

## business

# EU leaders urge clarity from Britain before Brexit delay

AFP | London, United Kingdom

EU leaders yesterday called for clarity from Britain before considering any delay to Brexit after a series of chaotic votes by MPs just two weeks before the deeply divided country is due to leave the bloc.

Quitting the EU after 46 years on March 29 remains the legal default unless EU leaders unanimously grant Britain an extension, with the issue likely to dominate a March 21-22 EU summit in Brussels.

The length of any possible delay will depend on the outcome of another parliamentary vote on the twice massively rejected Brexit deal struck by Prime Minister Theresa May with EU leaders.

The government said it would ask for a "technical" delay until June 30 to pass necessary legislation if MPs finally approve the deal next week.

If MPs vote against it for a third time, the government has warned it will be forced to seek a much longer delay.

"It is very clear that the next steps, the next proposal on how to move forward must come from Britain," German Chancellor Angela Merkel's spokesman Steffen Seibert said in Berlin on Friday.

French President Emmanuel Macron's office said that if the current deal is rejected again "a clear and new alternative plan" must be presented or else Britain would have to leave the EU



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GERMAN CHANCELLOR ANGELA MERKEL'S SPOKESMAN STEFFEN SEIBERT



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EMMANUEL MACRON  
FRENCH PRESIDENT



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SIMON COVENEY  
IRISH FOREIGN MINISTER

with no agreement.

The British government is hoping that talk of a long delay to Brexit will persuade hardliners in May's own Conservative Party and its ally, the Democratic Unionist Party (DUP), to get behind her deal.

## Need for 'clear plan'

Speaking on a visit to Paris, Irish Foreign Minister Simon Coveney said "everyone would welcome" MPs approving the deal and Brexit being briefly pushed back to get the necessary legislation through.

But, asked about the possibil-

ity of a longer delay, Coveney said: "I think many EU leaders will be very uncomfortable with a long extension."

He said Ireland would only consider it if it was to "implement a clear plan and strategy to reflect on and perhaps change direction in regard to Brexit".

EU leaders have hinted they could support a longer delay only if Britain were to drop its red lines, particularly its insistence on leaving the EU customs union so as to pursue an independent trade policy.

On currency markets Friday,

the pound jumped versus the dollar and steadied against the euro after a week that saw wild fluctuations for the UK unit triggered by the Brexit twists and turns in parliament.

The UK is barreling towards the March 29 Brexit deadline with no approved EU withdrawal agreement and a prime minister who appears to have lost control over her bickering cabinet.

On Thursday, MPs voted to ask EU leaders to simply push Brexit back in a bid to head off a hugely disruptive end to their partnership.

## 'Still some common sense'

May struck her agreement with the EU in November after nearly two years of tortuous negotiations.

But the deal has remained deadlocked in the British parliament, chiefly by disagreement over the so-called Irish "backstop" -- a measure to keep trade flowing and avoid barriers at the border between Northern Ireland and the Republic of Ireland.

Lawmakers voted on Wednesday not to leave without an agreement but still lacked a clear roadmap on the way forward three years after Brexit was approved in a bitterly divisive referendum in June 2016.

MPs also rejected a call to hold a second Brexit referendum -- a blow to the hopes of a large number of Britons who still dream of keeping their European identity.

The political crisis has weighed heavily on the economy, dragging down growth and forcing businesses to delay investment decisions.

Carolyn Fairbairn, head of the Confederation of British Industry, Britain's main business lobby, has called on parliament to "stop this circus".

Following the votes against a no-deal Brexit and for a delay, the CBI tweeted there was "still some common sense in Westminster".

"But without a radically new approach, business fears this is simply a stay of execution," it said.

## Boeing to upgrade 737 MAX stall prevention system in 10 days: source

New York, United States

Boeing will roll out an upgrade to the software in the MCAS stall prevention system on the 737 MAX aircraft that have had two deadly accidents in recent months, an industry source said.

The system was implicated in the crash of a 737 MAX 8 in Indonesia in October but the source cautioned that the cause of the fatal Ethiopia Airlines accident last weekend has not yet been determined.

The fix will only take about two hours to install, the source said.

The MAX aircraft have been grounded worldwide.

## Cyprus finance minister to step down



Nicosia, Cyprus

Cypriot Finance Minister Harris Georgiades, who is credited with having navigated the island through a painful 2013 EU bailout, announced Friday he will step down at the end of this year.

Georgiades, 46, who was appointed in the heat of the crisis six years ago, denied his decision was linked to calls for his resignation following the collapse in 2018 of the Cyprus Cooperative Bank (CCB).

He is credited with having brought the Cypriot economy back to robust growth after several years of austerity.

## US regulators sue VW over emissions scandal

Washington, United States

US stock regulators have sued Volkswagen over the emissions cheating scandal, alleging the German automaker committed fraud by raising billions in corporate bonds while lying to investors about the environmental impact of its cars.

In a filing in California, the Securities and Exchange Commission said that from April 2014 to May 2015, Volkswagen issued more than \$13 billion in bonds and asset-backed securities in US markets while senior executives knew that more than 500,000 vehicles in the US grossly exceeded legal vehicle emissions limits.

## World can rely on OPEC cushion for urgent needs: IEA

● Venezuela's oil output has long been on a downward spiral

● Venezuela's current oil production is 1.2 million barrels per day (mbd)

● OPEC members have about 2.8 mbd of spare production capacity

Paris, France

Production cutbacks by OPEC nations are building a supply cushion that could be called upon to mitigate a possible supply shock from an abrupt drop in crisis-hit Venezuela's output, the IEA said yesterday.

With a nationwide blackout that paralysed the country for one week, demonstrating the unreliability of the country's electricity network, new questions are being raised about Venezuela's ability to continue to produce and export oil.

In its latest monthly report,

Therefore, in the event of a major loss of supply from Venezuela, the potential means of avoiding serious disruption to the oil market is theoretically at hand. Production cuts have increased the spare capacity cushion

IEA



Representative picture (Courtesy of Alveco)

trimming exports.

However the IEA also noted that Venezuela's current oil production of about 1.2 million barrels per day (mbd) is the size of production cuts agreed by members of the OPEC oil cartel and a number of other nations led by Russia, a grouping often called OPEC+.

Overall, it said OPEC members have about 2.8 mbd of spare production capacity, with much of it being similar in quality to oil produced in Venezuela, which means it could be used without

much, if any, adjustment by refineries.

"Therefore, in the event of a major loss of supply from Venezuela, the potential means of avoiding serious disruption to the oil market is theoretically at hand," said the IEA, adding that "production cuts have increased the spare capacity cushion".

The agency, which advises oil-consuming nations on energy issues, said that thanks to bigger-than-promised cuts by Saudi Arabia and its Gulf allies, the OPEC+ effort to trim output

was beginning to work.

Since 2016 the OPEC+ nations have agreed on a series of output limits in an effort to counteract the collapse of oil prices in 2014 caused by overproduction. After oil prices had a rollercoaster ride at the end of last year, OPEC+ agreed to cut production by 1.2 mbd in January to June.

The IEA said OPEC+ production was 0.24 mbd above the target of 44.3 mbd, with overall compliance with reduction targets at 80 percent.

"OPEC's compliance was a robust 94 per cent, compared to 51pc from non-OPEC," said the IEA, adding that major producer Russia was continuing to adjust its production gradually.

"If the producers deliver on their promises, the market could return to balance in the second quarter" of this year, said the IEA.

The IEA left unchanged its forecast for non-OPEC supply increasing to 64.4 mbd this year from a revised 62.7 mbd in 2018, a gain of 1.7 mbd.

It left unchanged its forecast for global oil demand growth of 1.4 mbd to an average of 100.6 mbd in 2019.