

## Business

# British Airways resumes Pakistan flights after a 10-year absence

## Major vote of confidence from a Western airline



ISLAMABAD: Pakistani Airport Security Force (ASF) personnel escort British Airways officials upon their arrival at the Islamabad International Airport on the outskirts of Islamabad yesterday. British Airways landed back in Pakistan yesterday, in a major vote of confidence from a Western airline after suspending operations due to security fears over a decade ago.



ISLAMABAD: A British Airways plane taxis on a runway upon their arrival at the Islamabad International Airport on the outskirts of Islamabad yesterday. —AFP Photos

ISLAMABAD: British Airways landed back in Pakistan yesterday, in a major vote of confidence from a Western airline after suspending operations due to security fears over a decade ago. The British carrier—which halted services in 2008 following the deadly Marriott Hotel bombing in Islamabad—is running three weekly flights from London's Heathrow airport to Pakistan's capital, Islamabad.

Britain is home to more than a million people of Pakistani origin, making it the largest Pakistani diaspora community in Europe. "Britain's flag carrier is back. The two countries, so close in so many ways, take a step closer," British High Commissioner to Pakistan, Thomas

Drew, said in a statement.

"It is of course tribute to the great improvements in the security situation in Pakistan in recent years."

BA had six weekly flights to Islamabad before the Marriott attack, which killed more than 50 people and triggered a major drawdown by embassies and international agencies over safety concerns.

Struggling Pakistan International Airlines had until yesterday been the only carrier with direct flights between the two countries. Since the Marriott attack, the country has been largely dependent on Middle Eastern airlines such as Emirates and Etihad, with most international flights routed through the Gulf. "Usually I

take the connecting flights so this was a very refreshing experience and looking forward to going back as well," Sana Khan, a doctor based in Britain, told AFP after touching down in Islamabad.

Hong Kong-based Cathay Pacific was one of the last major international carriers to cease operations in Pakistan after dozens were killed during a 2014 siege at Karachi airport by Taliban militants.

Pakistan has battled homegrown militancy for nearly 15 years, with tens of thousands of people killed.

But the country has seen a dramatic turnaround recently, with security largely stabilized following several military offensives along the Afghan border and

crackdowns on insurgents in urban centers.

Many Western countries continue to have travel advisories in place to warn their citizens of the potential for kidnapping and bomb attacks, especially in areas near the Afghan border.

British Airways's return also comes as Pakistan continues to restrict large swathes of its eastern airspace following a confrontation with India in February, effectively closing off major international flight routes in and out of Islamabad and Lahore headed east while also disrupting Indian flights.

A Pakistani security official said the restrictions would continue until at least June 15. —AFP

## Keep it easy! Emerging central banks keep cutting rates in May

LONDON: Interest rate cuts by emerging market central banks outstripped rate hikes for a fourth straight month in May, taking their cue from the dovish turn of major central banks as fears over the health of the global economy and trade tensions take their toll.

Interest rate moves by central banks across a group of 37 developing economies showed two net rate cuts last month after recording three net rate cuts in the three months prior.

The fourth month of net rate cuts follows a tightening cycle that ended in early 2019 during which interest rate hikes by emerging market central banks outstripped or matched cuts for nine straight months to battle the fallout from a strong dollar, rising inflation and softer currencies.

Below is a list of recent emerging market central bank monetary policy changes:

**SRI LANKA** - The central bank cut its key interest rates by 50 basis points on May 31, as widely expected, to support its faltering economy as overall business and consumer confidence slumped following last month's deadly

bomb attacks.

**TAJIKISTAN** - The central bank reduced the refinancing rate to 13.25% from 14.75% on May 31.

**KYRGYZSTAN** - Policy makers in the Central Asian nation cut the benchmark rate to 4.25 percent from 4.50 percent on May 28, citing slowing inflation.

**ANGOLA** - Angola's central bank cut its benchmark lending rate by 25 basis points to 15.5 percent on May 24.

**COSTA RICA** - The central bank cut the key policy rate to 4.75 percent from 5 percent on May 23.

**ZAMBIA** - The central bank in Lusaka raised the benchmark lending rate to 10.25 percent from 9.75 percent on May 22 to counter inflationary pressure and support macroeconomic stability.

**PAKISTAN** - Soaring inflation prompted Pakistan's central bank to raise its key interest rate to 12.25 percent on May 20 with policy makers flagging further rises on the back of higher oil prices and reforms required for a bailout from the International Monetary Fund.

**JAMAICA** - Jamaica's central bank cut its interest rate by 50 basis points to 0.75 percent on May 19 - the third cut since the start of the year.

**THE PHILIPPINES** - The central bank cut its benchmark interest rate on May 9 by 25 basis points to 4.50 percent, on expectations inflation will ease after the economy grew at its slowest pace in four years in the first quarter.

**MALAYSIA** - The central bank on

May 7 became the first in Southeast Asia to cut its key interest rate this year, by 25 basis points to 3.0 percent, moving to support its economy at a time of concern about global growth.

**RWANDA** - Rwanda's central bank cut its key repo rate by 50 basis points on May 6 to 5.0 percent.

**MALAWI** - Malawi's central bank cut its benchmark lending rate by 100 basis points on May 3 to 3.5 percent.

**CZECH REPUBLIC** - The Czech National Bank raised interest rates on May 2, using a window of opportunity created by easing economic risks abroad to stem rising domestic inflation by fine-tuning a tightening cycle it had paused at the end of 2018.

**AZERBAIJAN** - The central bank cut its refinancing rate by 25 basis points to 8.75 percent on April 26, citing an improved macroeconomic situation and higher global oil prices.

**UKRAINE** - Ukraine's central bank trimmed its main interest rate to 17.5 percent on April 25, the first decrease in the past two years.

**KAZAKHSTAN** - Policymakers cut the policy rate by 25 basis points to 9.00 percent on April 15 in an expected move taken after President Kassym-Jomart Tokayev ordered them to make credit more affordable.

**INDIA** - The central bank cut the interest rate as expected by 25 basis points on April 4, a move to lift the economy a week before voting began in a

ment to reduce emissions by 80 percent from now through 2050.

The law requires buildings of more than 25,000 square feet (2,300 square meters) to reduce emissions by 40 percent by 2030 from their 2005 levels. It will affect the approximately 50,000 buildings that emit one-third of the city's greenhouse gases.

In targeting the dense building stock, which in total accounts for 70 percent of all New York emissions, the city has adopted a landmark law, said Nilda Mesa, director of the urban sustainability program at Columbia University.

"The Climate Act is really pathbreaking," she told AFP. "It will have a number of positive effects... It will basically create a market and create demand for energy-efficient technologies" which can then be used by other cities, in the US or elsewhere.

### 3 million light bulbs

Although the law provides long-term borrowing facilities to help property owners, it was vigorously opposed by the powerful real-estate sector, worried by some estimates that the costs of renovation could run more than \$4 billion. But some older buildings, like the Empire State Building, have already begun to address the problem, "showing other people how it can be done," Nilda Mesa said.

That legendary skyscraper, an Art Deco jewel dating from 1931, launched a vast renovation program in 2009 at a cost of \$550 million, allowing it to cut its energy consumption by more than 40 percent.

More than 6,500 windows, three million light bulbs and 67 elevators were replaced or renovated to improve the building's insulation and cut its energy consumption, even as it



NEW YORK: The city of New York lit up at night is the historic capital of the skyscraper but it wants buildings to reduce emissions by 80 percent from now through 2050.

was becoming much more densely occupied.

Engineers also installed an ultra-modern energy management system, constantly optimizing consumption according to the needs of the moment. With those changes already made-and paid for in only four years-Anthony Malkin, chairman and CEO of the Empire State Realty Trust which owns the building, is feeling sanguine about the impact of the new law.

"But we will have to improve for 2030," he says. Experts point out, however, that reducing emissions is easier for an older tower like the Empire State Building than it will be for the glass-clad skyscrapers that seemed to

marathon election that will decide whether Prime Minister Narendra Modi gets a second term. Inflation remains subdued, though falling farm incomes and record high unemployment have seen economic growth slide to 6.6 percent in December - its slowest in five quarters.

**NIGERIA** - In a surprise move, the central bank cut its benchmark interest rate to 13.5 percent from 14 percent on March 26 as part of an attempt to stimulate growth in Africa's biggest economy and signal a "new direction".

**PARAGUAY** - Paraguay's central bank cut its policy rate by 25 basis points to 4.75 percent on March 22.

**GEORGIA** - The central bank cut its refinancing rate to 6.5 percent from 6.75 percent on March 13, citing forecasts suggesting that annual inflation would stay close to its 3 percent target this year.

**TUNISIA** - Policymakers in Tunisia raised the key interest rate to 7.75 percent from 6.75 percent on Feb. 19 to combat high inflation - the third such hike in the past 12 months.

**EGYPT** - Egypt's central bank made a surprise cut to its overnight deposit rate on Feb. 14, citing a strong drop in inflation and an improvement in other macroeconomic indicators. The bank lowered its deposit rate to 15.75 percent from 16.75 percent and its lending rate to 16.75 percent from 17.75 percent, its first rate cuts since March 2018. —Reuters

## Mexico president announces start of work on \$8bn refinery

MEXICO CITY: Mexican President Andres Manuel Lopez Obrador has officially launched the \$8 billion construction of a controversial oil refinery that experts say is likely to blowout in cost. The huge project, inaugurated Sunday, aims to boost Mexico's struggling state oil company Pemex and provide economic stimulus to the country's impoverished south.

"We will build it in three years at a cost of 150 billion pesos (\$8 billion). No doubt about it!" the left-wing president said. Experts however say the project will nearly double in cost and take some eight years to complete. A group of foreign firms selected by the government were first granted the tender to build the Dos Bocas oil refinery in southeastern Tabasco state where Lopez Obrador was born.

The tender was cancelled when the firms put forward completion dates and budget estimates greater than those demanded by the president.

The government then gave the project to the deeply indebted oil company Pemex. Once completed, it would allow Pemex to process some 340,000 barrels of crude per day and deliver 170,000 barrels of petrol as well as 120,000 barrels of diesel. Experts however doubt Pemex has the necessary experience to see the project through. They also say it is a mistake to funnel resources into the new refinery instead of pushing the company to boost its dwindling production of gasoline, which has fallen 50 percent from its peak of 3.4 million barrels per day 15 years ago. —AFP

## As meetings begin and US tariffs loom, Mexico hopes for migration deal

WASHINGTON: Mexico can reach an agreement with the United States to resolve a dispute over migration that prompted US President Donald Trump to threaten punitive tariffs, Mexican officials said yesterday as high-level talks were set to begin in Washington.

Trump has proposed the tariffs on Mexican imports to pressure Mexico into action against migrants passing through on the way to the United States, as well as drug cartels. Mexican President Andres Manuel Lopez Obrador, speaking at his regular morning news conference in Mexico City, also reiterated that he believed a deal could be reached to avert the tariffs. The Mexican officials, speaking to reporters in Washington, warned that Trump's tariffs could backfire.

Mexican Foreign Minister Marcelo Ebrard said such tariffs would be devastating and would not stop waves of Central American migrants from crossing the southern US border. "Tariffs, along with the decision to cancel aid programs to the northern Central American countries, could have a counterproductive effect and would not reduce migration flows," Mexico's ambassador to the United States, Martha Barcena, also said at the news conference. —Reuters