
TOTAL

Sophie Aubert, French ambassador; Md Abul Khair, managing director of Padma Oil Company Ltd; and Pai Kok Tan, vice president of Total Oil Asia Pacific Pte Ltd, attend the launch of a new engine oil of Total Lubricants—Total Quartz 3500 Super—at Le Meridien Dhaka yesterday.

# France drops controversial fines over unsafe suppliers

AFP, *Paris*

France's highest court scrapped Thursday fines for firms that fail to monitor foreign subcontractors and suppliers, a measure meant to avoid deadly disasters such as the collapse of the Rana Plaza garment complex in Bangladesh.

French lawmakers adopted in February a law that introduced legal responsibility for large multinationals over their suppliers, a move which was welcomed by rights groups but opposed by France's leading employers association.

The Rana Plaza collapse in April 2013 that killed more than 1,100 people in Dhaka triggered international outrage, with US and European clothing brands scrambling to improve deplorable safety conditions at the factories that supply them.

However the measures were voluntary, while the French law required multinationals to adopt monitoring plans.

But the Conseil Constitutionnel, which reviews whether legislation conforms with the constitution, said the law did not spell out a firm's obligations sufficiently clearly to open up the possibility of imposing a fine.

The law requires French companies with over 5,000 employees to elaborate a plan to "prevent serious infringements of human rights and fundamental liberties, health and physical security of people as well as the environment" at their foreign subcontractors and suppliers with which they do regular business.

The law included a provision for fines of up to 10 million euros ($10.8 million) for failing to comply.

# EU recommends suspending hundreds of drugs tested by Indian firm

REUTERS

Europe's medicines regulator has recommended the suspension of more than 300 generic drug approvals and drug applications due to "unreliable" tests conducted by Indian contract research firm Micro Therapeutic Research Labs.

The decision, announced by the European Medicines Agency (EMA) on its website, is the latest blow for India's drug-testing industry, which has run into a series of problems with international regulators in recent years. Nobody at the Chennai-based company was immediately available to comment.

The EMA said European officials had been investigating Micro Therapeutic's compliance with good clinical practice after Austrian and Dutch authorities raised concerns in February 2016.

"The inspections identified several concerns at the company's sites regarding misrepresentation of study data and deficiencies in documentation and data handling," the agency said.

However, there is no evidence of harm or lack of effectiveness of the medicines, which include generic versions of many common prescription pharmaceuticals, including blood pressure tablets and painkillers.

The EMA's recommendation on the suspension of the medicines tested by Micro Therapeutic will now be sent to the European Commission for a legally binding decision valid throughout the European Union.

Drug tests carried out at Indian contract research organisations (CROs) have been key in getting a huge array of generic medicines approved for sale around the world over many years.

In 2015, Europe banned around 700 medicines that had been approved based on clinical trial data provided by GVK Biosciences, then India's largest CRO. Other smaller Indian CROs have also been found to have fallen short of required standards.

In the wake of such trial data scandals, many large drugmakers have been shifting more critical trials back to the United States and Europe over the last three years, according to consultants and industry executives.

# Europe's financial lifeline from London in doubt

REUTERS, *Frankfurt*

For companies in the European Union, London is the chief gateway to finance. Rerouting the financial lines that run through London will be complex, experts say.

London dominates wholesale banking in Europe, a 5.8 trillion euro ($6.2 trillion) industry that includes financing for companies from big multinationals to family-owned firms that are the backbone of Germany's economy.

London is also the first port of call for companies, such as Italian lender UniCredit, selling shares or raising debt. This is because many fund managers and asset managers have a base in Britain.

The Bank of England estimates that half of the debt and equity issued by EU borrowers involves financial groups in Britain. This could be a London bank organising a sale of European company bonds, for example.

And London houses the bulk of Europe's derivatives market, where car makers buy protection against swings in the U.S. dollar or airlines guard themselves against a spike in the price of oil. More than 7 trillion euros of trading in such instruments is processed in London daily.

Experts expect EU firms and banks gradually to reduce their reliance on London. Governments in France and Germany want to establish alternatives to London in Paris and Frankfurt.

Over time, some of London's wholesale funding will move to other centres in Europe. Thinktank Bruegel predicts that London's share of this market will eventually shrink from 90 percent to 60 percent.

If mismanaged, however, the migration could raise the cost of funding for European companies, the thinktank said. Bruegel's Dirk Schoenmaker said that if wholesale funding operations are spread across several locations that could lift costs by between 6 billion and 12 billion euros each year because of the expense of using multiple financial centres. That is equivalent to up to 0.1 percent of the remaining 27 EU countries' economic output.

Shifting the multi-trillion euro derivatives business would be difficult, regulators and bankers said. Some derivatives have a term of many decades. It is unclear, bankers said, what will happen when Britain, where the contracts were drafted, leaves the European Union.

# Uber reviews India leasing scheme as driver incomes drop

REUTERS, *New Delhi*

Global ride-hailing firm Uber Technologies is rethinking its car leasing strategy in India, its second-biggest market, as drivers have returned dozens of leased cars early after the company cut incentives, people familiar with the matter told Reuters.

Uber had planned to buy 15,000 new cars last year and lease them out in a bid to attract more drivers - a strategy it has used in other markets - but it suspended the scheme for a while in December after leasing just a third of that total.

After burning through millions of dollars over three years in a battle for market share with local rival Ola, backed by Japan's Softbank, Uber has cut the incentives it gives to drivers and raised the fares it charges passengers.

The incentives - from free smartphones to cash bonuses worth as much as double a day's fares - meant drivers could earn as much as 120,000 rupees ($1,838) a month.

Those incentive payments have been pared back, in some cases to as little as 10 percent of fare income. Ride fares have risen to 1.5 rupees per minute of travel from 1 rupee.

The incentives and, to an extent, the leasing scheme aimed at drivers without their own cars, boosted Uber's driver numbers, helping it rapidly gain around 30 percent market share.

Uber has faced challenges elsewhere in Asia, but the stakes are high in India's $12 billion taxi market, a key area after it exited China last year, and one where CEO Travis Kalanick has said it expects to be profitable soon.

Uber has said its services are in 29 Indian cities and it has more than 250,000 drivers on its platform, but it lags Ola, which says it operates in more than 100 cities with about 550,000 drivers.

Two people with knowledge of the matter said Uber miscalculated the impact that the reduced incentives would have on drivers' earnings, especially those making lease payments.

At an open meeting for staff in December, around the time the incentives were being reduced, Uber's India chief Amit Jain said the buying-for-lease scheme was being temporarily suspended while the company evaluated its leasing strategy, one of the sources said.

Uber did not comment on Reuters queries related to Jain's announcement or the impact of the incentives cuts on its leasing programme.

Raj Beri, business head for leasing in India, said the scheme was set up to help drivers without cars get on its platform and make money. "We are very pleased with our progress toward this goal so far, and look forward to introducing the opportunity to more prospective driver partners this year," he said in a statement.

In a recent blog post on Uber's website, Jain defended the cuts to driver incentives and signalled a strategic shift for India. "We can shift from start-up mode to a more sustainable business model," he wrote.

Leasing is only a small part of Uber's overall supply in India, but is seen as a way to lock drivers on to its platform for longer, and stop them switching to Ola.

To lease a new small car through Uber's scheme, drivers pay a 33,000 rupee ($499) deposit - less than what they would pay to buy a car from a dealer with a bank loan. But weekly payments of about 5,500 rupees over three years add up to nearly double what drivers would pay to service a car loan. That wasn't an issue when incentives were high.

Several Uber drivers said they feel trapped as a surge in the number of cars on Uber's platform has led to fewer rides, at a time when incentives have been cut, making it harder to keep up lease payments.

"I'll not be able to save even 10,000 rupees a month," said Arjun Chouhan, 38, an Uber driver in Delhi who has leased a car. "There's no benefit in leasing. What if I'm unwell? They don't listen."

In a dusty car lot on Delhi's outskirts, guards told Reuters that dozens of cars standing idle belonged to Uber and had been returned by drivers.

When Reuters phoned Xchange Leasing, Uber's local leasing arm that has an office near the car park, officials said no new cars were currently being leased out. One said the priority was to lease those cars returned by drivers, and it could be 2-3 months before new cars would again be offered.

An Uber spokesman said the company doesn't comment on "anonymous speculation".

As part of its review, Uber may reduce the three-year lease term and let two drivers share the rent on a car, one of the sources said.

Uber did not comment on its leasing targets or the future of the scheme.

"People left well-paying jobs to drive an Uber," said Sandeep, another Delhi driver, adding his monthly ride income has nearly halved to 60,000 rupees in two years, despite working longer hours. "We were tempted at the thought of becoming millionaires."


REUTERS/FILE

The interior of the office of ride-hailing service Uber is seen in Gurugram, India.


KFC

Akku Chowdhury, CEO of Transcom Foods that runs KFC and Pizza Hut in Bangladesh; Bonna Mirza, an actor; Topu, a singer, and Jannatul Ferdoush Peya, a model, pose at the launch of a campaign of Visa. The cardholders of Visa will enjoy 10 percent discount from March 24 to June 24 this year at KFC and Pizza Hut outlets.

# China win for Apple as court overturns iPhone ruling

AFP, *Beijing*

A Beijing court has overturned a ruling that Apple's iPhone 6 violated a Chinese manufacturer's patent which saw the US tech giant ordered to cease selling the smartphone in China.

In May last year the Beijing intellectual property bureau had ruled that Apple violated design patents of Chinese maker Shenzhen Baili with its iPhone 6 and iPhone 6 Plus, and would be barred from selling those models. Sales however were not suspended while Apple appealed against the administrative order.

The Intellectual Property Court in Beijing on Friday ruled in favour of the California-based firm.

The court "quashes the decision of the bureau" and "recognises that Apple ... has not infringed the design patent filed by the company Shenzhen Baili", according to the verdict reported by the state judicial daily Renmin Fayuan Ribao.

The intellectual property bureau, an administrative body of Beijing municipality, had ruled that the two Apple phones infringed a Baili design patent.

It had accused the US firm of having "copied" the exterior design of Baili's 100C smartphone, which is characterised by a curved edge and rounded corners.

But the Beijing court ruled that the iPhone 6 had features that "completely change the effect of the entire product ... and both phones are easily distinguishable in the eyes of consumers," finding Baili's claim was without legal basis.

When it took on Apple in December 2014, Baili was a promising electronics firm, backed by internet giant Baidu and eager to tap the telecoms boom.

But since then the company has collapsed, hit by public criticism of its products seen as poor quality and more so by China's ultra-competitive smartphone market which has seen many start-ups go under.

Even Apple is under pressure. While China, along with Hong Kong, Macau and Taiwan, remains its second largest market after the US, the Cupertino-based company saw its turnover in this "Greater China" region fall 12 percent in the last quarter of 2016.

Apple's market share has plummeted in mainland China, falling behind local competitors such as telecoms giant Huawei, newcomers Oppo and Vivo, and "internet of things" pioneer Xiaomi.

# Globalisation is a reality, not matter of choice: China's bank governor

REUTERS

Globalisation is a reality for all countries, and is not a matter of choice, the People's Bank of China's governor, Zhou Xiaochuan, on Saturday.

Zhou hopes to see clearer language on free trade and globalization at a G20 summit in July, the Chinese central bank governor said at the Boao Forum for Asia.

This month, G20 finance ministers and central bankers dropped a pledge to keep global trade free and open in their communique issued after a gathering in Germany, acquiescing to an increasingly protectionist United States.