

Uber wants govt's cooperation

STAR BUSINESS REPORT

UBER wants the government to issue a guideline for private transportation service providers like Uber in Bangladesh, a top official said recently.

The US-based firm's system is designed around drivers who use their personal cars to transport users to their destinations. More than 50 lakh people in 74 countries and 450 cities get Uber rides every day, according to the global transport company.

"We want to be regulated. Also, we want to be engaged with the government to sort out the difference," Amy Kunropanya, Uber's head of communications and public affairs in Asia Pacific, told The Daily Star in an interview in Dhaka.

Uber, the San Francisco-based taxi-hailing mobile application firm, has launched its service in Dhaka in November last year, promising to bring a change in the commuting experience in the busy and congested capital.

Soon after the launch, the Bangladesh Road Transport Authority said the ride-hailing service of Uber was in violation of the country's motor vehicles regulations.

In the notice, the BRTA said taxi services in Bangladesh are regulated under the 'Taxi-cab Service Guideline-2010' and prospective companies must seek approval from the BRTA.

Vehicles that are rented or run on fare are registered in a series different from other vehicles.

"Uber is not a taxi company; rather it's a tech company," Kunropanya said.

To incorporate Uber's business model some countries have already adopted guidelines for ride-sharing services, with many countries in the pipeline to do so.

The Philippines, Indonesia and Malaysia have recognised the ride-hailing service. India and China, the two biggest markets in the world, have some sort of guidelines in this regard.



Amy Kunropanya

Uber is in discussions with the Vietnam government on the issue, while Japan also wants to regulate ride sharing.

"But this is not an issue of one-time discussion. We want to be engaged with the government as these things happen through partnership," said Kunropanya, an Australian citizen who has been working in Asia for the last two decades.

Products like Uber are the future of urban mobility, helping to decongest cities such as Dhaka by getting more people into fewer cars and letting users move around their city more affordably, she said.

Uber's technology-driven service has huge economic impact in different countries.

Globally, only 4 percent cars are utilised on an average and in the US 30 percent cars always look for parking spaces causing congestion on the roads.

"Many cities across the world look like parking lots. If you share rides, the question of parking will not be there and the traffic will be reduced significantly," said Kunropanya.

The level of pollution will also come down. She also touched upon Uber's experience in Bangladesh so far.

"Everyday people are signing up as drivers and riders of Uber," she said, while declining to disclose any figures.

"Right now, we are getting a lot of feedback. From the riders' side they are very positive -- they want Uber to expand the service outside of Dhaka."

While Uber has not settled on its expansion plans in Bangladesh yet, the company wants to make its services available at more places, she said.

On the issues of safety, Kunropanya said Uber takes all steps -- from law enforcers to third party -- to check and crosscheck background and criminal record of its drivers.

Replying to a query, she said Uber is not yet a profitable entity as it continues to invest and reinvest for innovation, marketing and creating a pool of engineers.

Since its inception in March 2009, Uber has been the subject of protests and legal actions from taxi drivers and taxi companies around the world.

The groups say that Uber bypasses local licensing and safety laws and amounts to unfair competition.

Taxi drivers in London, Berlin, Paris and Madrid had staged large-scale protests against Uber in June 2014.

In some countries, Uber drivers were also targets of attacks by taxi drivers.

On January 13, 2014, cab drivers in Paris attacked an Uber driver's car near Charles de Gaulle Airport, protesting competition from the transportation start-up.

Weather dampens US job growth

REUTERS, Washington

US job growth slowed sharply in March amid continued layoffs in the embattled retail sector, but a drop in the unemployment rate to a near 10-year low of 4.5 percent suggested labor market strength remained intact.

Nonfarm payrolls increased by 98,000 jobs last month, the fewest since last May, the Labor Department said on Friday.

Job gains, which had exceeded 200,000 in January and February, were also held back by a slowdown in hiring at construction sites, factories and leisure and hospitality businesses, which had been boosted by unseasonably warm temperatures earlier in the year.

In March, temperatures dropped and a storm lashed the Northeast and Midwest. Economists said bad weather accounted for the slowdown in hiring. The two-tenths of a percentage point drop in the unemployment rate from 4.7 percent in February took it to its lowest level since May 2007.

"The disappointing gain in nonfarm payrolls in March is a bit of a head fake that doesn't reflect the underlying strength and momentum in the labor market," said Scott Anderson, chief economist at Bank of the West in San Francisco.

While the bigger establishment survey showed fewer jobs created last month, the smaller and more volatile survey of households showed employment increased 472,000.

The economy needs to create 75,000 to 100,000 jobs per month to keep up with growth in the working-age population and some Federal Reserve officials view the labor market as being at full employment. Economists had forecast payrolls increasing 180,000 last month and the unemployment rate unchanged at 4.7 percent.

The dollar rose a three-week high against a basket of currencies while prices for US Treasuries fell. Stocks on Wall Street rose. Job growth averaged 178,000 per month in the first quarter, underscoring the labor market's strength, despite last month's stumble.

The solid employment gains suggest that an apparent slowdown in gross domestic product growth to around a 1.0 percent annualized pace in the first quarter is probably temporary. The economy grew at a 2.1 percent rate in the fourth quarter.

Average hourly earnings increased 5 cents or 0.2 percent in March after rising 0.3 percent in February. That lowered the year-on-year gain in wages to 2.7 percent.

But with inflation rising and the unemployment rate below the most recent Fed median forecast for full employment, economists expect another interest rate increase in June.

The US central bank lifted its overnight interest rate by a quarter of a percentage point in March and has forecast two more increases this year. Minutes from the Fed's mid-March meeting showed most policymakers expected to start reducing the Fed's \$4.5 trillion bond portfolio later this year. New York Fed President William Dudley said on Friday that would prompt only a "little pause" in the central bank's rate hike plans.

"If today's decline in the unemployment rate doesn't reverse itself they may be compelled not only to hike but also to signal a faster pace of future tightening," said Michael Feroli, an economist at JPMorgan in New York.

Other measures also showed labor market slack shrinking. The labor force participation rate, or the share of working-age Americans who are employed or at least looking for a job, held at an 11-month high of 63 percent in March.

China and Norway resume free trade negotiations after diplomatic freeze

REUTERS, Beijing

China and Norway signed a pact on Friday to resume free trade negotiations, marking the end of a six-year diplomatic freeze, a move China called internationally significant, against the backdrop of a rise in protectionist sentiment worldwide.

The memorandum of understanding was one of six pacts covering cooperation on economic development, technology, health, science and sport during Norwegian Prime Minister Erna Solberg's visit to China, the first since the countries resumed diplomatic relations in December.

Until then relations between Oslo and Beijing had been on ice, following the award of the 2010 Nobel Peace Prize to jailed Chinese dissident Liu Xiaobo.

"Your visit to China shows that our relations will again, from a new starting point, go on a long journey," Chinese Premier Li Keqiang told Solberg ahead of a formal two-way meeting. It was important to find "common areas of interest" as relations normalise, Solberg added.

Li emphasised the international significance of renewal of the talks, given recent setbacks to globalisation and rising protectionism, said a Chinese Foreign Ministry official who briefed reporters on the meeting.

"The resumption of free trade negotiations in this context is very important," said Liu Weimin, the vice-director of the ministry's European department.

Liu Xiaobo, who was involved in the 1989 Tiananmen Square pro-democracy protests crushed by the Chinese army, was jailed for 11 years in 2009 on subversion charges for organizing a petition urging an end to one-party rule. He remains in prison. The Nobel peace prize winner is chosen by a committee in Oslo, while other recipients of the annual awards are decided in Stockholm.

India's biggest tax reform nears fruition

REUTERS

India's marathon to overhaul its indirect taxes entered the last lap on Thursday after the Rajya Sabha approved key legislations, paving the way for the rollout of a nationwide goods and services tax (GST) as early as July.

The GST is one of the most significant reforms since India opened its economy in the early 1990s that will harmonise a mosaic of state and central levies into a national sales tax.

Hailed as the biggest revamp of the tax regime since the country's independence in 1947, the measure is expected to create a single customs union, leading to a reduction in business transaction costs, with potentially significant long-term growth benefits. The Lok Sabha passed the four bills last week.

It has been 14 years since the GST was first mooted, but forging a political consensus has been a bruising process, as the measure would curb the powers of Indian states.

Now, state assemblies must approve a fifth bill before the new tax system can be rolled out. Finance Minister Arun Jaitley has set July 1 as the launch date of GST.

However, authorities have to still cover some ground before the tax comes into effect.



A truck driver brushes his teeth next to his parked truck at Kerala in India.

China challenges corporate hype to cool economic zone fever

REUTERS, Shanghai

CHINA'S stock regulator has moved to cool speculative fever around plans to build a massive economic zone near Beijing, warning several listed companies against misleading investors with bombastic hypes around the red-hot theme.

China has unveiled plans to build Xiongan New Area, a "thousand-year project" which official media described as carrying the same national significance as the Shenzhen Special Economic Zone that helped kick-start China's economic reforms in 1980.

The new economic zone immediately became the hottest investment theme in China's stock market, with dozens of "Xiongan" concept stocks surging as investors piled into companies that will potentially benefit from the scheme.

In the real estate market though, speculation around Xiongan has been muted by Beijing's tough controls on property development and transactions.

But companies including Beijing Jiayu Door Window and Curtain Wall Joint-Stock Co and software maker Beijing Egova Co raised eyebrows from regulators after their discussions with investors about Xiongan boosted share prices.

In a statement published late on Friday, Beijing Jiayu said that it had received a letter from the Shenzhen Stock Exchange, warning the company against using "exaggerative"



Investors look at an electronic board showing stock information at a brokerage house in Shanghai, China.

language in describing future investment, or using hot topical events to mislead investors.

The bourse also urged Jiayu to detail its investment plans around Xiongan and submit feasibility reports, after the company told investors via an on-line platform on Tuesday that it would build regional headquarters in the Xiongan New Area.

Beijing Egova said in a public filing that the company's communications with investors about business opportunities in Xiongan was also challenged by the Shenzhen Stock Exchange.

Vowing to make corrective measures, Egova said: "We will ada-

mantly follow the exchange's order ... and refrain from using hot topics in the stock market to influence investors' judgment on the company's value in an inappropriate manner."

In addition, over a dozen companies have put out statements disclosing potential business impacts from the newly announced economic zone, which the official China Securities Journal said was the result of regulatory guidance on disclosure aimed at curbing speculation.

Chinese regulators have been tightening disclosure rules to discourage listed firms from using hot topics to pump up share prices as part of efforts to curb speculation.

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