

# US warms to 'sharing' services like Uber, Airbnb

AFP, Washington

Americans are getting comfortable with new "sharing economy" services like Uber for ride-sharing and Airbnb for lodging, a survey showed Thursday.

Some 15 percent of Americans have used a ride-hailing service such as Uber or Lyft and 11 percent have booked a stay with an online service such as Airbnb or HomeAway, according to the Pew Research Center survey.

When adding those using other on-demand services such as grocery delivery or errand applications, the total percentage using any of the services jumped to 72 percent, Pew found.

The remaining 28 percent have not used any major sharing or on-demand platforms, and many are unfamiliar with these services, according to the poll of 4,787 Americans.

"The sharing economy has been the subject of much ongoing debate, but these services are impacting consumers to widely varying degrees," said Pew researcher Aaron Smith, author of the study.

"Some Americans have deeply

integrated these platforms into their day-to-day lives -- but a larger number exist on the fringes of the sharing and on-demand economy."

The survey focused on 11 "sharing" or on-demand services ranging from the popular ride-sharing service Uber to platforms such as Instacart for grocery delivery and TaskRabbit for errands and personal services.

The growth in these new services is concentrated in those under age 45, those with college degrees and those with incomes over \$100,000 annually, the researchers found. These groups have large numbers who use several of the on-demand platforms.

The median age of ride-hailing users was 33, and those in the 18- to 29-year-old age group were seven times as likely to use these services as those age 65 and older.

The survey, first in a series on the "new digital economy," comes amid increased debate on how new online services are disrupting traditional sectors such as the taxi and hotel industry, and how jobs are being transformed in a so-called "gig economy" of flexible work but without labor benefits.

- Positive views -

The researchers found a generally positive impression among the public

of these services: 86 percent of ride-hailing users said the services save time and stress, and 80 percent agreed that they offer good jobs for those who want flexible working hours.

Nearly 60 percent said services such as Uber were "software companies" that connect drivers with people who are looking for a ride while 30 percent said they were transportation companies with control over their drivers.

Only 11 percent said these services collect too much personal information about their users.

For home sharing, the median age of users was 42, and the more affluent respondents were more likely to use the services. A full 87 percent said this type of lodging was "a good option" for families and groups and 85 percent said it was a good way for home-owners to earn extra money.

In the survey, a majority of 52 to 30 percent said home-sharing services should not have to pay taxes on the cost of lodging.

Pew surveyed the respondents by Internet and mail from November 24 to December 21, 2015. The margin of error for the full group was 1.94 percentage points.

## British retail sales rebound

AFP, London

British retail sales jumped by 1.3 percent in April from a month earlier, official figures showed on Thursday, handing a boost to the economy following a string of weak data.

Sales by volume shot higher last month compared with a drop of 0.5 percent in March, the Office for National Statistics said in a statement. March's data was sharply revised higher after an initial estimate of minus 1.3 percent.

"Retail sales were appreciably better than expected in April, thereby providing some welcome relief from a recent stream of largely disappointing news on the UK economy," said Howard Archer, chief UK economist at research group IHS Global Insight.



Afzalur Rahman Sinha, chairman of Acme Laboratories, and Mizanur Rahman Sinha, managing director, attend the IPO lottery programme of the company, for allotment of shares, at the Institution of Engineers, Bangladesh in Dhaka on Sunday.

## ADB awards best performing project teams

STAR BUSINESS DESK

The Asian Development Bank has awarded three of its best performing project teams for the year 2015 in Bangladesh to promote efficient project implementation.

Oleg Tonkonojenkov, deputy country director of the ADB's Bangladesh Resident Mission, presented the awards to the winning teams at a ceremony in Dhaka on Wednesday.

The winning projects are Secondary Education Sector Investment Programme (SESIP) (tranches 1 and 2), executed by Directorate of Secondary and Higher Education; Second and Third Urban Governance and Infrastructure Improvement Projects, executed by the Local Government Engineering Department; and Power System Expansion and Efficiency Improvement Investment Programme (tranche 1), executed by the North West Power Generation Company, the ADB said in a statement.

The Second Crop Diversification Project, executed by the Department of Agricultural Extension; and City Region Development Project, and Sustainable Rural Infrastructure Improvement Project executed by the Local Government Engineering Department won special recognition for continued excellence in performance.

"The project/programme teams were selected for results delivery, effective project implementation, efficiency, efforts to empower women, transparency, and other criteria," Tonkonojenkov said.

The best project team recognition programme was initiated in 2001, and has been a regular annual exercise by ADB to promote development effectiveness of ADB-assisted projects in Bangladesh.

The SESIP programme, with the first and second tranches getting \$90 million and \$185 million ADB loans respectively, is supporting the government's reform of secondary education, it said.

Infrastructure, teaching materials,

teacher training, and stipend, among others, are being provided to promote education quality, equity and efficiency.

The second and third Urban Governance and Infrastructure Improvement Projects, which got \$87 million and \$125 million ADB loans respectively, have been helping selected municipalities to improve infrastructure, other services, governance and inclusive participation to make them more livable.

Both the projects adopted a performance-based fund allocation system linking efficiency to availability of project funds, the ADB added.

The Power System Expansion and Efficiency Improvement Investment Programme, which got \$185 million ADB loan for the first tranche, and \$700 million ADB loan for the entirety, is working to boost power production, and transmission and distribution facilities.

The initiative has added over 235MW power production capacities by converting four single cycle gas fired power plants to combine cycle plants at Khulna, Baghabari, Sylhet and Shahjibazar. It has also constructed 180km 132 kV transmission lines and four 133/32 kV substations, it said.

Overall, the programme will connect 4.5 lakh households to the power grid and reduce carbon emissions by almost 2.5 million tonnes per year when it is completed in 2018. Over 200 solar energy-driven irrigation pumps will be established, benefiting around 4,000 poor farming families, the ADB added.

As of 2015, ADB's cumulative lending to Bangladesh stood at \$17.2 billion for 259 loans, \$244.55 million for 411 technical assistance projects, and \$787.10 million for 35 grants.

As of May 10, 2016, ADB's projects under implementation for Bangladesh comprise 82 loans and grants amounting to \$6 billion; and 28 technical assistance projects amounting at \$29.4 million, the statement said.



SM Reefat Reza Hossain, operative director of Advanced Group; Md Faizul Alam, managing director, Savor International, and Md Nurul Aktar, chief executive of Energypac Electronics, pose at the inaugural of a three-day exhibition on safe materials, equipment and construction -- SAFECON 2016 -- that began at International Convention City Bashundhara yesterday.



Md Latif Khan, vice chairman of Summit Power, and Kanti Kumar Saha, chief executive of NDB Capital, pose with officials of other investor banks and institutions at the signing ceremony for issuance of preference shares of Tk 100 crore for two power projects of Summit Group at Sonargaon hotel in Dhaka. NDB Capital was the arranger and issue manager and Brac Bank the agent bank for the transaction.

## Analysts oppose universal 15pc VAT

FROM PAGE B1

Mahmud also suggested two rates of VAT between essential goods and luxury goods, as the impact of VAT will be higher on the poor than the rich.

He advised the government to take all necessary steps to create a favourable environment to boost private investment.

"Private investment has to increase," he said, citing that the private investment to GDP ratio has been declining in the last couple of years. He also raised questions on how the government selects and prioritises the large projects, or whether there is any evaluation on the possible economic benefits or environmental impacts of those projects.

Citing the government's bid to establish a coal power plant at Rampal, he said there have been discussions tied to the project, mainly on the environmental impact.

He asked whether there was any economic feasibility study done on the plant.

On the 15 percent VAT, Md Jashim Uddin, former senior vice president of the Federation of Bangladesh Chambers of Commerce and Industry, said businesses placed their proposals to amend the law to help micro- and small businesses flourish.

He warned that prices of various items such as rod and cooking oil would rise if the

universal VAT rate is imposed.

Before enforcement of the new law, it should be seen whether all are prepared, said Muhammad Abdul Mazid, former chairman of the National Board of Revenue.

Sultana Kamal, former adviser to the caretaker government, said the budget allocation is one-sided in many areas. She asked why so much is spent on defence, while allocations for health and education are poor in percentage of the GDP. She also demanded a stop to the misuse of public funds and curb corruption.

"Taxpayers feel discouraged when they see national wealth and money being wasted. The government needs to be more careful in this regard and ensure accountability in all areas," said ICAB President Kamrul Abedin.

He also suggested the government restrict employment of foreign nationals in sensitive positions, to prevent leakage of undisclosed country information.

AF Nesaruddin, a member of ICAB council, said there should be a check and balance on the discretionary power of taxmen. It is also necessary to curb corruption, he added.

Asif Ibrahim, former president of Dhaka Chamber of Commerce and Industry, questioned the rationale behind imposing VAT on the issue and renewal of licences, such as tradelices.

## In meeting with Apple's Cook, China regulator stresses security

REUTERS, Beijing

The head of China's industry and technology regulator stressed Chinese users' security in a meeting with Apple Inc's chief executive in Beijing, as the US tech titan stumbles in its biggest offshore market.

Apple's Tim Cook began a charm offensive earlier this week after his company hit a flurry of problems in China, from weakening smartphone sales to the loss of an iPhone trademark dispute and the suspension of some of its online entertainment services.

China's ruling Communist Party has also embarked on a campaign to promote domestic technology, which it sees as more secure, and reduce the country's reliance on foreign tech products, especially in critical industries such as finance.

"I hope Apple can expand its business in China, deepen its cooperation in research and development and industrial supply chains, and provide a convenient and secure user experience for Chinese consumers," said Miao Wei, the head of China's Ministry of Industry and Information Technology (MIIT).

## Young entrepreneurs demand low-cost loans

FROM PAGE B1

Presenting a keynote paper at the seminar, Towfiqul Islam Khan, research fellow of Centre for Policy Dialogue, said there is a need for more proactive involvement of the youth in national policymaking.

"It's important to establish a platform where the views of the future generation on issues of national importance are voiced and heard."

Referring to CPD's discussion with young professionals recently, he said participants felt that sectors like ICT, fashion and design in production processes, and e-commerce based activities where young people have an interest and advantage, should receive incentives and budgetary support.

## Trade with Canada crosses \$2b

FROM PAGE B1

However, Bangladesh needs to focus on saving the environment in the production of textiles and garments, he added.

Hossain Khaled, president of DCCI, urged Canadian entrepreneurs to invest more in Bangladesh in IT, skills development and aviation, as the North American country is resourceful in these sectors.

Rupali Chowdhury, president of the Foreign Investors' Chamber of Commerce and Industry, called upon the government to improve infrastructure in the country and diversify exports to reduce overdependence on apparel items.

## HSBC to shut half of its branches in Bangladesh

FROM PAGE B1

In an interview with The Daily Star earlier this month, Stuart Tait, head of global trade and receivable finance of the British bank, termed Bangladesh a growth market as the country, with a booming economy, offers huge business opportunities.

"Bangladesh is an important market for trade finance within the Asia Pacific and within the group," he said.

Once a sprawling bank across 87 countries, HSBC has exited swaths of businesses across the globe to improve profits and now has operations in 71 countries.

Its main regions now are Asia, the UK and

North America. In February, HSBC decided to stay based in London after considering a return to its original Hong Kong base.

In 2012, the banking giant sold its operations in Pakistan, comprising 10 branches.

In November last year, the Hindu newspaper and the BBC reported that HSBC would shut down its private banking unit in India, where the increasing number of wealthy individuals has led to intense competition for their business.

HSBC's pretax profits in the first three months of 2016 fell 14 percent year-on-year to \$6.1 billion.



Rayan Rahman from Doze Internet, and Firoze Mohammad, from Samsung Electronics Bangladesh, finalise a partnership between the two companies. Under the deal, buyers of Samsung Smart TV can avail free (without router) installation as well as 3 months' free subscription of 45 GB broadband internet/month @ 10 Mbps speed.



Oleg Tonkonojenkov, deputy country director of Asian Development Bank's Bangladesh Resident Mission, poses with representatives of its best performing project teams for the year 2015 in Bangladesh, to promote efficient project implementation, at a ceremony in Dhaka on Wednesday.

## Wal-Mart profit beats expectations

REUTERS

Wal-Mart Stores Inc on Thursday reported a higher-than-expected quarterly profit as sales in the US market rose, an improvement the retailer attributed in part to its increasing wages, and its shares jumped nearly 8 percent.

Excluding special items, earnings per share came to 98 cents in the first quarter ended on April 29, exceeding the analysts' average estimate of 88 cents, according to Thomson Reuters I/B/E/S.

Wal-Mart said sales at US stores open at least a year rose 1.0 percent, excluding fuel price fluctuations. That marked the seventh straight quarterly rise and was stronger than market expectations for an increase of 0.5 percent, according to research firm Consensus Metrix.

The company's performance bucked a string of weak results by competitors. On Wednesday, rival Target Corp gave a cautious outlook and reported a lower-than-expected rise in quarterly sales due to unseasonable weather and soft demand.

The relatively upbeat results suggest Wal-Mart may be benefiting from its \$2.7 billion investment to increase entry-level wages and in training of its workforce. It said customer

service scores were improving and that store visits rose 1.5 percent in the quarter.

"Overall a pretty strong quarter," Chief Financial Officer Brett Biggs said in an interview. "We are very pleased with the traffic increases, and I think that goes along with what we are seeing with customer experience scores that continue to improve."

Quarterly revenue rose 0.9 percent to \$115.9 billion despite a \$3.5 billion hit from a stronger dollar, which reduces the value of overseas sales.

Operating income dropped 7.1 percent to \$5.3 billion, reflecting the impact of boosting the company's minimum wage to \$10 an hour and investing in automated warehouses dedicated to filling online orders.

On the negative side, online sales growth again decelerated, to 7 percent in the first quarter from 8 percent, 10 percent, 16 percent and 17 percent in the previous periods.

Biggs said e-commerce sales grew faster in the US market than overseas, but the overall performance fell short of its objectives. Wal-Mart has recently suffered from sluggish online demand in China and Brazil.

Shares of Wal-Mart were trading at \$68.15 before the market opened, up from Wednesday's close of \$63.15.