Meher Afroze Chumki, state minister for women and children affairs, hands over a MasterCard Smart Card to a beneficiary of a vulnerable group development project, at the launch of the project's second phase at Kaliganj in Gazipur on August 31. The women and children affairs ministry is implementing the project with the assistance of UN WFP. Md Arfan Ali, president of Bank Asia, and Syed Mohammed Kamal, country manager of MasterCard, were also present.

BANK ASIA

Ireland to join Apple in fight against EU tax ruling

REUTERS

Ireland's cabinet agreed on Friday to join Apple in appealing against a multi-billion-euro back tax demand that the European Commission has imposed on the iPhone maker, despite misgivings among independents who back the fragile coalition.

The Commission's ruling this week that the U.S. tech giant must pay up to 13 billion euros ($14.5 billion) to Dublin has angered Washington, which accuses the EU of trying to grab tax revenue that should go to the U.S. government.

With transatlantic tensions rising, the White House said President Barack Obama would raise the issue of tax avoidance by some multinational corporations at a summit of the G20 leading economies in China this weekend.

Paradoxically, Ireland is determined not to accept the tax windfall, which would be equivalent to what it spent last year on funding its struggling health service.

Finance Minister Michael Noonan has insisted Dublin would fight any adverse ruling ever since the European Union began investigating Apple's Irish tax affairs in 2014, arguing that it had to protect a tax regime that has attracted large numbers of multinational employers.

On Wednesday, he failed to persuade a group of independent lawmakers, whose support is vital for the minority government, to agree to fight the ruling by European Competition Commissioner Margrethe Vestager that Apple's low tax arrangements in Ireland constitute illegal state aid. However, he won them over when the cabinet met again on Friday.

Noonan said the retroactive nature of the EU ruling was "little short of bizarre and outrageous". "How could any foreign direct investor come into Europe if they thought the valid arrangements they made under law could be overturned a generation later and they be liable to pay back money," he said at a news conference.

Public Expenditure Minister Paschal Donohoe said Dublin stood behind its corporate tax regime as a means of creating jobs. "This ruling has seismic and entirely negative consequences for job creation in the future," he said.

Apple, keen to defend its own interests, has already said it will lodge an appeal. For Fine Gael, the main Irish coalition party, a broader principle is at stake. It wants to take on Brussels to safeguard Ireland's decades-old low corporate tax policy that has drawn in multinationals such as Apple, creating one in 10 jobs in what was once an impoverished country.

The Independent Alliance, a group of five lawmakers, fell in line after the coalition agreed to conduct a review of what tax multinationals pay and what should they pay.

Transport Minister Shane Ross, an Alliance member, defended Apple up to a point. "I think they were acting legally. What they were doing was making use of extraordinary loopholes that existed there," he told reporters. "Multinationals provide absolutely vital jobs to the economy ... (but) multinationals should pay a fair rate of tax in Ireland."

A failure of the Alliance to come on board would have cast doubt on the government's survival prospects. Dublin has just over two months to lodge an appeal to the EU's General Court. If that fails, Dublin has said it plans to take the case to the European Court of Justice.

The issue goes to parliament on Wednesday next week, when lawmakers will be recalled from their summer break. The main opposition party, Fianna Fail, also favors challenging Brussels, so the government should easily win the Dail's backing to fight what is by far the largest anti-competition measure imposed on a company by the EU.

Some Irish voters are astounded that the government might turn down the money, and the left-wing Sinn Fein party has led attacks from the opposition.

Apple was found to be holding over $181 billion in accumulated profits offshore, more than any U.S. company, in a study published last year by two left-leaning nonprofit groups, a policy critics say is designed to avoid paying U.S taxes.

But Apple chief executive Tim Cook has said part of the company's 2014 tax bill would be paid next year when the company repatriates offshore profits to the United States.

The U.S. government is keen to ensure that it, and not Ireland, gets the revenue.

White House spokesman Josh Earnest said leaders of the G20 developed and emerging economies would tackle the wider issue when they meet in the Chinese city of Hangzhou on Sept. 4-5.

"The president will ... lead the discussion at the G20 about combating tax avoidance strategies that are implemented by some multinational corporations," Earnest said.

"We need to find a way to make the global system of taxation more fair - more fair to countries around the world, particularly countries like the United States."

A number of G20 governments are worried about how multinationals move profits around so they end up getting taxed in a country that has very low corporate rates.

Last year the Organisation for Economic Co Operation and Development unveiled new measures to tackle corporate tax avoidance. A number of countries have moved to implement some of them measures, but the United States has not.

It needs to change its own tax rules which, for example, allow companies to build up tax-free profits offshore. However, Congress has struggled for years to agree such reforms.

Indian telecom carriers face price target cut on Jio threat

REUTERS

India's established telecom players saw their share prices dip further on Friday, after analysts slashed price targets on some of them, and warned that the launch of new rival Reliance Industries' Jio venture is set to be much more disruptive than earlier imagined.

"Free voice is key to making Reliance Jio's integrated plans much more compelling cost-wise than those of peers," stated JPMorgan analyst Viju George in a note to clients.

Reliance Chairman Mukesh Ambani, India's richest man, took the wraps off the Jio network on Thursday touting free calls and rock-bottom data prices that sent shares of established players into a nosedive on fears of an all-out price war.

"RJio has disrupted industry pricing more than we imagined, with consequences for incumbents likely more difficult than we expected," said George, who trimmed his price target on Bharti Airtel to 290 rupees from 335 rupees, and that on Idea Cellular to 85 rupees from 100 rupees.

Idea shares were down nearly 3 percent in early trading, while India's largest wireless player Airtel slid less than a percent. Shares of Reliance Communications, the telecom venture run by Mukesh's younger brother Anil Ambani, also fell 1.7 percent.

"We have been concerned over Jio's launch for a couple of years, and the event is turning out to be as negative as we had feared," Credit Suisse analyst Sunil Tirumalai wrote in a note.

Tirumalai said he believed Jio's tariff structure, if it resonates with customers, could usher in the entry of bundled voice and data plans in the country.

China passes bill to slash customs duties on 201 IT products

REUTERS, *Shanghai*

China will gradually eliminate customs duties for 201 information technology products covered by a $1.3 trillion World Trade Organisation (WTO) deal under a bill passed on Saturday by its legislature, state news agency Xinhua reported.

The bill, approved by the Standing Committee of the National People's Congress, ratifies an amendment to a tariff concession schedule of China's WTO accession protocol.

The ratification is part of the first global tariff-cutting deal in 18 years. The WTO finalized the list of 201 IT products to be freed from import tariffs in July 2015.

SCHNEIDER ELECTRIC

Amod Ranade, general manager for data centre business in India and Saarc at Schneider Electric; Manish Gokhale, general manager for 3Phase UPS business in India and Saarc, and Indrajit Pal, senior manager for Schneider Electric IT Business – Bangladesh, attend the "Customer Meet 2016" of the company, at Hotel Amari Dhaka on Thursday.

BITOPI GROUP

Commerce Minister Tofail Ahmed opens a factory of Remi Holdings Ltd owned by Bitopi Group, at Adamjee EPZ in Narayanganj yesterday. US Ambassador to Bangladesh Marcia Bernicat, Bitopi Group Managing Director Miran Ali and Chairman Reza Ali were also present.

Myanmar workers sue Thai food titan for labour abuse

AFP, *Bangkok*

A group of Myanmar migrants filed a lawsuit Friday against a major Thai food exporter over allegations of forced labour on a chicken farm, as accusations of abuse dog the kingdom's multi-billion-dollar poultry industry.

Thailand's seafood sector has gained global notoriety for using trafficked labour and subjecting boat crews to slave-like conditions.

But the poultry industry, which exports around a third of its broiler meat to Europe, has largely evaded scrutiny.

Fourteen migrant workers are now demanding $1.3 million in compensation for being overworked and underpaid on a Thai chicken farm, said Migrant Worker Rights Network (MWRN), a group that helped them launch the case.

The labourers said they were forced to work gruelling 20 hour days that included sleeping in chicken rearing areas on the Lopburi farm that supplied meat to Betagro -- a Thai food conglomerate with clients around the globe.

Their suit, filed at a labour court in Saiburi province, demands compensation from Betagro, the supplier farm -- Thammakaset Farm 2 -- and Thai officials, said Andy Hall of MWRN.

In a statement Friday Betagro stressed it "complied with standard labour rules" and "treats workers of all races well and with equality".

"We have never ignored the issue, but since it was raised we took this as an opportunity to lift our labour management standards," the firm added.

The food giant cut ties with the supplier farm after the workers' allegations first surfaced in June.

But Hall said the company has since refused to provide adequate assistance to the workers. "We need to push this case to hold Betagro responsible for what's happening in their supply chain," he told AFP.

Thailand's seafood sector -- for years marred by gruesome stories of abuse -- is far "more aware" of the labour issues in its factories and fleets, he added.

"The chicken industry has managed to avoid this attention... many companies are still not paying the minimum wage and the workers are essentially powerless," Hall said.

The 14 workers also alleged unlawful salary deductions and said they were only permitted to leave the farm for two hours a week on a monitored market visit. The isolation of Thailand's chicken farms has helped shield the sector from scrutiny, according to rights groups.

Thailand has a long history of grubby exploitation of its millions of migrant workers.

Much of the workforce remains undocumented, despite recent government efforts to register all migrant labourers. That leaves many migrants vulnerable to abusive employers and traffickers.

Central banks nearing limits of ability to stimulate growth: OECD

REUTERS, *Hangzhou, China*

The world's central banks are "pretty close" to the limits of their ability to stimulate economies, Angel Gurria, head of the Organisation for Economic Co-operation and Development (OECD), said on Saturday.

In the absence of "breakthrough, collective" policies, global growth is likely to remain weak, Gurria said in an interview with Reuters ahead of a meeting of leaders of the world's 20 biggest economies, the G20, in the eastern Chinese city of Hangzhou.

"We have left our good central bankers to do all the heavy lifting," said Gurria. "It has to be like a relay. Continued accommodative monetary policy, and then you get to the second relay like in the four-by-100s and the baton passes.

"Now you need to get it to the finance ministers, to the economy ministers, to the trade ministers, to the technology ministers, the science ministers, the education ministers, the competition ministers. Now is the big time for structural change."

Echoing remarks by China's vice finance minister on Friday, Gurria emphasized that a combination of coordinated monetary, fiscal and structural adjustment policies are now necessary to revive growth worldwide, including in China.

Nonetheless, he was relatively upbeat on the outlook for China's growth, despite a rising debt burden and mixed progress on tackling low efficiency and overcapacity in key state-owned sectors.

Gurria said that China likely could continue growing at around 6.5 to 7 percent during its current five-year plan period (to 2020) without major distortions in the structure of the economy. In separate remarks to Reuters, Pascal Saint-Amans, the director of the OECD's Center for Tax Policy and Administration, addressed the thorny issue of multinational corporate tax liability, which the European Commission's recent decision against Apple Inc has brought back into sharp relief.

The European Commission said this week that Apple owed up to 13 billion euros ($14.50 billion) of back taxes to Ireland based on existing regulations, a decision that both Apple and Ireland, which relies on low taxes to attract investment, have vowed to fight.

Apple employs a hybrid tax structure in Ireland for its overseas profits, Saint-Amans said, which enables it to dramatically reduce its tax burden by avoiding full tax residency in either the U.S. or Ireland. Many other multinationals use similar strategies to reduce their global taxation.

"You end up having hundreds of billions of profits in the middle of the Atlantic," said Saint-Amans.

"This type of aggressive tax planning is outrageous and it's precisely because of this type of planning that we launched BEPS." BEPS refers to tax "base erosion and profit sharing," and the OECD has launched an aggressive initiative to crack down on it.

U.S. lawmakers have also raised concerns that the case represents an attempt by Europe to encroach on the potential U.S. tax base.

Nonetheless Saint-Amans, a leading force behind the OECD's push to rationalize international tax policy, said that he did not believe the case was likely to serve as a precedent for tax treatment of future multinational profits.

Those, he said, would likely be regulated under OECD's emerging framework for cracking down on corporate tax evasion, which both the European Union and the U.S. have been a party to.

REUTERS

***From left,* WTO Director-General Roberto Azevedo, IMF Managing Director Christine Legarde, World Bank President Jim Yong Kim, UNIDO Director General Li Yong, and Secretary-General of the OECD Jose Gurria attend a session during the B20 Summit ahead of G20 Summit, in Hangzhou, China yesterday.**