

# Indian oil giant briefly halts fuel to beleaguered Jet Airways

AFP, Mumbai

India's largest commercial oil company briefly stopped supplying fuel to Jet Airways on Friday, in a sign that the woes of the beleaguered carrier are far from over.

The Indian Oil Corporation (IOC) halted supplies to the debt-addled airline at noon on Friday for not meeting payments, an IOC spokesperson told AFP.

"If there is some payment made by Jet, we will resume our refuelling services," they said.

Later the spokesperson said that deliveries had resumed, but declined to comment on whether Jet had made any payments.

Jet has debts of more than \$1 billion and has been forced to ground the majority of its fleet as it struggles to pay aircraft lessors and staff.

Thousands of customers have been stranded in recent weeks after hundreds of flights were

cancelled, in some cases with little or no notice.

The Mumbai-based airline, which was until recently India's second-biggest by market share, has also defaulted on several loan payments.

It was not immediately clear how dependent Jet is on the IOC for fuel but analysts said the move could signal the start of the end game for Jet. "You can be rest assured that everyone else will follow. If that happens Jet Airways is finished," Devesh Agarwal, editor of the Bangalore Aviation website told AFP.

Jet Airways was not immediately available for comment. Last month creditors injected \$218 million of "immediate funding support" into Jet as part of a debt resolution plan.

The move saw a consortium of lenders, led by the State Bank of India, take control of the struggling airline from founder Naresh Goyal, who stepped down as chairman.

The consortium is starting a stake sale process

on Saturday, giving prospective bidders until Tuesday to submit expressions of interest for buying a stake.

A collapse would deal a blow to Prime Minister Narendra Modi's pragmatic pro-business reputation ahead of elections starting on Thursday. Alarm bells for Jet first rang in August when it failed to report its quarterly earnings or pay staff, including pilots. It later reported a loss of \$85 million.

In February, it secured a \$1.19 billion bailout from lenders including the State Bank of India to bridge a funding gap, but its crisis has deepened.

On Monday it announced that another 15 aircraft had been grounded due to non-payment. Jet is currently operating just 26 planes from its 119-aircraft fleet.

The carrier has been badly hit by fluctuating global crude prices and a weak rupee, as well as fierce competition from budget rivals.



MINISTRY OF FINANCE  
Finance Minister AHM Mustafa Kamal shakes hands with Bandar Hajjar, president of Islamic Development Bank, on the sidelines of the bank's 44th annual meeting in Morocco on Friday. Hajjar assured of continuing cooperation for Bangladesh's development.

# G20 must tackle root causes of trade tensions that threaten growth: EU



REUTERS, Bucharest  
Euro zone finance ministers and governors of the central banks pose for a family photo in Romania.

The European Union will tell a meeting of finance leaders from the world's 20 biggest economies next week that they must all tackle the root causes of global trade tensions because they are putting global growth at risk, an EU document showed.

Finance ministers and central bank governors of the Group of 20 (G20) major economies are to meet in Washington on April 11-12 to discuss the main challenges to the world economy.

"Current trade tensions put the ongoing expansion at risk and are therefore a source of concern," a

joint position paper agreed by EU finance ministers on Saturday said.

The United States and China are engaged in intense negotiations to end a months-long trade war that has rattled global markets. Hopes of a resolution soared after both sides expressed optimism following talks in Beijing

last week. The International Monetary Fund said in its April World Economic Outlook this week that an escalation of the US-China trade war could reduce US growth by up to 0.6 percent and China's by up to 1.5 percent.

"The international community has to tackle the root causes of the

ongoing trade tensions by ensuring a level playing field for open and free trade in goods and services, investment and intellectual property rights," the joint EU statement said.

The United States is also in talks with the European Union on a trade deal after imposing tariffs on European steel and aluminum last year and threatening to impose tariffs on European cars.

"We reaffirm our commitment to keep the global economy open as well as rules-based, to support an inclusive multilateral trading system with the World Trade Organization (WTO) at its center and to keep international economic cooperation on track," the EU said.

Washington has reservations about the WTO which it believes is unable to tackle modern trade challenges and issues such as intellectual property theft.

The EU believes the WTO is the best way to deal with trade disputes but that it should be reformed to address US and its own concerns.

## Edible oil import to rise: USDA

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The USDA estimates the spike in import of both soybean and palm oil in the next marketing year on assumption of increased consumption for home and industrial uses in processed food production.

Bangladesh's annual edible oil consumption is estimated to grow by 11 percent year-on-year to 28.50 lakh tonnes in the current marketing year from that a year ago, said USDA Foreign Agricultural Service in its report on the Bangladesh Oilseeds and Products Annual 2019.

Consumption is also predicted to go up next year with the demand for soybean oil rising at a faster pace.

The agency forecasted an increase in soybean acreage and production in the next marketing year.

In 2019-20, soybean area and production are estimated to increase to 82,000 hectares and 1.58 lakh tonnes, said the USDA. Soybean production grew 25 percent year-on-year to 1.50 lakh tonnes in 2018-19, data showed.

The agency said poor soil and competing crops limit the availability of the area for soybean cultivation. Soybean competes with crops like winter rice (Boro season rice), watermelon and groundnuts in the river islands (charland) of the southern coastal part of the country.

It said river islands are available for soybean cultivation because of poor irrigation facilities and an increasing salinity in late winter and summer seasons make river islands unsuitable for Boro season rice production.

Soybean cultivation in general requires less irrigation and fertilizer. Lower production costs, coupled with favourable market prices, give farmers a premium for soybeans, watermelon and groundnuts compared to Boro rice, it added.

The agency also predicted a 4 percent increase in soybean import to 13.50 lakh tonnes as a result of high soymeal demand in order to meet the feed requirements for the livestock and fisheries sectors and soybean oil for human consumption.

In 2018-19, soybean import is estimated at 13 lakh tonnes. The US soybean accounted for 99 percent of the total import of oilseed in the July-December period of 2018.

## Lengthy listing process scares off good firms

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Hye said they had to wait one and a half years even after organising the roadshow, which every company has to organise to highlight its business potential.

"Our sponsors even wanted to withdraw the IPO [initial public offering] proposal thrice. However, we were finally able to get our company enlisted."

The group cancelled its plan to bring three other companies to the market due to the delay in the process, he said.

Compliance is a major issue behind the reluctance of the big companies to come to the stock market, said Masud Khan, CEO of Crown Cement.

Instead of entering the stock market, they prefer maintaining a distance from it, said Khan, also a former chief financial officer of LafargeHolcim Bangladesh.

There should be a bar on big loans for the non-listed companies so that they have to go to the stock market for financing large projects, said Mahfuzur Rahman, chief business development officer of United Securities.

The National Board of Revenue should be stricter so that non-listed entities cannot evade taxes, he said.

Stock investors will remain deprived of the good stocks if good companies do not come to the market, said Sajjadur Rahman, business editor of The Daily Star.

So, the stock market regulator should take necessary steps to bring them to the market, said Rahman, who also moderated the seminar.

## Builders bring February rebound for German industrial output

AFP, Frankfurt

German industrial production rebounded in February to beat analysts' expectations, official data showed Friday, but the construction-led boost offered little relief for observers of Europe's slowing economic powerhouse.

Industrial output added 0.7 percent month-on-month, federal statistics authority Destatis said in data adjusted for seasonal and calendar effects -- beat-

ing a forecast of 0.5 percent from analysts surveyed by Factset.

The statisticians also corrected January's figures, saying production was flat rather than booking a 0.8 percent fall against December as initially reported.

Nevertheless, "given weak development in orders and the troubled business climate, we can continue to expect muted development in industry" in the months ahead, the economy ministry in Berlin said in a statement.

## Rubana climbs BGMEA summit

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If Accord can follow the eight conditions laid out by the High Court, it can be given the extension for a brief period, she said.

"I can assure you that this industry will definitely turn around. It is possible to change if we want to and my late husband Anisul Huq could prove it in his two-year tenure as the mayor of Dhaka North City Corporation," Huq added.

This year, the election got an extra impetus when Shadhinata Parishad, a third panel, entered the fray, with the view to breaking the hegemony of Sammilito Parishad and Forum panels.

Due to Shadhinata Parishad's entry, both Sammilito Parishad and Forum joined hands. Zahangir Alam, panel leader of Shadhinata Parishad, said two

of his agents have not come in as they were given threats.

"We wanted to make two of our candidates agents, but the election commission did not let us," said Alam, who is also the managing director of the Design and Source, in a written complaint.

Earlier, the BGMEA election was held in 2013 and the board continued up to September 2015. However, in 2015 the election was not held as both Sammilito and Forum panels jointly decided to elect the board in consensus.

So, Siddiqur Rahman, the current BGMEA president, ran the trade body for three years and seven months -- although the tenure of an elected BGMEA president is for two years -- with frequent extension from the commerce ministry.



BERGER PAINTS  
Rupali Chowdhury, managing director of Berger Paints Bangladesh, and Jalal Ahmed, president of the Institute of Architects Bangladesh (IAB), open Berger Seminar Hall at IAB Centre in the capital's Agargaon in Dhaka on Thursday. Berger and the IAB signed a memorandum of understanding that day on sponsoring an IAB-Berger Lecture Series.

## Paying with MFS at retails gaining traction

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Initially, people used MFS largely to send or receive money, said Shahadat Khan, chief executive officer of SureCash, a fast-growing MFS service provider.

"But recently we found the situation is changing. People are using MFS to pay for tuition fees and products both online and offline."

From the service point of view, operators are trying to bring more and more services onboard, which will help the industry to grow.

"Progressively, cash transactions will be discouraged like in neighbouring countries," Khan said, while citing China as an example of a country that is managing to successfully phase out cash.

Of SureCash's total transactions, 10 percent is merchant payment.

## Zilingo eyes Bangladesh's e-marketplace

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Zilingo started as a fashion and lifestyle marketplace in 2015 by Bose and Dhruv Kapoor. While dealing with thousands of small sellers on their platforms, the founders saw their plight first hand, according to the statement.

These businesses were not being able to improve their margins or grow any further due to a lack of access to technology and capital, while the big international brands kept growing aggressively. A small merchant neither has the volume to source as cheaply as large conglomerates nor do they have enough influence to get the best rates from service providers or warehouses.

"We are interested to even work with the smallest manufacturers. Any manufacturer which can produce 2,000 units per item can be

our potential partner. This, we believe, can be a win-win situation for everybody," Bose said. Currently, there are 27,000 merchants listed on the platform, which has offices in eight cities and employs more than 400 people.

Recently, the platform has raised \$226 million bringing the total funds raised to \$308 million. The investors include Sequoia Capital, Temasek, Burda Principal Investments, Sofina and Singapore investment fund EDBI.

Apart from Bangladesh, Zilingo is set to open offices in Cambodia, Sri Lanka and Vietnam. It plans to make foray into the Philippines, Indonesia and Australia by this year. Zilingo says the entry into the Bangladesh market as well as other key Asian markets is part of its growth strategy to expand its footprint.



COLLECTED  
Syed Mahabubul Alam, CEO of Asian Expo Conference, and Shakhawat Hossain, CEO of Bangladesh Expo and Conference, attend a press meet at the National Press Club in Dhaka yesterday to announce the schedule of Papertech Expo 2019. The three-day event will start on April 11 at International Convention City Bashundhara.