



Kanti Kumar Saha, CEO of Lankan Alliance Finance, and Khondkar Morshed Millat, general manager at Sustainable Finance Department of Bangladesh Bank, exchange a signed "participation agreement" for a "Technological Development/Upgradation Fund" for export-oriented industries recently. Abu Farah Md Nasser, a deputy governor at Bangladesh Bank, and Nurun Nahar, an executive director, were also present.

Opec+ approves oil output increases from May

AFP, London

Oil producing countries grouped together under the Opec+ alliance led by Saudi Arabia and Russia agreed on output increases as of next month at a ministerial meeting on Thursday.

A statement from the alliance said that they had agreed to boost output by "no more than 0.5 million" barrels per day (bpd) in May, June and July.

The decision comes despite the expectation ahead of the meeting that the bloc would err on the side of caution.

Addressing reporters after the meeting, Saudi Energy Minister Prince Abdelaziz bin Salman stressed that the decision could still be "tweaked" in the alliance's monthly meetings.

Before the meeting Prince Abdelaziz said that "the reality remains that the global picture is far from even, and the recovery is far from complete".

Salman praised the Opec+ alliance nations for more than fulfilling their commitments to restrain output.

Under its current agreement, the Opec+ group -- made up of the Organization of Petroleum Exporting Countries and its allies including

Russia -- is enforcing drastic cuts in production, meaning seven million barrels that could be shipped to markets every day are being left in the ground.

In addition, Saudi Arabia has volunteered to cut its own output by one million barrels per day (bpd) to

help avoid oversupplying a market suffering from a collapse in demand due to the coronavirus pandemic.

The cuts were aimed at avoiding limited storage capacity being saturated and supporting prices -- currently hovering around \$60 per barrel.



The Opec logo pictured ahead of an informal meeting between members of the Organization of the Petroleum Exporting Countries in Algiers, Algeria.

How Biden's infrastructure plan addresses the climate crisis

AFP, Washington

It's no coincidence US President Joe Biden chose manufacturing hub Pittsburgh to unveil his \$2 trillion green infrastructure plan, a bold pitch to Americans used to hearing that climate action will wreck industry.

So how does "The American Jobs Plan" try to place the environment at the heart of America's future economic growth?

Biden has called for the US energy sector to be fully decarbonized by 2035. To this end, he has asked Congress for \$100 billion to invest in the national grid and shift to cleaner energy, as well as a ten-year extension of tax credits for renewable generation and storage. "The tax credit for wind and solar has been quite successful in creating a large scale investment and build out," Dan Lashof, president of the World Resources Institute told AFP, welcoming the extension.

The plan calls for \$15 billion in prototype projects for utility-scale energy storage, carbon capture, hydrogen, nuclear and floating offshore wind power.

It also foresees a \$27 billion "Clean Energy and Sustainability Accelerator" -- in other words a Green Bank to mobilize private investment.

Lindsey Walters, a climate expert at the Third Way think tank, welcomed the idea of introducing a national Clean Energy Standard to seed renewable production and new jobs. "You are setting smart regulations in place that are providing that long-term market demand for clean energy technologies," she told AFP.

White House National Climate Advisor Gina McCarthy also touted the measure in a call with reporters Thursday. "We think it's one of the best methods to actually get the reductions we're looking for with a level of certainty," she said.



US President Joe Biden leaves after speaking about the March jobs report in the State Dining Room of the White House in Washington yesterday.

The other major green aspect of the package is an eye-catching \$174 billion investment "to win the EV (electric vehicles) market," where the US currently has one-third the market share of China.

This includes establishing incentives to create a network of 500,000 EV chargers by 2030. The money will be also used to spur domestic supply chains for raw materials and parts, and helping factories retool to build both the vehicles and batteries. Some 50,000 diesel vehicles

would be replaced, while at least a fifth of the yellow school bus network would be electrified. "Globally the market seems to be moving more towards electric vehicles," said Walters, adding the addition of the "right policy landscape" would give the existing trend an extra nudge.

For the most part, experts polled by AFP are happy with the proposal.

UC Berkeley scientist Amol Phadke, who authored the noted "2035 report" on transitioning energy said: "Power and

transport are (among) the most important sectors for climate mitigation and this plan is rightfully ambitious on those sectors." But some climate groups think the US should be spending more.

Denali Sai, a spokesperson for climate nonprofit 350.org, acknowledged the plan called for five times the amount spent by former president Barack Obama in his 2009 recovery package. "But this spending is still way too small to face the climate crisis at scale and it'll take a lot more spending to fully decarbonize the US economy," she added.

The campaign group would like to see a \$16 trillion bill and is skeptical of funding carbon capture technology, which it believes represents a free pass to the fossil fuel industry.

Another criticism is that the US hasn't said it will follow the lead of several countries that have announced a phase out of new fossil fuel vehicles.

Senate Minority Leader Mitch McConnell on Thursday vowed Republicans would oppose the plan because of the tax hikes it requires, scuppering Biden's hopes for bipartisan support. Though most bills require 60 Senate votes to pass, it's possible to pass some using a simple majority of 51, which Democrats have, through certain legislative procedures. That will still require the buy-in from more fiscally conservative moderate Democrats. "I would just underscore the cost of inaction," Ali Zaidi, deputy White House climate advisor told reporters, pointing to 22 extreme weather and climate-related disasters last year that each exceeded \$1 billion in cost. "On the competition side of the ledger, every year that we delay, we're talking about other countries racing ahead to seize the competitive advantage in these incredibly important industries of the future," he added.

Asian markets rally after Wall Street record

AFP, Hong Kong

Tokyo's Nikkei led a rally in holiday-thinned trade in Asia on Friday following a record-breaking day on Wall Street with investors buoyed by Joe Biden's huge new infrastructure spending plan and growing optimism over the economic recovery.

With most equity and commodity markets in the region closed for Easter, business was light but the mood remained decidedly upbeat ahead of the release of key US jobs data that is expected to confirm that the world's top economy is getting back on its feet.

Confidence that global growth will soar as vaccines allow economies to open has for now overtaken worries that the rebound will fan inflation and force central banks to wind back their market-boosting monetary policies. "Before you worry about inflation, there's deflation and I think that's the main theme in the market," Ed Campbell, at QMA, said.

Biden's \$2.25 trillion rebuilding package -- coming soon after the passage of his \$1.9 trillion stimulus -- has reinforced the view among investors that the US economy will run hot, with analysts saying its corporate tax implications were also being put aside for now.

With this in mind, and after a strong read on US March manufacturing, the S&P 500 broke the 4,000-point barrier for the first time, while the Nasdaq and Dow also enjoyed healthy gains.

And the few markets in Asia that were open followed suit, with Tokyo up 1.6 per cent, Seoul almost one percent higher and Shanghai also in positive territory along with Bangkok. "The US equity market opened in the second quarter with a sonic boom ushering in a great Good Friday," said Axi strategist Stephen Innes.

He added that equities likely had further to run higher as vaccines are administered around the world, and despite a pick-up in infections in parts of the world including France, which is facing another lockdown. "Vaccine rollouts remain the game's name and drive the narrative, even with the EU lagging, as investors view this delay in the context that the catch-up is but a function of time," he said. Eyes are now on the release later Friday of US non-farm payrolls figures, which will give the latest view on the state of the huge economy, with some observers suggesting the reading could come in above one million.

Philippines extends virus lockdown in economic hub

AFP, Manila

The Philippines will extend a coronavirus lockdown of more than 24 million people, an official said Saturday, as it deploys tents and health workers to overwhelmed hospitals in the capital where cases are surging.

People in Metro Manila -- the national capital region -- and four neighbouring provinces will have to stay home for another week unless they are essential workers, presidential spokesman Harry Roque said.

The announcement came as the number of new infections for a single day hit a record high of 12,576, taking the country's caseload to more than 784,000, including over 13,400 deaths. More contagious variants of the virus and poor compliance with health protocols have been blamed for the surge in recent weeks. "We call on local governments to tighten enforcement of our quarantine measures and confront people who fail to follow minimum health standards," Roque said. Independent research group OCTA said the week-long enhanced community quarantine imposed on March 29 was showing signs of slowing the spread of the virus, "but we're not there yet".

The spike has swamped many hospitals, with reports of people driving for hours around the sprawling capital

looking for a facility that can treat their sick loved ones.

To boost capacity, the health department said modular tents were being delivered to hospitals across Metro Manila with the help of the World Health Organization and the UN children fund UNICEF. "Volunteer health workers from other regions where virus transmission rates were low would be deployed to hospitals in the capital in the coming weeks, it added.

Under the restrictions affecting a fifth of the country's population, church services and other mass gatherings are banned and a 6:00 pm to 5:00 am curfew is in force. Supermarkets, pharmacies and other essential businesses are allowed to operate, and outdoor exercise is permitted. A previous months-long lockdown crippled the Philippine economy, cost millions of jobs and left many households hungry.

The sluggish rollout of vaccines and poor contact tracing have fuelled criticism of President Rodrigo Duterte's government, which has been accused of bungling its response to the pandemic. As of Thursday, 760,938 health workers had received their first dose, the health department said.

The government said previously it aims to finish inoculating 1.7 million health workers by mid-April. "Those who can take the vaccine must have themselves vaccinated now," Roque said.

Automakers report higher US sales, but chip shortage clouds outlook

AFP, New York

Carmakers reported higher first-quarter US sales on Thursday amid rising consumer confidence, but a semiconductor shortage that has crimped production raises questions about supply in coming months.

Toyota led the pack with its double-digit, year-over-year US sales gain, but General Motors, Ford and Fiat Chrysler also saw sales rise during a period that included passage of a giant US economic relief package that sent cash to most households and accelerating vaccinations. "Consumer confidence and spending will continue to increase due to stimulus, rising vaccination rates and the progressive reopening of the economy," said GM Chief Economist Elaine Buckberg. "Auto demand should remain strong throughout the year. "But while demand is healthy, there are questions about the supply picture as all four companies have announced production cuts due to the global semiconductor shortage.

Just a week ago, FCA's parent company Stellantis announced it was suspending production at five North American auto manufacturing plants due to the chip crunch.

Toyota scored a 21.6 percent sales increase in the first three

months of the year to 603,066. That included a jump in sales of "alternative powered vehicles" including hybrids and electric cars, which now comprise 24 percent of total sales, Toyota said. GM, the largest US automaker, posted a four percent sales gain to 642,250. The company pointed to strong demand for larger vehicles such

as full-size sport utility vehicles (SUVs) and pickup trucks. Ford sales were up just one percent to 521,334, as higher sales of trucks and SUVs more than offset a sharp drop in sedan sales.

Ford also highlighted higher electric vehicle sales following the rollout of its Mustang Mach-E SUV.

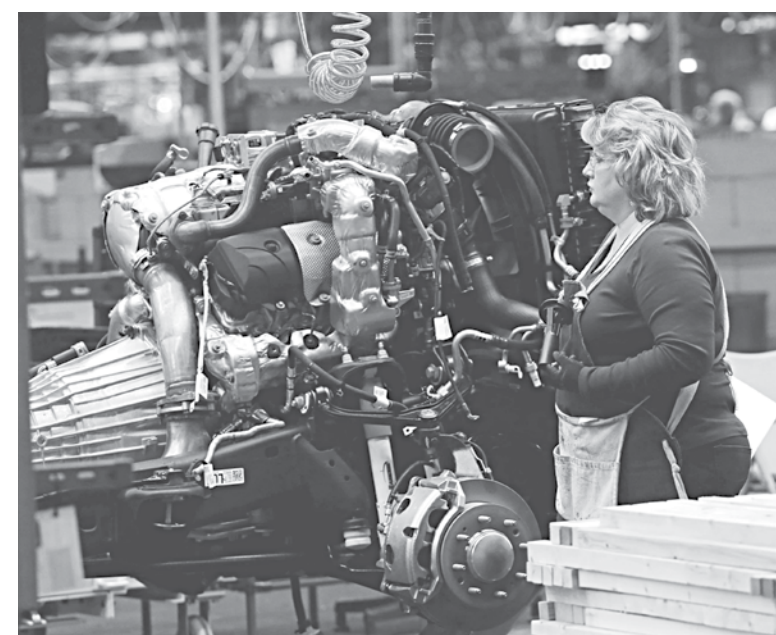
Meanwhile, FCA said sales rose

five percent to 469,651, propelled in part by gains in the Ram and Jeep truck brands.

Analysts at Cox Automotive said activity picked up in March after winter storms slowed sales in February, and the arrival of stimulus checks from President Joe Biden's economic relief package also is boosting activity.

But Cox warned the semiconductor shortage looms as a threat to the auto sector. "Although lean inventories have not had much impact on buyers in the first quarter, that will likely change as we move into Q2," said Cox Automotive economist Charlie Chesbrough. "The production disruptions happening now will turn into even lower inventory in the months ahead. "GM said inventory at the end of the quarter stood at 334,628, well below the level at the end of the fourth quarter and a drop of 50 percent compared with the year-ago supply.

Due to the chip shortage, "GM is building some vehicles without certain modules when necessary," the company said. "They will be completed as soon as more semiconductors become available. "The Detroit giant aims to recover lost production the second half of the year. GM was the only one of the four automakers to provide inventory data along with its sales report.



A woman works on the chassis of full-size General Motors pickup trucks at the Flint Assembly plant in Michigan, US.