

# Indian state oil firms have stopped taking margin hit on petrol and diesel sales

REUTERS, New Delhi

Indian state-owned fuel retailers have stopped absorbing a government-mandated cut of 1 rupee (0.014 U.S. cents) a liter in their marketing margins on the sale of petrol and diesel due to a steep fall in global oil prices, sources said.

In October, India's finance ministry had cut its production tax on the two fuels by 1.50 rupees a liter and had asked state-owned fuel retailers to reduce their marketing margins by 1 rupee a liter to insulate consumers from a surge in global oil prices at the time.

But oil prices have slumped in recent weeks allowing the marketing margin to be restored to its former levels, said a source privy to the matter.

In October, companies were told to gradually recover the reduction in the margins if crude prices fell, two finance ministry officials said.

"Now that the oil prices have come down they are now able to compensate the losses," one of the officials said.

It means that India's state-owned oil refiners, who are also its main fuel retailers, will not be passing on all the benefits

of the drop in crude prices to consumers as they seek to recoup the margin hit they have been taking.

This is reflected, at least in part, by the relative difference in the recent declines of Indian fuel prices and global benchmarks.

The price of Brent crude, Singapore gasoline and Arab Gulf Diesel have declined between 37-40 percent since October 1 while Indian petrol and diesel prices have been reduced by about 17-18 percent, according to Reuters calculations.

That loss of margin should be full reversed by the March end of the current fiscal year, the official added.

The sources declined to be named because of the sensitivity of the subject.

The state-owned retailers - Indian Oil Corp, Hindustan Petroleum Corp and Bharat Petroleum Corp - control most of the fuel retail business in India.

The three companies did not immediately respond to Reuters' requests for comment.

Petrol and diesel prices in India are linked to Singapore gasoline prices and Arab Gulf diesel prices, which mostly track movements in crude oil prices.

## UAE donates 2,000 solar lanterns for Faridpur char

STAR BUSINESS DESK

Around 2,000 solar lanterns have recently been donated by Zayed Sustainability Prize of the United Arab Emirates (UAE) for people on Hazarbhagar Char in Faridpur who have limited or no access to on-grid power.

The recipients include school students, shopkeepers, fishermen, vulnerable women and children and community healthcare workers.

Established by the UAE leadership in 2008, the global award is inspired by the UAE's founding father late Sheikh Zayed bin Sultan Al Nahyan, says a press release.

Prior to the donation, the prize's "Guiding Light" campaign arranged a 400 square metre light installation on the island after sunset revealing the prize's logo.



M Khorshed Anowar, head of retail banking of Eastern Bank, attends the opening of an agent banking outlet at Hazratpur in Dhaka's Keraniganj recently.

## Norway's electric car sales hit record

REUTERS, Oslo

Almost a third of new cars sold in Norway last year were pure electric, a new world record as the country strives to end sales of fossil-fueled vehicles by 2025.

In a bid to cut carbon emissions and air pollution, Norway exempts battery-driven cars from most taxes and offers benefits such as free parking and charging points to hasten a shift from diesel and petrol engines.

The independent Norwegian Road Federation said on Wednesday that electric cars rose to 31.2 percent of all sales last year

from 20.8 percent in 2017 and just 5.5 percent in 2013, while sales of petrol and diesel cars plunged.

"It was a small step closer to the 2025 goal," by when Norway's parliament wants all new cars to be emissions-free, Oeyvind Solberg Thorsen, head of the NRE, told a conference.

But he cautioned that there was a long way to go since two-thirds of the 148,000 cars sold in 2018 in Norway were powered by fossil fuel or were hybrids, which have both battery power and an internal combustion engine.

## China's targeted reserve cuts to benefit more small firms

REUTERS, Hong Kong

China's central bank has relaxed its conditions on targeted reserve requirement cuts to benefit more small firms, in the latest move to support the slowing economy.

The People's Bank of China will include loans for small firms with a credit line of less than 10 million yuan (\$1.46 million) in its assessments for targeted reserve requirement cuts, up from 5 million yuan, it said on Wednesday.

"This will help expand the coverage of preferential policies for inclusive financing for small enterprises and will also allow financial institutions to meet the lending needs of these enterprises," the central bank said in a statement on its website.

The policy change takes effect from 2019, it said.

China's economic growth slowed to 6.5 percent in the third quarter, the weakest pace since the global financial crisis.



ATM Tahmiduzzaman, executive vice president of United Commercial Bank and head of Ucash, and Md Matiur Rahman, team leader of B-SkillFUL project of Swisscontact, attend a deal signing ceremony recently on disbursing travel allowances of the project's trainees through Ucash.

## Saudi Arabia to build leisure complex in Riyadh

REUTERS, Dubai

Saudi Arabia announced plans on Wednesday to build an entertainment complex in the capital Riyadh, the latest in a series of state-backed efforts to encourage public leisure activities after decades of tight social restrictions.

The 100,000 square metre complex will be developed by the Saudi Entertainment Ventures Company (SEVEN), a wholly owned subsidiary of the kingdom's sovereign wealth fund, according to a statement carried by state news agency SPA.

The project will feature sports activities, live performances, restaurants and cinemas, it said. It did not specify the value of the investment.

The Public Investment Fund established SEVEN last year with initial funding

of 10 billion riyals (\$2.67 billion) and hired former Disney executive Bill Ernest to run it.

The company aims to set up about 20 entertainment centres around the country over the next several years, as Saudi Arabia tries to use the leisure sector to create jobs, liberalise social norms and diversify the economy beyond oil exports.

SEVEN has already opened the kingdom's first cinema in nearly four decades, in partnership with US based AMC Group, and hopes to attract private companies to invest alongside it at all of its projects.

Those plans could be complicated by fallout from the murder of journalist Jamal Khashoggi in Saudi Arabia's Istanbul consulate in October, which has led some foreign media and technology companies to distance themselves from the kingdom.

## H&M's fair living wage strategy pays off

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The take-home salary for the workers under WMS is a little bit higher than the other workers. For instance, in 2017 the difference ranged from 8 percent higher take-home wages in Bangladesh to 29 percent in Indonesia.

In 2018, the difference ranged from 2 percent in Turkey to 11 percent in Indonesia. Increases are also not driven by a difference in overtime hours, H&M said.

Mohammadi Group is one of the leading garment exporters of Bangladesh where the H&M introduced the WMS.

"The WMS really worked well in selection of skilled workers at the factory level. The productivity of the skilled workers is higher than the other workers."

The WMS also helped assess the performances of the skilled workers," said Rubana Huq, managing director of Mohammadi Group.

"In the WMS, the salary of the skilled workers is usually higher than the other workers. So this is a good practice both for the workers and also for the retailers and manufacturers," said Nazma Akter, president of Sammilito Garment Sramik Federation, a workers' rights platform.

"We have supported our suppliers in

establishing transparent wage grids in their factories, which show workers how they are rewarded for different skills, tasks, education and seniority," H&M said.

"This allows the workers to better understand what it takes to influence their wage by improving their skill and performance. But it also strengthens human resources management systems and leads to an increase in motivation, retention and productivity."

This process led to the development of some key goals for 2018 for H&M supplying companies in different countries.

Some 67 percent of the H&M product volume is made in factories that are implementing improved WMS although the target was 50 percent. This covers 500 factories and about 635,000 workers.

Some 73 percent of the H&M's product volume is made in factories that have democratically-elected worker representatives in place although the target was 50 percent. This covers 594 factories and about 840,000 workers.

"We reached this goal ahead of schedule. 100 percent of our tier 1 supplier factories in Bangladesh had democratically-elected worker representation by December 2017," according to the statement.

# Disasters rock Indonesia's '10 New Balis' tourism push

AFF, Tanjung Lesung, Indonesia

Picture-postcard Tanjung Lesung was a cornerstone of Indonesia's bid to supercharge its tourism industry, boasting palm-fringed beaches, a towering volcano in the middle of turquoise waters and a rainforest sanctuary for endangered Javan rhinos.

But the beachside town now lies in ruins, pummelled by a deadly tsunami that has raised fresh questions about disaster preparedness and the future of a multi-billion-dollar push to replicate Bali's success across the Southeast Asian archipelago.

The shattered community was hosting a pop concert when the waves crashed ashore last month, at night and without warning.

Several members of the Indonesian band Seventeen and more than 100 others at the Tanjung Lesung Beach Hotel were killed -- about a quarter of those who died in the volcano-triggered tsunami.

A clutch of other area hotels was also devastated, with beachside cottages flattened and debris -- chairs, tables and the band's audio equipment -- scattered everywhere.

Tourism minister Arief Yahya, who ordered that the town be rebuilt in six months, brushed

aside concerns sparked by the tsunami -- which was triggered by a sudden eruption of the Anak Krakatoa volcano.

"Disasters can happen anywhere in Indonesia," he told AFP during a recent visit there.

"We need to have (tsunami) early warning systems, especially in tourist destinations. We're going to make that happen."

But some are less convinced, especially since disaster monitors became aware of the killer waves after they had already smashed into the coastline along western Java and southern Sumatra.

"It's going to be even more difficult to promote (the area), especially now that buildings are destroyed and the volcano is more active," said Tedjo Iskandar, a Jakarta-based travel analyst.

About 42 percent of Indonesia's 14 million foreign tourists headed to the popular resort island of Bali last year, giving a \$17 billion boost to Southeast Asia's biggest economy.

The government picked Tanjung Lesung and nine other locations as part of its "10 New Balis" strategy, a plan unveiled in 2016 with an eye to courting Chinese, Singaporean and other investors as its pushes to hit 20 million

tourists annually.

The list includes ancient Buddhist and Hindu temples, tropical islands near Jakarta, the Mount Bromo volcano in eastern Java, and a national park that is home to Komodo dragons -- the world's biggest lizard.

But the killer tsunami has dealt a blow to plans to pump some \$4 billion into Tanjung Lesung.

And it is not the only spot in the government's tourism plan to suffer a disaster -- natural or man-made -- that could scare away tourists.

Lombok, next to Bali, was rocked by earthquakes in the summer that killed more than 500 and sparked a mass exodus of foreigners from the tropical paradise.

That was weeks after Lake Toba on Sumatra island -- also on the "New Bali" list -- was the scene of a ferry accident that left almost 200 people missing or dead.

In May, Indonesia's second-biggest city Surabaya was hit by suicide bombings carried about by Islamist extremists, while Bali was rocked as the Mount Agung blew its top at the end of 2017.

The volcano is 75 kilometres (45 miles) away from tourist areas and the eruption posed little danger to visitors, but it still left hundreds of thousands stranded as flights were cancelled.

Indonesia's upbeat tourism numbers plunged in the second half of 2018 after the Lombok quakes, a quake-tsunami disaster on Sulawesi island that killed thousands, and a Lion Air plane crash in October which killed all 189 people on board.

Indonesia is one of the most disaster-prone nations on Earth, straddling the Pacific Ring of Fire, where tectonic plates collide.

And the frequent disasters it has suffered recently have highlighted the country's woeful state of preparedness.

Early warning systems in the city of Palu on Sulawesi -- and elsewhere -- had not been working since 2012 because of budget shortfalls and bureaucratic bungling.

In the latest disaster in the Sunda Strait, Indonesian monitors initially said there was no tsunami threat at all. They were later forced to issue a correction and an apology, pointing to a lack of early warning systems for the high death toll.

Jakarta's tourism push may still have a chance, but only if it gets serious about safety, said I Ketut Ardana, head of the Association of Indonesian Tour and Travel Agencies' Bali office.

"The (government) needs to better inform locals and tourists so they're prepared when a disaster strikes," he said.



The picture shows the area where the Seventeen pop band was playing when the tsunami hit the west coast of Indonesia's Java island on December 22.

## Stocks maintain upward trend

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Turnover on the DSE rose 31.4 percent to Tk 696.45 crore, the highest in one month, and up from Tk 530.17 crore on Tuesday.

The market has been on an upward trend for the last 10 consecutive sessions, following the correction mode seen throughout 2018.

Foreign investments also plummeted in the just concluded year: net foreign investment stood at Tk 593.13 crore in negative.

Yesterday, the top positive index contributors on the DSE were National Bank, Summit Power and United Power Generation, according to IDCL Securities data.

BBS Cables dominated the turnover chart with 29.11 lakh shares worth Tk 30.51 crore changing hands, followed by Paramount Textiles, Ifad Autos, Saiham Cotton and Beximco.

Savar Refractories, one of the junk stocks, was the day's best performer with a 9.97 percent gain. Junk stocks such as Shyampur Sugar (up 9.97 percent), Meghna Condensed Milk (up 9.70 percent), C & A Textiles (up 9.30 percent), and Tallu Spinning (up 9.01) were in the top 10 gainers list.

On the other hand, AIBL First Mutual Fund was the worst loser, shedding 6.17 percent.

On Chittagong Stock Exchange, gainers beat losers as 181 securities advanced and 52 declined while 26 finished unchanged.

The port city bourse traded 1.23 crore shares and mutual fund units worth Tk 30.29 crore.

## Remittance buoyant

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"The remitters responded to the offer," he added. The upward trend of remittance would help the lower middle income group, said AB Mirza Azizul Islam, a former finance advisor to a caretaker government.

They would spend more, which, in turn, would boost the GDP. "The target for GDP growth is usually achieved when the consumer demand rises."

The country's current account balance, which has been facing a large deficit for long, will get a respite, he said.

Islam, however, expressed his concern over the sustainability of the trend considering the ongoing trade-related disputes.

"Many well-reputed agencies have recently forecasted that the global GDP growth will slow down this year, which will not bring any good for remittance inflows." Islam advised the government to give more emphasis on exporting skilled manpower as per capita remittance of Bangladeshi migrant workers is much lower than their peers.