

IMF cuts US growth outlook, says full employment years off

REUTERS, Washington

The International Monetary Fund cut its growth forecast for the United States on Monday and said the economy would not reach full employment until the end of 2017, allowing the Federal Reserve to bide its time before raising interest rates.

In its annual health check of the US economy, the IMF also urged the United States to boost the minimum wage, which is below most international standards, to fight poverty, which lingers above 15 percent.

The IMF forecast economic growth of 2 percent this year, below the 2.8 percent rate it predicted in April, due to a weak first quarter. It kept its 2015 forecast unchanged at 3 percent.

"Recent data ... suggest a meaningful rebound in activity is now underway and growth for the remainder of this year and 2015

should well exceed potential," the IMF said.

Yet the country's potential growth should only be around 2 percent going forward, below historical averages, as the population ages and productivity growth slows, it added.

"Given the substantial economic slack in the economy, there is a strong case to provide continued policy support," the IMF said.

It said its forecasts show the US economy would only return to full employment by the end of 2017, with inflation remaining low, suggesting the Fed could keep rates at zero for longer than the middle of 2015.

The IMF urged the United States to increase spending on infrastructure and education and change parts of its tax system, including boosting the federal gasoline tax and reinstating the tax credit for research and development, to help

spur growth.

In the future, the United States should also reform corporate taxes, introduce a carbon tax and move toward a federal value-added tax, the IMF said.

A greater reliance on growth-enhancing fiscal policies could allow the Fed to retreat more quickly from its extraordinary monetary stimulus, it added.

"This would be the best policy mix from an economic perspective but, regrettably, political agreement on such an approach remains elusive," the IMF said.

The IMF warned that financial markets could be too complacent about possible volatility surrounding a future rate hike. Markets predict a narrow range of future policy rates, despite uncertainty about the amount of slack in the US labor market and the potential for wage and price inflation.

"This sets up the risk, even with a

successful and well-communicated increase in interest rates, for significant swings in market flows and prices in the months ahead," the IMF said.

It said the Fed should consider further changes to its communication to better guide markets, including holding a news conference after each meeting of its policy-setting committee and publishing quarterly reports on monetary policy.

"Finally, the (Fed's policy-setting panel) could provide greater clarity about how financial stability considerations figure into its monetary policy calculus," the IMF said. Fed policymakers meet on Tuesday and Wednesday to consider their monetary policy stance.

As in previous reports, the IMF warned a prolonged period of ultra-low US interest rates raises financial stability concerns, pointing especially to fragmented oversight of the US insurance sector.



Rumea A Hossain, chairman of Bank Asia's executive committee, inaugurates one of the two agents booth of the bank in Laxmipur district on Sunday. Mohammed Lakiotullah, chairman of the audit committee, was also present.

In China, LinkedIn must beat local rivals

REUTERS, Beijing

After taking a social media drubbing in the West for accepting self-censorship in China, jobs networking site LinkedIn Corp faces bigger obstacles to growth in a market it is counting on - local rivals and a unique workforce mindset.

LinkedIn is intent on making the kind of breakthrough in China that eluded internet giants like Google Inc, Yahoo Inc and Amazon.com Inc. To do that, beyond coping with censorship, it must match big domestic players, already tuned into a generation of self-styled Internet "losers" with their own, irreverent take on corporate culture.

Earlier this month, the West's most popular online career network censored posts from users in China marking 25 years since Beijing's crackdown on pro-democracy activists in Tiananmen Square. If that earned LinkedIn scorn on Western social media, it passed largely unnoticed within mainland China, and Wall Street investors were unmoved.

"The LinkedIn mission is to connect all the world's professionals, and the country with the most professionals in the world is China," Reid Hoffman, the co-founder of the firm based in Mountain View, California, said at a Shanghai presentation last month. Established local peers like Dajie, Wealink and Tianji - with over 60 million members between them - stand in the way.

The stakes are high for LinkedIn, which launched in China in February saying it would co-operate with the censorship climate that global social media sites like Facebook Inc and Twitter Inc have shunned. The company said then a localised site would help it reach 140 million professionals in the world's second-biggest economy - a boon for a company seeking to expand its current audience of 277 million members as it saturates developed markets.

Some 10 years after it was founded as a site to connect jobseekers with recruiters, LinkedIn's net income rose by a quarter last year to \$26.8 million. A year earlier, it nearly doubled.

Airtel to sell towers: report

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Bharti Airtel has 2,800-odd towers in Sri Lanka and 4,000 towers in Bangladesh. Both the markets are ripe for data-driven growth requiring telecom companies to invest in infrastructure, including towers.

Airtel, which is not among the top few telcos in both markets, needs the cash not just to invest in its networks in the two countries but also to reduce its net debt, which stood at Rs 60,541 crore as of March 2014, the report said.

"For the year that ended in March 2014, Bharti Infratel had operating free cash flow of Rs 2,647 crore, which could be used for funding any acquisition, apart from debt."

While the Infratel chairman declined to talk about valuations, industry analysts say the cost of a tower in India is around Rs 30-40 lakh, but would be significantly lower in Sri Lanka and Bangladesh since the rentals in these countries are lower than in India.

Allocation too tiny for green power targets

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Besides, solar home systems require lots of lands to install, so it would be judicious to shift priorities to wind-based plants, he said.

IDCOL has already financed three million solar home systems. The total installed capacity of these home systems is around 130MW, sufficient to provide clean electricity to 13 million rural people, according to Malik.

Jica calls for diversity of energy sources

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Transportation is the third pillar. To enable greater industry, trade and energy production, the Dhaka-Chittagong-Cox's Bazar transport artery needs to be strengthened and even extended to neighbouring countries, he said. Tanaka, also a former vice president of University of Tokyo, said Prime Minister Sheikh Hasina's recent visit to Japan has taken relations between the two countries to a new level.

He also called upon the Bangladesh government to join the Association of Southeast Asian Nations to boost economic ties between the Southeast Asian countries.

Abul Barkat, director of the Japan Study Centre at DU, said the BIG-B initiative will help the two countries achieve inclusive economic growth as Japanese entrepreneurs will have the opportunity to invest in the country. The initiative will also help the country build a logistic hub for the region and promote trade between Japan and Bangladesh, he said.

BIG-B is needed for post-garment

industrial revolution, said Prof Md Kawser Ahmed, chairman of the oceanography department at DU.

"Connectivity is most important for a supply chain network. Bangladesh will be benefited immensely if it can implement the BIG-B project due to its competitive labour and strategic location."

The trade balance between the two countries is heavily tilted toward Japan, as Bangladesh imports vehicles, electronic goods and spare parts. On the other hand, Bangladesh exports apparel items, leather and leather goods, and footwear to Japan.

In fiscal 2012-13, Bangladesh exported goods worth \$750.27 million to Japan, against \$600.52 million in the previous year, according to data from Export Promotion Bureau.

In 2012-13, Bangladesh imported goods worth \$1.19 billion from Japan against \$1.45 billion in the previous year, according to Bangladesh Bank. Professor AAMS Arefin Siddique, vice-chancellor of Dhaka University, presided over the function.

Proposed budget needs further review

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Very often, the assessing officers reject the audited accounts under some pretext or other without any justification and determine taxable income at an arbitrary and excessive figure.

Selection of files for audit is not a methodical or scientific process and as a result, assessing officers pick up the files at their choice leaving scope for corruption and harassment of targeted persons.

Bank accounts are very often attached without completing the due process and proving the assessee in default as stipulated in tax laws.

Similarly, very often files are reopened at the choice of the assessing officers without applying due process of selection. This should not be allowed to continue.

Any actions taken by the assessing officers must be supported by clear-cut evidence, strong justification and reasons.

The appointment of a judicial member in each bench of the tribunal has not been

considered. It is a longstanding demand of the taxpayers and consultants for more judicious and transparent practices.

Tribunal members are appointed mostly from the commissioner of taxes, raising the question of their independence. In such a situation, a fair judgment can hardly be expected.

Further, the tribunal being the highest authority and a quasi-judicial body in the tax department, the matters raised to them should be of legal nature than the fact finding ones.

But unfortunately, many decisions issued by tribunal are almost similar in nature and basically in line with decisions given by the tax authority.

In essence, to ensure its neutrality and fairness, the tribunal should include one independent person from outside the tax department and especially a judicial member having legal expertise.

The writer is a chartered accountant and partner



Mirza Abbas Uddin Ahmed, director of Dhaka Bank, opens the bank's 75th branch in Gulshan, Dhaka yesterday. Abdul Hai Sarker, chairman, was also present.



Hafiz Ahmed Mazumder, chairman of Pubali Bank, attends a programme to mark the launch of the bank's Sylhet city principal branch in Sylhet recently. Helal Ahmed Chowdhury, managing director, was also present.



Zainul Haque Sikder, chairman of National Bank, presides over the bank's 31st annual general meeting at Radisson Hotel in Dhaka yesterday. The bank announced 10 percent stock dividend for 2013. AKM Shafiqur Rahman, managing director, was also present.



Miah Muhammad Quayyum, honorary general secretary of the Institution of Engineers, Bangladesh, and Abul Kashem Md Shirin, deputy managing director of Dutch-Bangla Bank, attend the signing of a deal for e-payment of membership fees and other charges of the institution through DBBL Nexus Payment Gateway recently.

Brazil wins on hospitality, loses on traffic

AFP, Rio De Janeiro

Foreign World Cup tourists say they are impressed with the hospitality of their host country despite finding fault with services and transport, Brazilian newspaper O Globo reported Sunday.

Reporters from the daily compiled the results of straw polls taken in the tournament's 12 cities, which are welcoming some 600,000 visitors from abroad.

Chaotic traffic, poor public transport, outdated airport infrastructure and a lack of multilingual tourist information brought a multitude of moans. But foreign fans were unanimous in praising Brazilian friendliness and hospitality, O Globo said.

Tourists arriving in Rio de Janeiro -- host to seven games starting with Sunday's Argentina-Bosnia tussle -- complained of

escalators and elevators not working at the city's international airport.

In the northeastern city of Fortaleza, few restaurants provided menus in languages other than Portuguese, leaving waiters to gesture. The tactic is commonplace in Brazil, where many people do not speak English.

In another northeastern city, Recife, tourist feedback suggested the language skills of airport staff were likewise lacking - though O Globo said plenty of tourist information was on hand in maps and multilingual pamphlets.

However hotels and restaurants in the business center of Sao Paulo, a city of 20 million well used to hosting tourists, won praise.

Nonetheless some complained about poor phone coverage on occasion at the Corinthians Arena, which hosted Thursday's

Stocks end flat on selling spree

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Among the major sectors: power fell 1.1 percent followed by textile 1.9 percent and pharma 0.5 percent. However, financial stocks gained 0.7 percent.

BSRM Steels was the most traded stock with 28.84 lakh shares worth Tk 27 crore changing hands followed by Grameenphone, Lafarge Surma Cement and Square Pharma. AB Bank was the biggest gainer of the day, as it posted a 6.58 percent gain, while Sandhani Life Insurance finished as the worst loser, plunging 8.42 percent.

The Chittagong Stock Exchange also declined with its selective categories index, CSCX, falling 19.05 points to close at 8,290.69.

Losers took a strong lead over the gainers with 143 to 38, while 22 remained unchanged on

নির্বাচন কমিশন সচিবালয়
শেরে বাংলা নগর, ঢাকা
নং-১৭.০০.০০০০.০৩০.২৬.০১২.১১-১৯৯ তারিখঃ ১৬ জুন ২০১৪খ্রিঃ

পুরাতন গাড়ি বিক্রয়ের নিলাম বিজ্ঞপ্তি

নির্বাচন কমিশন সচিবালয়ের অকেজো ঘোষিত ১৪ (চৌদ্দ)টি গাড়ি (মোটরসাইকেল ০১টি, কার ০৩টি, মাইক্রোবাস ০৩টি, জীপ ০৭টি যা বর্তমানে নির্বাচন কমিশন সচিবালয় চত্বরে যে অবস্থায় আছে) নিলামে বিক্রয়ের লক্ষ্যে এতদ্বারা ইচ্ছুক ক্রেতাদের নিকট হতে দরপত্র আহবান করা যাচ্ছে। উল্লেখ্য, দরপত্র দাখিলের পূর্বে নির্বাচন কমিশন সচিবালয় চত্বরে রক্ষিত গাড়িগুলি প্রয়োজনে পরিদর্শন করতে পারবেন। দরপত্র সিডিউল ক্রয় করতে ইচ্ছুক ব্যক্তি বা প্রতিষ্ঠান আগামী ১৮/০৬/২০১৪ইং তারিখ সকাল ০৯:০০ ঘটিকা হতে ০১/০৭/২০১৪ইং তারিখ বিকাল ০৫:০০ ঘটিকা পর্যন্ত অত্র সচিবালয়ের সহকারী সচিব (সেবা-৩) এর দপ্তর হতে ক্রয় করতে পারবেন। আগামী ০১/০৭/২০১৪ইং তারিখ বিকাল ০৫:০০ ঘটিকা পর্যন্ত অফিস চলাকালীন সময়ে প্রতিটি গাড়ির অনুকূলে অফেরতযোগ্য নগদ ৫০০/- (পাঁচশ) টাকা মূল্যে দরপত্রের সিডিউল ক্রয় করা যাবে। দরপত্রের উদ্ধৃত দরের ১৫% টাকা জামানত/আর্নেস্টম্যানি হিসাবে যে কোন তফসিলি ব্যাংক হতে পে-অর্ডার/ব্যাংক ড্রাফট এর মাধ্যমে নিম্নস্বাক্ষরকারী বরাবরে অবশ্যই জমা দিতে হবে। আগামী ০২/০৭/২০১৪ইং তারিখ সকাল ০৯:০০ ঘটিকা হতে দুপুর ১২:০০ ঘটিকা পর্যন্ত উপ-সচিব (সাধারণ) মোহাম্মদের অফিস কক্ষের সম্মুখে (ব্লক নং-০৫, কক্ষ নং-১৬, ২য়তলা) রক্ষিত বাস্রে দরপত্রের কপি দাখিল করা যাবে এবং জুনি বেল ১২:৩০মিঃ দরপত্রসমূহ খোলা হবে। দরপত্রের সিডিউলে বিক্রয়যোগ্য গাড়ির বিস্তারিত তথ্যাদি থাকবে।

মোঃ শরিফুল ইসলাম
সহকারী সচিব (সেবা-৩)
ফোনঃ ৯১৮০৭৬২
জিডি-২৫৪৭



Abdul Latif Siddique, telecom and IT minister; Vivek Sood, chief executive of Grameenphone; and Shamim Ahsan, president of Bangladesh Association of Software and Information Services, attend the signing of a deal to promote "Internet for all" in Bangladesh as part of the Digital World convention at Bangabandhu International Conference Centre in Dhaka recently.



Participants pose during a safety training programme organised by Total Gaz at Kaliganj in Gazipur recently. Iffat Nowrin, marketing services officer of Totalgaz Bangladesh, conducted the training.