Cab-hailing company Careem launches women drivers in conservative Pakistan

REUTERS, *Karachi/Lahore, Pakistan*

TAXI-HAILING service Careem introduced women drivers in Pakistan on Wednesday, a rare initiative in a deeply conservative Muslim country where women account for only 22 percent of the workforce.

Careem has a larger market share than rival Uber in most of the 32 cities in the Middle East, North Africa and Pakistan region in which it operates.

Now it has a new idea for Pakistan: taxis driven by women, who will pick up both male and female customers.

The start-up operates in the Pakistani cities of Lahore, Islamabad and Karachi.

"We want to give women the same opportunities and the same chance that men have of leveraging our platform to generate healthy income," said Careem's Pakistan General Manager Ahmed Usman.

Usman said seven women drivers had qualified to join the fleet but applications were open and the company hoped more would apply.

Zahra Ali, 30, heard about Careem from a friend and thought it would be an "honorable" way to support her two children, who she is raising alone since the death of her husband two years ago.

She had just enough money to buy a car and got her driving license this year.

When Ali applied to be a Careem driver a few months ago, she was told there was no provision for women drivers. Then Careem called back with good news.

"The only skill I know is driving," Ali told Reuters at her home in the city of Lahore. "Now I can raise my children honourably, I can give my children a good education."

Launched in Dubai in 2012, Careem has a global force of 90,000-plus drivers and more than four million users registered through its mobile app.

In the sweltering southern city of Karachi, among Careem's largest markets, demand for secure taxis is particularly strong among women, Usman said.

"If an organization is offering security for women ... naturally that is very important," said driver Aasia Abdul Aziz, 46, when asked why she chose to work for Careem.

"Especially in a city like Karachi where no work can be done in the absence of proper security."

Aziz said she had worked long hours at a beauty salon for most of her life and now that her two daughters were settled in jobs, she wanted work that allowed her flexibility.

When asked about the challenges of being a woman driver in Pakistan, Aziz said:

"When people start accepting something, when our public realize that women can do a certain job and are doing it in a commendable manner, then I think it will not be so difficult."

Domestic abuse, other violence and economic discrimination make Pakistan the world's third-most-dangerous country for women, a 2011 Thomson Reuters Foundation expert poll showed.

About 500 women are killed in Pakistan every year at the hands of relatives over perceived damage to family "honour" that can involve eloping, fraternising with men or any other infraction against conservative values.

"One must face problems bravely," Ali said in Lahore. "Women are not weak; it is our society which portrays them as weak. One cannot move forward with fear."

REUTERS

Yasmin Perveen, one of the pioneer women "captains" of Careem, adjusts back mirror while driving her car in Islamabad, Pakistan.

US trade gap widens as exports of soybeans, other products drop

REUTERS, *Washington*

The US trade deficit recorded its biggest increase in more than 1-1/2 years in October as exports of soybeans and other products fell, suggesting trade would be a drag on growth in the fourth quarter.

The Commerce Department said on Tuesday the trade gap rose 17.8 percent, the largest increase since March 2015, to $42.6 billion. Higher imports due to rising domestic demand also contributed to the widening of the deficit.

When adjusted for inflation, the deficit rose to $60.3 billion from $54.2 billion in September.

"This widening of the trade deficit at the start of the fourth quarter puts trade on track to subtract a little more than one percentage point from fourth-quarter GDP growth," said John Ryding, chief economist at RDQ Economics in New York.

Exports contributed 0.87 percentage point to the third quarter's 3.2 percent annualized rate of increase in gross domestic product. The jump in exports in the last quarter largely reflected a surge in soybean shipments to China after a poor harvest in Argentina and Brazil.

While the reversal in soybean shipments, which is weighing on exports, suggests trade is likely to subtract from GDP growth in the fourth quarter, consumer spending and a firming housing market are expected to keep supporting the economy.

Rising gas and oil well drilling in response to increasing oil prices is also expected to boost growth this quarter by stimulating demand for manufactured goods such as machinery.

Firming oil prices are starting to have an impact on manufacturing. A second report from the Commerce Department on Tuesday showed new orders for manufactured goods rose 2.7 percent in October after increasing 0.6 percent in September.

That was the largest increase since June 2015 and marked four straight months of gains. Unfilled orders at factories increased 0.7 percent, the biggest rise since July 2014, ending four consecutive months of decline.

The report pointed to an upturn in manufacturing, which accounts for about 12 percent of the economy, after a prolonged slump that helped to erode economic growth. But factory inventories were flat, suggesting a moderate pace of inventory accumulation this quarter.

Following the trade and factory orders reports, the Atlanta Federal Reserve cut its fourth-quarter gross domestic product estimate by three-tenths of a percentage point to a 2.9 percent rate.

In blow to UK, EU rejects leeway for financial traders from tax avoidance rules

REUTERS

***From left*, French Finance Minister Michel Sapin, European Economic and Financial Affairs Commissioner Pierre Moscovici and Spain's Economy Minister Luis de Guindos attend a euro zone finance ministers meeting in Brussels on Monday.**

REUTERS, *Brussels*

MOST European Union finance ministers on Tuesday rejected a British-backed plan to exempt financial traders from new rules aimed at tackling practices used by multinationals to reduce their tax bills.

The move is a blow to Britain's giant financial services industry and a sign that relations with EU partners are souring following June's Brexit referendum vote to leave the bloc.

With a perceived inaction on tax avoidance helping fuel the growth of anti-establishment parties across Europe, EU finance ministers were keen to reach an agreement on Tuesday on tackling so-called hybrid mismatches. These are differences in national tax rules which allow multinationals to claim double tax deductions or dodge taxes on dividends.

But the compromise collapsed at a meeting in Brussels after the Slovak presidency of the EU introduced exemptions for financial traders, a move strongly supported by Britain.

"We have a problem," France's Finance Minister Michel Sapin said during a public session of the meeting. He said it was impossible to agree on the "exemption required by Britain for operators of the financial sector", calling it a new loophole through which to avoid the rules.

Under a compromise proposal presented to ministers on Tuesday, securities traders would have been exempted from the new rules. The Slovak proposal, seen by Reuters, said this would avoid "an unacceptable and uncontrollable tax risk on market participants with negative consequences for liquidity in this market."

Advocates of the exemption say that because net income from trading is taxed, individual payments raise little tax risk.

But Dutch Finance Minister Jeroen Dijsselbloem said the exemptions granted to financial traders in the new text went beyond international requirements and were not necessary.

British Finance Minister Philip Hammond, making a rare appearance at the monthly meeting of EU finance ministers, said the compromise was "proportionate".

The proposals are part of a wider plan to reduce corporate tax avoidance in the EU, which has become a priority after the leaked Panama Papers and other revelations about the scale of global tax dodging by multinationals and wealthy individuals.

German Finance Minister Wolfgang Schaeuble said a deal was important to counter growing populism and said he was ready to agree on the compromise proposed by the Slovaks. Ministers had previously set a year-end deadline to reach a deal.

But many other ministers called for favouring "quality over speed" and urged more talks. The discussions will continue next year under the new Maltese presidency of the EU.

India central bank unexpectedly keeps rates unchanged as cash crunch roils economy

REUTERS, *Mumbai*

INDIA'S central bank unexpectedly kept its key policy rate unchanged at 6.25 percent on Wednesday, despite calls for action in the face of an intense cash shortage that threatens to slam the brakes on the world's fastest growing large economy.

The Reserve Bank of India's monetary policy committee voted 6-0 to leave the repo rate unchanged, saying it needed more time to assess if the recent cash squeeze would cause more lasting damage to the economy.

Pressure on the RBI and Governor Urjit Patel to act has grown since Modi stunned the country on Nov. 8 with a drastic plan to abolish 500 and 1,000 rupee notes ($7.35-14.70), removing 86 percent of the currency in circulation in a bid to crack down on India's "shadow economy."

While shortages of new bank notes are still being reported and some companies' cash-reliant supply chains have been left in tatters, the government insists conditions will steadily improve by the end of the year.

The RBI has also said it expected the impact from the measures to ebb as new notes come into circulation, even as it trimmed its growth forecast for year ending in March 2017.

"While supply disruptions in the backwash of currency replacement may drag down growth this year, it is important to analyze more information and experience before judging their full effects and their persistence," the RBI said in a statement.

"Short-term developments that influence the outlook disproportionately warrant caution with respect to setting the monetary policy stance. If the impact is transient as widely expected, growth should rebound strongly."

A majority of the 56 analysts polled by Reuters had expected a rate cut of at least 25 bps, after a similar move at the RBI's last review in October.

REUTERS/FILE

People queue outside the Reserve Bank of India to exchange their old high denomination banknotes in Kolkata.

But 18 analysts had forecast policy would remain unchanged.

As expected, the central bank did withdraw the temporary 100 percent hike in the cash reserve ratio announced late last month that was intended to absorb the extra liquidity created after the country banned higher-value notes.

In keeping its policy settings steady, the central bank also appeared to remain concerned about the risk of a flare-up in inflation.

Although consumer inflation eased in October to 4.20 percent, the slowest pace in 14 months, prices in India have traditionally been dependant on volatile food and fuel prices. Global crude oil prices have spiked in the last week.

The RBI also cited concerns about the "high volatility" in global financial markets, and the spillover into emerging market countries, especially as the U.S. Federal Reserve gears up to raise interest rates next week.

The benchmark 10-year bond yield rose sharply, and was up 17 bps from levels before the decision. The NSE stock index was down 0.5 percent, while the rupee weakened slightly to 67.87.

India's economy grew by an annual 7.3 percent between July and September, the fastest rate for a large economy in the world but still below the levels needed to sustain full employment.

Economists warn that expansion is now threatened after data so far shows Modi's action has hit the cash-dependent economy more than expected: auto sales plunged and services sector activity dived into contraction last month for the first time in 1-1/2 years.

That could raise expectations the RBI could cut rates at its next review in February, according to analysts.

Britain fines Pfizer record $107m for huge drug price hike

REUTERS, *London*

BRITAIN'S competition watchdog has fined Pfizer a record 84.2 million pounds ($107 million) for its role in ramping up the cost of an epilepsy drug by as much as 2,600 percent.

The Competition and Markets Authority (CMA) also fined Flynn Pharma 5.2 million pounds for overcharging for phenytoin sodium capsules, following a dramatic price hike in 2012.

The CMA's ruling comes amid a growing debate on both sides of the Atlantic about the ethics of price hikes for old off-patent medicines that are only made by a few firms and where there is little competition.

US drugmaker Turing Pharmaceuticals, led at the time by hedge fund manager Martin Shkreli, caused outrage last year by raising the US price of Daraprim, an old anti-infective drug, by more than 5,000 percent to $750 a pill.

In the case of phenytoin sodium capsules, the UK price charged for 100 mg packs of the drug jumped from 2.83 pounds to 67.50 in 2012, before reducing to 54.00 from May 2014.

As a result, annual spending on the capsules by Britain's National Health Service rose from 2 million pounds in 2012 to about 50 million in 2013. The CMA said UK prices were many times higher than elsewhere in Europe.

Pfizer used to market the medicine under the brand name Epanutin but sold the rights to Flynn, a privately owned British company, in September 2012.

It was then debranded, meaning that it was no longer subject to price regulation, and the price soared.

"The companies deliberately exploited the opportunity offered by debranding to hike up the price for a drug which is relied upon by many thousands of patients," Philip Marsden, chairman of the CMA's case decision group, said on Wednesday.

"This is the highest fine the CMA has imposed and it sends out a clear message to the sector that we are determined to crack down on such behaviour."

Pfizer said in a statement it planned to appeal all aspects of the CMA's verdict.