

India rejects Apple's plan to import used iPhones

REUTERS, Mumbai

India has rejected a plan by Apple Inc to import used iPhones, government officials said on Wednesday, a blow to the US tech giant that has been seeking to revive waning sales of its flagship smartphones.

Apple sells what it calls refurbished iPhones at a discount in some countries, including the United States. Extending this practice to India would have likely helped it increase its share in one of the world's fastest growing smartphone markets against competitors with much cheaper offerings.

But India, which is pushing a 'Make in India' initiative to boost the competitiveness of its manufacturing sector, rejected the proposal citing rules against importing used electronics.

"India does not encourage dumping or recycling of hazardous materi-

als," NN Kaul, a spokesman for the telecom ministry said.

Apple's proposal was opposed by domestic phone makers who claim selling refurbished iPhones - devices that have been returned by buyers or repaired to factory condition after damage - would breach India's anti-dumping rules. The Consumer Electronics and Appliances Manufacturers Association had written to India's telecom ministry to stall the move.

An Apple spokeswoman in Singapore did not immediately respond to an email seeking comment.

The news comes at a time when Apple posted its first-ever drop in iPhone sales amid weakness in China, its most important market after the United States.

In India, Apple only has about a 2 percent market share but its sales there surged 56 percent in the first three months, driven mainly by cheaper

older-generation devices such as the iPhone 5S while demand for the new iPhone SE disappointed.

"The 5S' success in India has more to do with affordability of a premium brand than a preference for smaller phones, and the move to the more expensive SE will discourage budget buyers," said Wilmer Ang, an analyst at research firm Canalys.

The newly launched iPhone SE retails at 39,000 rupees (\$585) in India - almost \$200 higher than its US price.

To successfully tap into India's smartphone boom - where sales are expected to grow 25 percent this year - Apple will need a better retail presence and cheaper versions of the iPhone given the average smartphone in the country sells for less than \$150, according to analysts.

Apple, which currently retails in India through local partners, is already seeking government approval to set up its first store in the country.

Tapash Mondol, managing director of International Beverages; Shadaab Ahmed Khan, managing director of Coca-Cola Bangladesh; and Gazi M Shamsuddin, chief operating officer of Abdul Monem's Beverage Unit, pose with Sprite at the launch of the drink's revamped version, at Pan Pacific Sonargaon hotel in Dhaka.



SPRITE

Quake-hit Nepal cuts growth outlook to lowest in 14yrs

REUTERS

Earthquake-stricken Nepal cut its economic growth forecast on Tuesday for the fiscal year that ends in mid-July to the lowest in 14 years, saying persistent fuel shortages after a blockade of its border with India have hampered economic activity.

The government's Central Bureau of Statistics (CBS) said the economy would grow by 0.77 percent in the year to July 15, the lowest since 2001/02, because of the border disruptions.

This compares with a forecast of around 2 percent growth made in December, after last year's earthquake that killed 9,000 people and destroyed about one million homes, roads and other infrastructure. In 2014/15, the economy grew by 2.32 percent.

Last September the landlocked nation's ethnic Madhesi community blocked imports of essential supplies such as fuel to protest against Nepal's first republican constitution, which they said had failed to meet their expectations for

a greater say in the running of the government.

The ethnic Madhesi community is dominant in Nepal's southern plains that border India.

Even though the border blockade ended in February, fuel supplies have not yet returned to normal.

"The low growth projection is because of the adverse impact of the blockade on all sectors of the economy like trade, transportation, tourism and industries," senior CBS official Ishwari Prasad Bhandari told Reuters.



Syeda Kamrun Ahmed, chief executive of Bagdoom.com, the re-branded Akhoni.com, and Aditya Mandloi, head of retail banking at Standard Chartered Bangladesh, pose at the signing of a memorandum at the bank's head office in Dhaka. The bank's credit and debit cardholders will get 8 percent discounts on purchases from Bagdoom.

Siemens posts convincing earnings

AFP, Berlin

German engineering giant Siemens pledged Wednesday to expand its renewables business, after posting a set of results that it deemed "convincing".

Revenues climbed 5.0 percent to almost 19 billion euros (\$22 billion) in the second quarter, while orders rose 7.0 percent to 22.3 billion euros, boosted by large contracts from Britain and Egypt for several power stations.

Siemens, which builds a wide variety of products that range from gas turbines to trains to medical equipment, said however that its profit for quarter ending March slumped by half to 1.44 billion euros.

But this was due to an exceptionally high base of comparison a year ago as results in the second quarter of 2014/2015 were artificially boosted by key divestments.

"We delivered another convincing

performance in the second quarter, compared to both the prior year and our industry sector," said the group's chief executive Joe Kaeser.

"Despite ongoing challenges in the market environment, we will continue to focus rigorously on profitable growth," he added, as the group looks to reap the fruits of several years of restructuring.

Yet the group is still undergoing changes as Siemens has signalled its ambition to bring about consolidation in the highly competitive renewables sector, in particular in the area of wind energy.

Rumours have been swirling that the group is looking to buy Spain's Gamesa to form the world's biggest wind turbine manufacturer, a plan that has never been officially confirmed by Siemens.

But the operation appears to have hit a key stumbling block over a joint venture between Gamesa and France's Areva, a direct competitor of Siemens.

Petrobras sells Argentina, Chile assets for \$1.38b

AFP, Rio De Janeiro

Brazil state oil giant Petrobras announced Tuesday it has concluded the sale of \$1.38 billion in assets in Argentina and Chile.

Petrobras sold a 67.2 percent stake in Petrobras Argentina (PESA) to Argentina's Pampa Energia SA for \$892 million, and all of Petrobras Chile Distribution Ltda to private equity firm Southern Cross Group for \$490 million.

The sale, which still requires final approval from executives and the board of directors, comes as the group reels from Brazil's biggest corruption scandal and \$100.4 billion in debt.

Remittance hit by low oil price

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A top executive at a major Saudi company told Reuters in January that he would not be surprised if one million foreigners had to leave the kingdom by the end of this year.

Displaced foreign workers could try to find jobs in other sectors. But it will be hard for many to do so in a slowing economy, and many lack training for skilled jobs.

If they cannot find a company to sponsor a work visa for them, they will have to leave the country within 90 days. Remittances sent by more than eight million migrant workers play a crucial role in the country's economy, helping reduce the overall incidence of poverty as well as maintaining a healthy balance of payments.

It has helped reduce the poverty level in Bangladesh by 1.5 percent, according to the WB. It also accounts for about 66 percent of the country's foreign currency reserves, providing Bangladesh with a strong and stable external position.

Stock regulator to upgrade merger rules

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But the rules cannot be complied with, as most of the companies' share prices rose abnormally in 1996 before the market crash. Another clause states that a public notice will have to be published before acquisition or takeover. But the publication of such notice impacts share prices, especially for publicly-traded companies.

So, the commission often gives the companies a waiver on these issues. Presently, companies -- both listed and non-listed -- follow the Companies Act of 1994 for merger and acquisition. The court is the prime authority to allow or reject any merger or acquisition proposal made by any company, according to the law.

The stockmarket regulator only allows the issuer companies to issue or transfer shares based on the court approval.

Graft a major barrier to getting tax services: study

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"Dissemination of information about tax payment or services by the NBR is relatively inadequate. More than half of the respondents have not seen any publication, booklet or brochure on such topics," said the survey.

Bidders emerge for Tata Steel's UK assets

REUTERS, London

Two groups signalled their interest in buying the British assets of Tata Steel on Tuesday, offering hope that thousands of jobs could be saved after weeks of uncertainty.

Sanjeev Gupta's metals group Liberty House and a management buyout team called Excalibur said they had submitted an initial expression of interest in buying the assets ahead of a 1600 GMT deadline.

The two groups had been racing to submit their interest after India's Tata Group announced plans in March to sell its entire UK steel operation, which had been hit by cheap Chinese imports, soaring costs and weak demand.

Keen to avoid the loss of 10,000 jobs, the government has offered hundreds of millions of pounds in support to potential buyers and said it could take a 25 percent stake in the firm.

Britain's Business Secretary Sajid Javid also postponed a major trade visit to Iran to focus on the future of the steel industry at home.

Liberty's Executive Chairman Gupta was the first businessman to express an interest in Tata's loss-making assets which include the Port Talbot steel plant in Wales, and on Tuesday the firm said it had submitted a bid.

"Liberty believes the UK steel industry can achieve long-term viability if based on an agile, sustainable, non-cyclical model," the company said a statement.

Liberty confirmed that Macquarie Capital and the State Bank of India had

been appointed as financial advisers for the deal.

Indian-born Gupta, who established Liberty House while a student at Cambridge in the early 1990s, has said Port Talbot and its jobs could be saved if the giant blast furnaces were replaced with facilities to process imported slab steel instead.

Excalibur Steel UK, led by Tata's UK strip products director Stuart Wilkie, also confirmed its interest, saying it had made huge progress in pulling together a plan that would enable the management and staff to take a stake in a strategic British industry.

"We believe we have a large number of the pieces in place required to make this a success, including a management team with vast experience of steel making and processing," he said in a statement. "We are confident we can turn the business around."

Last week, Prime Minister David Cameron visited Port Talbot and said any sale of Tata's British assets would have to cover the whole of the business.

Britain's government has also offered help in lowering the cost of energy for steel works and with workers' pensions to try to save the industry but says its efforts are not linked to the EU referendum on June 23.

Those campaigning to leave the bloc have seized on the crisis, accusing the EU of not doing enough to stop Chinese imports and have blamed the bloc's rules on state aid for preventing government intervention.

Enforce new VAT law leniently: ICAB

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Various local industries will face increased competition with imported goods as the supplementary duty will be applicable for 170 products, down from the existing 1,362, according to a NBR document.

The ICAB said there is a basic difference between present and new VAT laws. Taxpayers need adequate preparation and training for proper implementation of the new law. They will require at least six months to prepare, once the rules are notified under the new law, it said. The revenue authority is yet to issue the rules under the new law.

Kabir also suggested imposing regulatory duty on items so that domestic industries can compete with imports, following reduction of the supplementary duty under the new law.

"There will be cascading effects if the domestic industry is affected. It will also impact revenue collection."

The ICAB also recommended opening a separate tax office to ensure that owners of cars comply with the rules of tax return submission for vehicle registration and renewals. "The government will be able to collect more revenue. It will also ensure parity with tax return submission and car registration," said ICAB.

The Institute of Cost and Management Accountants of Bangladesh or ICMAB said the VAT rate should not be more than 10 percent.

Presently, the truncated VAT rates ranging from 3 percent to 9 percent are applicable to many goods and services, which will be increased to 15 percent and shall be burdensome for the taxpayers, according to ICMAB.

"Taxpayers will tend to misreport turnover, to avoid the tax burden," said ICMAB President Arif Khan, adding that a 10 percent VAT rate across the board shall ensure the desired revenue collection and encourage taxpayers to go for voluntary compliance.

The ICAB also suggested imposing a 5 percent higher tax for foreign banks that are operating here by opening branches. "This will encourage foreign banks to get incorporated in Bangladesh and be listed on the stock exchanges," said ICMAB. Khan also suggested increasing the tax-exempted limit on dividend income.

Hiring by US companies falls in April

AFP, Washington

US companies pulled back on hiring in April, payrolls group ADP said Wednesday, in a fresh sign of continued sluggishness in the economy.

Companies added 156,000 jobs last month, about 40,000 less than analysts had expected, and down from 194,000 in March.

While the ADP figures often do not match the US Labor Department's total job market assessment each month, the report could point to a likely downturn in the official data when it is reported on Friday.

"The job market appears to have stumbled in April. Job growth noticeably slowed, with some weakness across most sectors," said Mark Zandi, chief economist at Moody's Analytics, which works with ADP to produce the monthly survey.

"One month does not make a trend, but this bears close watching as the financial market turmoil earlier in the year may have done some damage to business hiring."

Stocks lie low on profit booking

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Of traded issues, 94 advanced, 198 declined and 26 closed unchanged on the premier bourse.

BSRM dominated the turnover chart with 25.62 lakh shares worth Tk 38.01 crore changing hands, followed by Linde Bangladesh, BSRM Steel, MJL Bangladesh and Beximco Pharma.

The ceramics sector took the highest hit by declining 4.76 percent in market capitalisation among the major sectors followed by fuel and power that fell 1.49 percent, textile 1 percent, non-bank financial institutions 0.92 percent, telecom 0.91 percent and cement 0.63 percent.

Conversely, engineering and life insurance sectors rose 1.15 percent and 0.59 percent respectively in market capitalisation.

Pragati Life Insurance was the day's best performer with 9.96 percent in gains, while Alltex Industries was the worst loser, shedding 9.43 percent. Chittagong stocks fell with the bourse's benchmark index, CSCX, declining 12.46 points or 0.15 percent to finish the day at 7,969.35 points.

Losers beat gainers as 139 declined and 69 advanced, while 27 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 1.11 crore shares and mutual fund units worth Tk 25.17 crore in turnover.



Gazi Yar Mohammed, head of retail banking at One Bank, and Sanjida Mishu, deputy manager for sales and marketing at Royal Tulip Sea Pearl Beach Resort & Spa, pose after signing a deal. The bank's employees and cardholders will enjoy 50 percent discounts on rack room rent during off peak season, 40 percent during peak season and 15 percent discounts on food and beverage at the resort in Cox's Bazar.

Muhith wants ADB to make high-growth plan for Bangladesh

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The minister stressed the need for cooperation in the development of sub regional economic cooperation, involving Bangladesh, Bhutan, Nepal and northeast India. "The corridor needs to be developed."

In the global context, Muhith said the next two years are expected to be quite good, but there are downside risks. These include a slowdown in the Chinese economy and falling energy and commodity prices.

Takehiko Nakao, the ADB president, in his inaugural speech, urged the member countries to take action on job creation, development of the private sector and combatting climate change.

The long-term outlook of the Asia-Pacific is strong despite a slowdown in some economies, Nakao said.