

Running after jobs kills creativity

Yunus tells US youth

STAR BUSINESS DESK

Nobel laureate Prof Muhammad Yunus has urged American graduates to use their innate creative power to do more than just looking for jobs.

He was delivering his keynote speech to the students of University of California at San Diego at the all-university commencement (convocation) ceremony on Saturday.

Yunus said running after jobs can be referred as the tyranny of employment, which kills creativity and is based on an artificial economic system.

University of California San Diego conducted its first all-campus convocation ceremony in 16 years, Yunus Centre said in a statement.

More than 10,000 students received their certificates at the convocation.

"We are confident the University of California San Diego class of 2016 will

have a positive impact on our world," Chancellor Pradeep Khosla said at the ceremony.

"Our students and alumni are courageous and inventive. They push boundaries and challenge expectations, much like our convocation speaker for the all-campus convocation, Muhammad Yunus," Khosla said.

Yunus said: "There's a wide world waiting for you. The power that you have inside you is unlimited."

"Even if you want to make use of it just for yourself, you only use a fraction of it. So why not you take care of yourself, and at the same time take care of the world?"

Yunus said he believes young people are looking for something meaningful to do, but often cannot find it.

Yunus was also awarded Chancellor's Medal; he was the 11th person to receive the award from the university since it was established in 1960.

Walmart Canada to stop accepting Visa

BBC NEWS

Retailer Walmart Canada will no longer accept Visa cards after it failed to agree a deal with the credit card firm.

Fees applied to Visa card purchases "remain unacceptably high," the company said in a statement.

Customers will no longer be able to use the card in its Thunder Bay store from 18 July and the move will be phased in across the country.

Visa accused Walmart of putting its own financial interests ahead of its customers.

"Walmart made this business decision despite Visa offering one of the lowest rates available to any merchant in the country," a spokesperson said.

The supermarket chain said it paid more than \$100 million in credit card fees each year - but did not break that down for the specific companies.

All credit cards charge fees to retailers - generally between 1 percent and 2.5 percent of the sale cost. Visa and Mastercard usually charge variable fees according to the type of card used, while American Express generally charges a flat fee.

"To ensure we are taking care of our customers' best interests and delivering on our promise of saving customers money, we constantly work to reduce our operating costs, including credit card fees," Walmart Canada said.

However the company added that it remained "optimistic that we will reach an agreement with Visa".

Walmart has some 370 stores in Canada.

Last month the company as a whole reported a 7.8 percent fall in profit for the first three months of the year to \$3.08 billion.



State Minister for ICT Zunaid Ahmed Palak and Professor M Kaykobad of Bangladesh University of Engineering and Technology attend the launch of an e-learning platform of the government—www.eshikka.net—yesterday. Story on B1

Realtors frustrated by new budget

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"So, we needed some additional policy support. But the government has not given any incentive in the budget. Instead, our cost has gone up after the budget," said Alamin.

"If the government does not take necessary steps now, the housing sector will face huge trouble and the damage will be irreversible. It will ultimately affect the country's economy," he said, adding that a rebound in the housing sector can boost the economy.

In its budget proposals, the association had demanded a stimulus package, 10-year tax holiday for projects outside Dhaka, reintroduction of a single-digit refinancing scheme, cuts in registration tax, and discontinuation of VAT and tax at source at the retail level.

The REHAB had also recommended forming a fund to provide housing loans at a single digit interest rate, and cuts in registration fees and income tax.

"But we have not got any fruitful solution," said Alamin, also managing director of Shamsul Alamin Real Estate Ltd.

The REHAB suggested the government form a Tk 20,000-crore fund so low and middle income people can access funds at 7

to 9 percent interest rates.

Alamin said money that is going out of the country is mainly being invested in the real estate sector of the host countries such as Malaysia or Dubai. "This money should have been invested in our real estate sector," he said, adding that Tk 76,000 crore was siphoned off in 2013.

He said people investing in the housing sector face questions from the Anti-Corruption Commission about the source of the income.

"If investors face questions about the source of their income, they become discouraged. The investors are terrified if they get any letter from the ACC. It is a major barrier."

As a result, the opportunity of legalising untaxed money by investing in the real estate sector is not producing the desired result, said the REHAB chief.

The association had also demanded tax holiday for five years so that it can recover from the slowdown, but it was not considered in the budget.

Nurun Nabi Chowdhury, senior vice president of REHAB, Liakat Ali Bhuiyan, first vice president, and M Ahkam Ullah, second vice president, were also present.



Sheikh Harunur Rashid, administrator of Khulna Zila Parishad, inaugurates the 46th branch of South Bangla Agriculture and Commerce Bank Ltd at Batiaghata in Khulna yesterday. SM Amzad Hossain, chairman of the bank, was also present.

Pakistan grants 4G licence to Norway's Telenor for \$395m

AFP, Karachi

Pakistan has awarded a \$395 million 4G licence to Norwegian telecom giant Telenor, as it seeks to capitalise on a booming domestic mobile market some two years since broadband internet arrived in the country.

In 2014, Pakistan auctioned its first 4G broadband licence to China's Zong for \$210 million, along with 3G licenses to Zong, the UAE's Warid, and Pakistan's domestic Mobilink. The total raised in the auction was \$1.2 billion.

In the first quarter of 2015 smartphone shipments to the country soared by 123 percent, according to the Pakistan Telecommunication Authority's annual report, one of the fastest growth rates in the developing world.

Since then broadband use has exploded, with the number of users growing to around 29 million from a mere 1.9 million -- a higher percentage than India, Nepal and Bangladesh.

Pakistan's state-run Telecom Authority (PTA) had auctioned the license to local and international telecom companies, with Telenor winning the bid.

"The licence for 850 MHz band will be awarded on base price of \$395 Million in accordance with the schedule," an internal statement from PTA said.

"The licence will be awarded to Telenor within 30 days of payment," it added.

Telenor Pakistan is 100 percent owned by Norway's Telenor Group, one of the largest mobile operators in the world.

Falling interest rates erode tax receipts

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The measure may not help accelerate tax collection from deposits in banks because of the decline in interest rates, said the official.

In addition, the NBR also collects 5 percent tax on interest income from savings instruments for investment above Tk 5 lakh a year.

The tax on savings instruments is completely unacceptable in a country that has got no universal social welfare scheme or universal pension scheme, said Anis A Khan, managing director and chief executive of Mutual Trust Bank.

In any case, the investment in government savings is limited by law and mostly retired people invest their life-long savings in these government bonds for better living standards, he said.

"So, tax on these instruments will be a burden and result in a decline in their living standards," said Khan, adding that tax on interest earnings from bank deposits is also not acceptable.

The imposition of tax on interest earnings forces people who deposit money in others' names to avoid tax and hide wealth to pay tax, said Towfiqul Islam Khan, research fellow of Centre for Policy Dialogue.

"From that perspective, the measure seems okay as it helps bring untaxed money under the tax net."

However, it also needs to be recognised that many savers who do not necessarily fall under the tax bracket are penalised by such measures, he said, while suggesting the government introduce a threshold level to protect the small savers.

Car giants see road to riches in sharing

AFP, Paris

Auto giants are racing to invest in car and ride-sharing services, lured by the prospect of fat profits yet to be tapped from a billion cars on the world's roads.

A typical car spends 95 percent of its life at a standstill, industry analysts say, making it a vastly under-utilised, depreciating asset. There may be big money waiting, therefore, for the business that can get the car moving again.

That is incentive enough for manufacturers from Toyota to Volkswagen and General Motors to join an investment rush, apparently without fear of ushering in a future in which individual car ownership is no longer king.

Thinking of the car business as a service dramatically changes perceptions of its value, Morgan Stanley analyst Laura Lembke told a conference in Munich this past week.

New car sales worldwide run at about 80 million a year bringing in \$1.5 trillion (1.3 trillion euros), Lembke said.

But the total existing stock of cars is closer to one billion vehicles. If the average cost of a trip is \$1 a mile (0.56 euros per kilometre), she estimated the market value could be as much as \$10 trillion.

That estimate helps to explain the valuations placed on apps such as ride-hailing service Uber, valued at \$62.5

billion -- a third more than the world's number three auto manufacturer General Motors.

GM this year invested \$500 million in Lyft, one of the chief competitors to Uber in the United States. Last month, Toyota announced a strategic partnership with Uber, with an undisclosed investment. Volkswagen ploughed \$300 million euros into taxi app Gett on the same day.

"Alongside our pioneering role in the automotive business, we aim to become a world leading mobility provider by 2025," said Volkswagen chief executive Matthias Mueller.

Automakers see an opportunity but it is too early to accurately assess the potential value of such a young industry, said Jeremy Carlson, senior analyst of automotive technology at research group IHS.

Car manufacturers may sell into a fleet of vehicles for drivers to use in these new services, he said. Or they may decide to gain experience and launch competing services.

"Yes, this has the potential and the likelihood to impact the traditional automotive business model at least in some capacity," Carlson conceded.

"But we don't expect the kind of traditional ownership and sales model to disappear anytime soon. We expect it to be the majority until at least 2035 and for all of those years vehicle sales, the traditional model, remains the vast majority of our automotive sales."

Even if the future brings us self-driving vehicles combined with car-hailing apps to offer a service rivaling the convenience of private ownership, the market for car manufacturers could survive, the analyst said.

"When you have autonomous added to car sharing and ride sharing, those vehicles are running at a higher rate and are making many more trips. The idea is that you will replace those vehicles much faster," Carlson explained.

"There may be an impact on the total vehicle production and sales base, but it's certainly not nearly as drastic as we have seen in other reports."

Paulin Dementhon, founder of Drivy, a French app that lets car owners rent out their vehicles, said the new services were starting to live up to their promise.

Manufacturers, now concerned primarily with building and selling vehicles, would have to decide how to adapt to a market of car-related services, he said.

"Sales might suffer a bit but the car is also a consumable," Dementhon said. "There will be fewer people buying cars but after two years they will have done 200,000 kilometres," he said. Then they will need replacing.

Muhith stresses need for more foreign assistance

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"To establish Bangladesh as a middle-income country, we need to invest massively in infrastructure and socioeconomic sectors, including power, energy, bridges, rail and roads."

In fiscal 2016-17, the foreign assistance quotient was estimated to be Tk 44,463 crore.

Of the total amount, Tk 40,000 crore will come as project assistance in ADP and

Tk 316 crore as food assistance.

The amount of non-ADP project assistance was estimated at Tk 4,147 crore for the same period.

Replying to another query, he informed the house that the GDP growth rate this fiscal year is 7.05 percent, up from last year's 6.55 percent.

The per capita income in fiscal 2015-16 has been raised to \$1,466, up 11.4 percent year-on-year.



MA Mohit, a mountaineer, opens an outlet of Apex Footwear Ltd. The shoemaker opened two new outlets at Khilgaon and on Bangabandhu Avenue in Dhaka. Syed Gias Hussain, additional managing director of Apex, was also present.



Harun Ar Rashid, deputy managing director of Super Star Group, and Aftab Mahmud Khurshid, chief marketing officer, attend a ceremony to distribute prizes among the recognised retailers of the company.