

Before the nuclear deal with world powers under which Iran has curbed its atomic programme in return for a lifting of international sanctions, an embargo dating from 1995 prevented Western manufacturers from selling equipment and spare parts to Iranian companies.

The restrictions, which have been blamed for crippling the industry, were partly lifted by an interim agreement on Iran's nuclear programme that came into force in January 2014. This allowed for the sale of spare parts, although direct sales of aircraft remained banned.

The current fleet in Iran, which has a poor air safety record, numbers around 140 planes with an average age of around 20 years, with many in desperate need of replacement.



Syed Abu Abed Safer, director of marketing and sales at HeidelbergCement Bangladesh, and Moin Iqbal, managing director of Premier Hotels and Resorts, pose at the signing ceremony of an agreement. Premier Hotels will exclusively use Scan brand cement of HeidelbergCement in their Hotel Hilton project in Dhaka.



Quamruzzaman, chief operating officer of Partex Star Group, and Abu Sayeed M Ahmed, president of the Institute of Architects Bangladesh, exchange documents of a sponsorship agreement. Partex doors will be used at the institute's new building, IAB Centre, in Agargaon, Dhaka.

US jobless claims edge higher

New claims for US unemployment insurance benefits rose for a second week but still remained at a low level as the jobs market tightens, official data showed Thursday.

Initial jobless claims rose by 6,000 to 278,000 in the week ending February 27, the Labor Department said. Claims had climbed by 10,000 in the prior week.

The four-week moving average fell by 1,750 to 270,250 last week. It was 305,500 a year ago.

First-time claims, a sign of the pace of layoffs, have held below 300,000 for most of the past year as the labor market improves with steady job growth.

"The overall labor market remains in rude health, despite the troubles in the energy and manufacturing export sectors," said Ian Shepherdson of Pantheon Macroeconomics.

The latest claims data comes ahead of Friday's highly anticipated February jobs report. Analysts expect the unemployment rate will remain unchanged at an eight-year low of 4.9 percent and the economy added 190,000 jobs, following 151,000 in January.

Mega projects to get a separate budget: Muhith

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The former professor of Dhaka University said the government should make the budget size as large as it can implement.

"You need large budget and you have the resources," he said.

Mahmud proposed to bring land and property under the wealth tax instead of fixing the wealth surcharge on the net wealth a person is holding.

As a result, people are buying land and property instead of keeping money in banks.

Mahmud said the government should look at the method for calculating the investment rate as it is weak and outdated.

KAS Murshid, director general of Bangladesh Institute of Development Studies, called for heed from the government in areas of health and education.

There is also a gap in skills development, he said.

"For example, we have progressed a lot in IT. But if we want to elevate it to the level of garment exports, we have to do more."

Murshid said mega projects have to be undertaken in agriculture. He also suggested the government lower inflation target to 4 percent from 6 percent.

Quazi Shahabuddin, a former director general of BIDS, said although the country has been recording over 6 percent economic growth for the last one decade, there is no scope for

complacency. MA Mannan, state minister for finance and planning, said the social safety net system should be strengthened, enlarged and widened.

He also said, historically, the villages have been neglected, so they should be linked up with the centre of power.

Jamaluddin Ahmed, general secretary of Bangladesh Economic Association, said the allocation for the education sector has to be increased in order to improve quality.

Md Nojibur Rahman, chairman of the National Board of Revenue, said the government is working to create a taxpayer-friendly environment.

Nazneen Ahmed, senior research fellow of BIDS, said corporate tax should go down further and its coverage should widen.

"Some companies pay corporate tax at a rate of 37 percent while some pay at 10 percent. As a result, there is an imbalance."

The pre-budget meeting is a regular exercise of the finance ministry as it prepares the budget. Some complain that the suggestions given at these meetings do not reflect in the final budget.

But Muhith rejected the complaints, saying the suggestions might not be reflected in the budget in the same way they are proposed. Sajjad Zohir, executive director of Economic Research Group, also spoke.

EU referendum battle divides UK businesses

AFP, London

Britain's car industry on Thursday backed the campaign to stay in the EU, but pro-Brexit supporters warned over red tape costs as the membership referendum battle shakes up the business community.

With less than four months until the vote, car industry body the Society of Motor Manufacturers and Traders (SMMT) revealed three quarters of its members believed staying in Europe was best for business.

However, pro-Brexit group Leave.EU published an open letter, signed by the bosses of more than 200 small businesses, urging Britons to vote to leave and slamming excessive EU regulation.

Britain faces a vital vote on June 23 to decide whether to remain in the EU, amid a deep split within the governing Conservative Party with Prime Minister David Cameron in favour of staying.

The SMMT survey, conducted by independent pollster ComRes, found the vast majority of car firms said Brexit would have a negative impact on them.

The poll covered 204 of the organisation's 475 members, included smaller suppliers as well as titans like Japan's Toyota and

Germany's BMW.

A majority of 77 percent of respondents said that, if a referendum were held tomorrow, a "remain" outcome would be best for them.

Just nine percent argued that leaving would be the best option, while 14 percent were "uncertain".

"The message from UK Automotive is clear -- being in Europe is vital for the future of this industry and to secure jobs, investment and growth," said SMMT chief executive Mike Hawes.

"Our industry supports 800,000 jobs across the UK and contributes more than £15 billion (\$21 billion, 19 billion euros) to the UK economy -- our members have clearly stated that pulling out of Europe could jeopardise this."

In addition, 66 percent of SMMT members think that access to EU automotive markets has had a positive impact on business. Other positive aspects given included access to a skilled workforce, and the ability to influence industry standards and regulations.

The survey also showed that 88 percent of large car businesses were against Brexit, with BMW, Vauxhall and Toyota vocal in their opposition.

That tallied with a letter pub-

lished last week, in which the bosses of 36 FTSE 100 companies pleaded for Britain to remain in order to preserve jobs and encourage investment.

However, small businesses argued Thursday that Brexit would allow them greater flexibility and adaptability -- and avoid costly red tape, according to a letter organised by Leave.EU.

"As entrepreneurs, we deal with the EU's constant diet of unnecessary regulations which add to our cost base, reduce our bottom line, and raise prices for our customers for no return," it read.

"The price for this is often the loss of jobs. If EU institutions are tone-deaf to the genuine desire for change to remain competitive, the EU is destined to fail."

In contrast, the boss of BMW-owned Rolls-Royce Motor Cars, Torsten Muller-Otvos, has written to all British workers to warn that an EU exit would drive up costs and affect jobs -- adding that free trade was "important" for international business.

"Tariff barriers would mean higher costs and higher prices and we cannot assume that the UK would be granted free trade with Europe from outside the EU. Our employment base could also be affected," he wrote in the letter obtained by The Guardian.

Regulator warns DSE on breach of rules

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Earlier last month, the BSEC also temporarily suspended the chief regulatory officer of the Chittagong Stock Exchange and warned the bourse's chairman not to violate the demutualisation law again in future.

The regulatory move came following a probe report on the conflict between the port city bourse's management and the board of directors.

The demutualisation scheme was approved by Bangladesh Securities and Exchange Commission in 2013. In 2012, a law on demutualisation was passed in parliament with a promise to bring transparency to the stock market.

The demutualisation is a way of separating management of the bourses from ownership. It transforms a stock exchange into a profit-oriented company, owned by shareholders and ensures alternative business models and operational efficiency.

Prior to demutualisation, Bangladesh's stock exchanges were non-profit cooperative organisations, owned by the exchange members who are usually stockbrokers.

Remittance falls to four-month low

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"Many projects have stalled. Many projects have been suspended. The income of our workers has gone down," said a Bangladesh Bank official.

The devaluation of currencies of countries such as Australia, the UK, Canada, Singapore and Malaysia against the dollar also hit Bangladesh's remittance income, according to the official.

Though remittance decreased, foreign currency reserves are swelling and last month it crossed the \$28 billion-mark.

The reasons for the rise are the growing exports and a slash in the cost of imports.

February's receipts take the total remittance inflow for the fiscal year so far to \$9.77 billion, down 1.51 percent.

Remittance makes a large portion of the country's foreign currency reserves -- and a significant portion of it comes from workers living in oil-producing countries.

But the oil producing Middle Eastern countries have been under pressure since oil prices began to fall since mid-2014 after hitting \$117 a barrel, because of a global supply glut from excessive US shale crude production.

Brent, the global crude benchmark, dropped to as low as \$27.65 a barrel in mid-January this year, the lowest since 2003. The price stood at \$37 yesterday.

The impact of crude's fall has already been felt by oil and gas revenue dependent Middle Eastern countries which have had to borrow to prop up their economies.

Bangladeshi migrant workers residing in Saudi Arabia, the UAE, Qatar, Oman, Bahrain, Kuwait, Libya and Iran together sent home \$9.072 billion last fiscal year, up 8 percent year-on-year, according to figures from Bangladesh Bank. The amount accounted for about 60 percent of the total \$15.32 billion sent in by the migrant workers in fiscal 2014-15.



ARN Paul, a director of RFL, opens a Best Buy outlet of the company in Bazarghata of Cox's Bazar. Gias Uddin Biswas, chief operating officer of Best Buy, was also present.



Md Abdus Salam, managing director of Janata Bank, speaks at the branch managers' conference of divisional office in Rangpur. Hasan Iqbal, deputy managing director, was also present.