GODREJ BANGLADESH

Dhaka Metropolitan Police Commissioner Md Shafiqul Islam receives personal protective equipment from Godrej Bangladesh Country Manager Anand Singh at DMP Headquarters on Minto Road recently.

Canada jobless rate falls to lowest level since pandemic start

AFP, *Ottawa*

Canada added 303,000 net jobs in March, blowing past forecasts as the unemployment rate fell 0.7 percentage points to 7.5 per cent -- its lowest level since February 2020, the national statistical agency said Friday.

The pan-Canadian rebound felt by all ages coincided with a gradual lifting of pandemic restrictions, which have since been reimposed -- including a stay-at-home order in Ontario through the end of April -- as Covid-19 infections led by variants surged over the Easter holiday.

Prime Minister Justin Trudeau told a news conference that the jobs data were "encouraging," but he added "there is still a lot of work to be done." "Forecasts had been anticipating an echo after the hiring boom in February, but the economy was actually able to produce another boom in March. As officials continued to relax restrictions needed to curb the second wave of the virus, jobs reappeared in droves in sectors hardest hit by those measures," commented CIBC analyst Royce Mendes. "However, with another round of shutdowns needed to bend the curve once again, there will likely be another round of job losses set for the coming months which could offset some of the recent gains," he added.

According to Statistics Canada, the gains in both part- and full-time jobs brought overall employment just shy of pre-Covid levels.

Employment was notably up in industries most affected by the easing of public health restrictions, including retail trade, information, culture and recreation, accommodation and food services, and the goods-producing sector, which was led by a construction boom. Self-employment also rose for the first time in three months, up 56,000 or 2.1 percent, but remained below the February 2020 level.

The number of workers affected by the pandemic economic shutdown peaked at 5.5 million in April 2020, including a drop in employment of 3.0 million and an increase in Covid-related absences from work of 2.5 million.

BTMA president reelected

STAR BUSINESS REPORT

Bangladesh Textile Mills Association (BTMA), a platform of the primary textile sector, yesterday saw the reelection of Mohammad Ali Khokon, chairman of Maksons Group, as its president for fiscal 2021-23.

Khokon was reelected unopposed at a 37th BTMA annual general meeting at its Dhaka office, says a statement from the platform.

Md Fazlul Hoque, founder of Ahmed Group, Abdullah Al Mamun, managing director of Abed Textile Processing Mills, and Md Rezaul Karim, head of Reedisha Group, were elected vice-presidents.

Another 23 directors were also elected.

Biden aims $1.5tr budget at health, education, social services

AFP, *Washington*

President Joe Biden's administration on Friday unveiled a more than $1.5 trillion budget proposal that would see funding for health, education and social services eclipse defense spending, in a reversal of his predecessor's policies.

The discretionary spending request for fiscal year 2022 would allocate $769.4 billion to non-defense programs, surpassing the $753 billion apportioned for defense, which was prioritized under Donald Trump but only slightly increased under Biden's proposal.

The Biden administration characterized the increase in non-defense spending as necessary to help the country recover from the Covid-19 downturn and create a more equitable economy in the years ahead. "The President's funding request makes things fairer," Treasury Secretary Janet Yellen said in a statement. "It injects capital into communities where capital is usually hard to come by. It will make paying taxes a more seamless process for millions of Americans. And it makes sure that corporations actually pay what they owe.

"The nearly 16 per cent increase in non-defense spending would the total to 3.3 per cent of GDP, about equal to its historical average over the past three decades, Shalanda D. Young, acting director of the Office of Management and Budget (OMB), said in a letter to lawmakers.

Outside of the Defense Department, Health and Human Services would receive the most funding at $133.7 billion, a jump of more than 23 percent from the prior fiscal year, which runs from October to September.

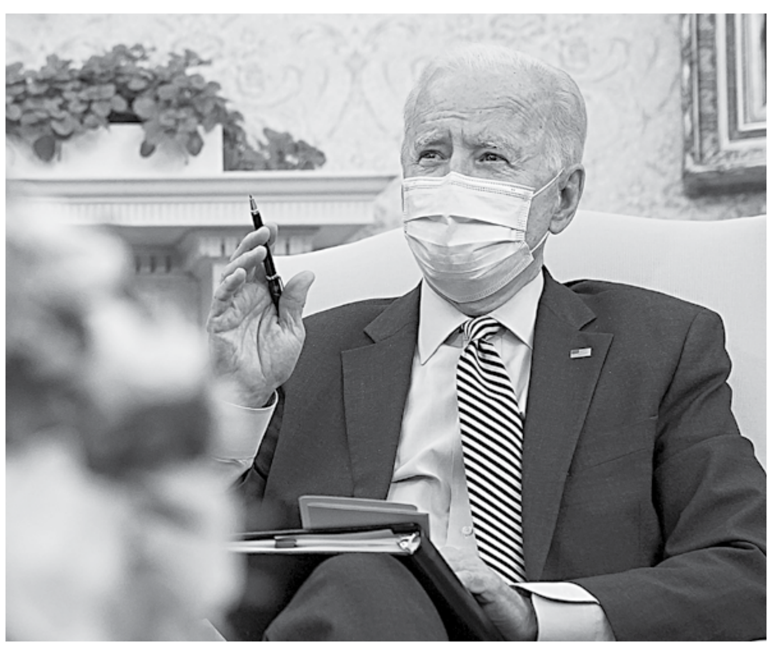
The Education Department would get a 40.8 percent funding increase that would bring its budget to $102.8 billion. "Over the past decade, due in large measure to overly restrictive budget caps, the nation significantly underinvested in core public services, benefits and protections," Young wrote, saying the plan would be a reversal of that austerity. The budget is a yearly undertaking for US presidents, signaling their major funding priorities, but must be approved by Congress.

The plan also proposes a funding increase of more than 10 percent to $13.3 billion for the US tax authority, Treasury's Internal Revenue Service (IRS), which would help it improve its services and better monitor corporations and high earners.

It also aims $36.5 billion at schools serving poor populations, $6.5 billion for federal health research and $10.7 billion to fight the opioid epidemic.

The spending bill will be considered by a Congress where Democrats hold small majorities in the House and the Senate, and where lawmakers currently are debating the $2 trillion jobs and infrastructure bill Biden unveiled last week.

Patrick Leahy, Democratic chair of the Senate Appropriations Committee, called the proposal's spending "necessary and urgent," and tied caps in federal spending over the last decade to the terrible toll wrought by the Covid-19 pandemic in the United States. "I look forward to receiving the administration's full budget in the coming weeks so that Congress can pass a budget resolution and the Senate Appropriations Committee can begin its work of marking up bills," he said in a statement.



REUTERS

US President Joe Biden speaks during an economic briefing in the Oval Office at the White House in Washington on April 9.

Brazil inflation tops target at 6.1pc

AFP, *Braslia*

Brazil's annual inflation rate broke through the ceiling of the central bank's target range in March at 6.1 per cent, officials said Friday, adding to headaches for policy makers facing an economic slowdown and rising prices.

The rate increased sharply from 5.2 per cent in February and far surpassed the central bank's target limit of 5.25 per cent, making it almost certain the bank will hike interest rates for the second straight time at its next meeting in May, analysts said.

That would further put the brakes on price increases but also economic growth, at a time when Latin America's biggest economy is already showing signs of trouble as a deadly surge of Covid-19 wreaks havoc on the country. "The central bank is clearly worried by above-target inflation and another 75 basis-point hike in the Selic (benchmark interest) rate, to 3.5 per cent, at the next meeting in May looks likely," said consulting firm Capital Economics.The monthly inflation rate came in at 0.93 per cent, a six-year high for March, said national statistics institute IBGE.

The central bank's annual inflation target is 3.75 per cent, plus or minus 1.5 percentage points.

Rising prices led the bank to hike the interest rate by a larger-than-expected 0.75 points last month, after holding it at a record low of two percent for seven months to counter the economic blow of the pandemic.

Brazil's economy shrank 4.1 per cent last year, its third-biggest contraction on record but better than many major economies. It is expected to regain some ground this year, but the outlook has been dimming amid an explosion of Covid-19.Experts polled by the central bank are forecasting GDP growth of 3.17 per cent this year, down from 3.26 per cent four weeks ago. Brazil's health system is struggling amid the world's highest average daily death toll in the pandemic, with 2,820 people a day killed by the virus over the past week in the country of 212 million people.Covid-19 has claimed more than 345,000 lives in Brazil, second only to the United States.

Far-right President Jair Bolsonaro, who has railed against lockdowns, face masks and vaccines to contain the pandemic, faces mounting pressure to get the health crisis under control, including from the business sector.

German industrial output continues to decline in February

AFP, *Frankfurt*

German industrial production dropped for the second month in a row in February after eight months of gains, as the economic impact of the pandemic began to bite, official data showed Friday.

Analysts said the data raised fresh doubts about the health of Europe's top economy after it recovered strongly from the coronavirus-triggered downturn of early last year.

Federal statistics agency Destatis said industrial output declined 1.6 per cent in February after a 2.0 per cent fall the previous month according to corrected data.

Analysts polled by Factset and Bloomberg had been counting on an increase of 1.5 per cent. Exports crept up by 0.9 per cent month-on-month while imports rose 3.6 per cent. The industrial output figures were "a real disappointment", said economist Jens-Oliver Niklasch of LBBW bank. "It matches up with the general perception of economic decline during the first quarter," he added.

Compared to February 2020, the month before the first coronavirus shutdown in Germany, industrial production plummeted 6.4 per cent.

However "if Covid doesn't stop it" and "if the indicators are right", the German economy coud be headed for a recovery in the second quarter, Niklasch said.

Year-on-year, exports, on which Germany relies heavily, slipped 1.2 per cent to 107.8 billion euros ($128.2 billion) in February, Destatis said.

Imports rose 0.9 percent in the same period, to 89.7 billion euros.

The trade surplus slipped to 19.1 billion euros, down slightly from January this year. Germany is in the grip of a third wave of the pandemic with more than 25,000 new infections in 24 hours and nearly 300 reported deaths amid a relatively slow vaccine rollout compared to the United States and Britain.

REUTERS/FILE

A worker wears a protective mask at Volkswagen assembly line in Wolfsburg, Germany.

Saudi Aramco in $12.4b oil pipeline deal with EIG-led group

AFP, *Riyadh*

Energy giant Saudi Aramco said it has struck a 12.4-billion-dollar deal to sell a minority stake in a newly formed oil pipeline business to a consortium led by US-based EIG Global Energy Partners.

The deal underscores how Aramco -- the kingdom's cash cow -- seeks to monetise its once-untouchable assets to generate revenue for the Saudi government as it accelerates efforts to diversify the oil-reliant economy.

"Upon closing, Aramco will receive upfront proceeds of around $12.4 billion, further strengthening its balance sheet through one of the largest energy infrastructure deals globally," the company said in a statement late Friday. "As part of the transaction, a newly-formed Aramco subsidiary, Aramco Oil Pipelines Company, will lease usage rights in Aramco's stabilised crude oil pipelines network for a 25-year period. "The EIG-led consortium will hold a 49 percent stake in the subsidiary, Aramco said, adding that it will retain "full ownership and operational control".

In a separate statement, EIG, a Washington-based energy investment firm, said the new venture is valued at approximately $25.3 billion.

The deal covers all of Aramco's "existing and future stabilised crude pipelines" in the kingdom, an elaborate network that connects oil fields to downstream facilities, EIG said. "We are proud to partner with Aramco in this marquee global infrastructure asset," said EIG chairman R. Blair Thomas. Neither company said which other firms were part of the consortium. The announcement comes as Aramco faces pressure to maintain hefty dividend payments to the Saudi government, its biggest shareholder, despite posting consecutive falls in profits since it began disclosing earnings in 2019.

AFP/FILE

An Aramco oil facility near al-Khurj area, just south of the Saudi capital Riyadh.

Last month, Aramco posted a 44.4 percent slump in 2020 net profit due to lower crude prices, piling pressure on government finances as Riyadh pursues multi-billion dollar projects to diversify the economy. The company's debt has climbed as Saudi Arabia, the world's biggest crude exporter, was hammered last year by the double whammy of low prices and sharp cuts in production triggered by the coronavirus pandemic.Even so, Aramco said it stuck by its commitment to pay shareholders dividends worth $75 billion in 2020 -- an amount that exceeds the declared profit and available cash flow.

"The (EIG) deal marks an innovative step for Aramco as it seeks to monetise assets to pay down debt, maintain its dividend payments and fund planned investments," the Energy Intelligence group said.

Long seen as the kingdom's "crown jewel", Aramco and its assets were once tightly under government control and considered off-limits to outside investment.

But with the rise of de facto ruler Crown Prince Mohammed bin Salman, who is pushing to implement his "Vision 2030" reform programme, the kingdom has shown readiness to cede some control.

Aramco sold a sliver of its shares on the Saudi bourse in December 2019, generating $29.4 billion in the world's biggest initial public offering. In January, Prince Mohammed said the kingdom would sell more Aramco shares in the coming years.

He said future share offerings would be a key way to boost the Public Investment Fund, the kingdom's sovereign wealth fund which is the main engine of its diversification efforts.

In a major new diversification push late last month, Saudi Arabia announced plans to pump investments worth $3.2 trillion into the national economy by 2030, roping in the kingdom's biggest companies including Aramco.

Under a programme named "Shareek", or partner, Aramco and other top Saudi companies will lead the investment drive by contributing five trillion riyals ($1.3 trillion) over the next decade, Prince Mohammed said.

In a briefing to reporters, he added that the companies, many of them listed, had agreed to lower their dividends and redirect the money into the domestic economy in exchange for incentives such as subsidies.

In the statement announcing the deal with the EIG-led group, Aramco chief executive Amin Nasser said the company was "capitalising on new opportunities that also align strategically with the recently-launched Shareek programme".