

EU countries set sight on Apple tax bonanza

AFP, Bratislava

Budget-squeezed EU countries will ask Brussels for a share of the billions in Irish back taxes ordered from Apple, officials said on Saturday, bringing further problems to the tech giant after the lacklustre launch of the iPhone 7.

The European Commission, the EU's powerful competition regulator, last month ordered Apple to reimburse a record 13 billion euros (\$15 billion) in unpaid taxes in Ireland.

As part of its historic decision, which angered Washington, the Commission said other EU countries could also claim a slice of the money pot, though doubts on the legality of the claims remain.

Heavily-indebted Spain, which is under threat of an EU fine for breaking spending rules, said it was urgent to know how much Apple may have denied Spanish taxpayers.

"We are making a huge effort to reduce our public deficit, it is essential that this revenue not get lost," Spanish Economy Minister Luis de Guindos said on the sidelines of two days of talks with his EU counterparts.

"If it's legally accurate, you can be

sure that as minister of finance I will take it," Austria's Hans Joerg Schelling said at the meeting in Bratislava, Slovakia.

"We Austrians are looking at it intensively," Schelling said, adding that other member states -- including Italy -- were also considering a payout demand.

In its landmark decision on August 31, the Commission argued that Dublin handed Apple favourable tax terms that amounted to state aid -- illegal under its rules.

EU Competition Commissioner Margrethe Vestager called Apple's operations in Ireland a "sham", designed to funnel revenue from across the globe to avoid paying tax.

"Of course we are examining it," said Germany's Wolfgang Schaeuble, the EU's most powerful finance minister after two days of talks with his bloc counterparts.

But Schaeuble, like many ministers, said much would depend on what the EU's still-sealed decision actually contained, adding that he would ask the Commission to clarify the issue at talks next month.

The European Commission said a tax deal with Ireland allowed Apple

paid an effective corporate tax rate of just 0.005 percent on its European profits in 2014 -- equivalent to just 50 euros for every million.

That low rate "brought home the enormity of the problem and the enormity of the challenge that it doesn't happen again," said OECD secretary-general Angel Gurría, who has led a global campaign to reform tax laws.

But Gurría, who attended the talks, said "you could not replicate this in Ireland or anywhere else because these types of constructions are no longer" after a wave of reforms championed by the Paris-based Organisation for Economic Cooperation and Development.

Gurría said that the Commission had clearly opened the door to sharing the tax pot to all countries, including the United States.

But any big pay day is still a long way off, with both Apple and Ireland committed to appealing the decision which launches an EU court battle that could take years.

The brewing court battle comes just days after Apple's unveiling of a new iPhone failed to ignite the usual investor enthusiasm.

New chief for Probashi Kallyan Bank



STAR BUSINESS DESK

Md Wahiduzzaman Khandaker has recently joined Probashi Kallyan Bank as managing director. He has previously served Bangladesh Development Bank Ltd as deputy managing director, Probashi Kallyan Bank said in a statement yesterday.

Khandaker has also worked with Rupali Bank and Investment Corporation of Bangladesh as general manager. He also served ICB Asset Management Company Ltd as chief executive and chairman. A postgraduate from Dhaka University's finance department, Khandaker started his banking career with ICB as senior officer in 1983.

Samsung urges Note 7 users to switch off phones and turn them in

REUTERS, Seoul

Samsung Electronics Co Ltd on Saturday urged users of its Galaxy Note 7 phones to turn in their handsets as soon as possible as part of a recall aimed at limiting the damage caused by the fire-prone devices.

The world's top smartphone maker said last week it would exchange all Note 7 phones in 10 markets including South Korea and the United States, a costly setback for a company that was counting on the 988,900 won (\$892.73) model to bolster sales momentum as rivals such as Apple Inc launch new devices.

Reports that the phones' batteries have combusted while charging or in normal use prompted the U.S. Consumer Product Safety Commission to stop using the Note 7 device.

Aviation authorities and airlines across the world have also issued bans or guidelines prohibiting passengers from turning on or charging the phone inside airplanes in response.

"We are asking users to power down their Galaxy Note 7s and exchange them as soon as possible," Koh Dong-jin, head of

Samsung's smartphone business, said in a statement.

"We are expediting replacement devices so that they can be provided through the exchange program as conveniently as possible and in compliance with related regulations," the statement added.

For Samsung, which prides itself on manufacturing prowess, the scale of the recall is unprecedented and deals a huge blow to its reputation.

Some 2.5 million of the premium devices have been sold worldwide that need to be recalled, the firm has said, and some analysts say the recall could cost Samsung nearly \$5 billion in lost revenue this year.

The Korean company is offering to exchange all affected Galaxy Note 7 phones with a replacement device using a safe battery. Samsung has said replacement Note 7s will be available in some markets including South Korea and the United States from Sept. 19.

Samsung said on Friday it plans to resume sales of new Galaxy Note 7 devices in Australia in early October, but it is not clear when new sales will resume in other markets.

Greece told to deliver reforms as bailout falters

AFP, Bratislava

Eurogroup head Jeroen Dijsselbloem warned Athens on Friday to swiftly deliver on overdue reforms as its massive bailout programme fell off track triggering fears of a new row with Greece.

Leftist-led Greece is struggling to deliver on fresh reforms that are needed to unlock a further 2.8 billion euros (\$3 billion) in bailout loans and more crucially, launch negotiations on debt relief later in the year.

"The pressure is back on. We really need some progress. The summer is over, pack up the camping gear, get back to work," Dijsselbloem, who leads the group of 19 finance ministers from the eurozone, told reporters in Bratislava. Athens has committed to deliver on the reforms by the end of the month. They include the long delayed launch of a massive privatisation fund and reforms in the highly sensitive energy sector.

The EU's Economic Affairs commissioner Pierre Moscovici said Athens must deliver on 15 reforms, with only two of those achieved so far. "It's not a secret ... that there is a lot to be done to complete these reforms," he said at the ministers discussed Greece's bailout.

"The Greek authorities must know that we are waiting for them, for the matter of trust and efficiency," he said.

Greece's creditors are mostly concerned with staffing picks proposed by Athens to run the privatisation fund, which are seen as too inexperienced or too politically linked to the ruling Syriza party, a European source told AFP.

The influential German Finance Minister, Wolfgang Schaeuble, said Greece still had a short period of time to get back in line on its 86 billion euro bailout programme, agreed amid much bitterness in July 2015.

"They have to do this until the end of September, so there is still time for Greece," Schaeuble said.

Left unaddressed at the talks was the part played by the IMF, which was key to Greece's three bailouts but is now holding off until the eurozone ministers commit to debt relief for Athens.

"The IMF is in a very constructive mode and I'm very happy about that", Dijsselbloem said, adding that the Washington-based fund would take a decision on its role by the end of the year.

Mujtaba Rahman of the Eurasia risk assessment group warned that the tensions risked boiling over early next year "when the government needs cash and its ECB obligations are once again around the corner."

Delays by Athens make it easier "for creditors to hide their differences and blame Greece. As such it pushes off the need for Germany and the IMF to come to a deal over debt relief," he added.

The eurozone ministers met in the Slovak capital as Greek Prime Minister Alexis Tsipras, an anti-austerity champion, hosted a mini-summit between the European Union's seven Mediterranean states in Athens. Schaeuble belittled the summit as a political meeting of "socialist party leaders", even though non-left leaders attended.



Zahir Uddin Tarik, chairman of Zeil's Shop Ltd, and MA Quader, executive director, open a new shop of the company on Pragati Sarani in Dhaka.

Mobile money transactions fall 24pc in July

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All transactions declined in July compared to June -- even bill payments, salary disbursement and sales of mobiles.

Salary disbursements declined 72.51 percent to Tk 120.24 crore in July compared to the previous month. The volume of bill payments was Tk 228.37 crore in July, which slid to Tk 174.54 crore in July.

However, the number of agents for mobile money transfer increased by 8,733 to 6.13 lakh and the number of registered accounts rose by 3.75 lakh to 3.66 crore in July, the central bank's report shows.

Mobile financial services were launched in 2009 and the central bank has so far awarded 29 licences. However, there are 24 approved licences and 18 are in service.

US-wary Venezuela opens up to tourist dollars

AFP, Caracas

A cash crisis has forced Venezuela's socialist government to ease its currency restrictions by letting tourists pay their hotel bills in dollars with bank cards.

Recent foreign visitors to Venezuela have got used to cramming into their pockets and backpacks unwieldy wads of bolivars, the local currency.

President Nicolas Maduro has accused the United States of waging "economic war" against his country. The Venezuelan government controls the supply of dollars, outlawing transactions in greenbacks and fixing an official exchange rate.

But it needs dollars to buy crucial imports -- and the economic crisis that erupted in 2014, causing food shortages, riots and looting, has left it dangerously short of greenbacks.

"It needs foreign currency and is

looking at all the ways it can maximize its dollar holdings," said Asdrubal Oliveros, director of the consultancy Econanalitica.

The luxury Eurobuilding hotel in Caracas in June became the first to start charging in dollars under the new scheme.

Meanwhile on the country's top tourist destination, the Caribbean island of Margarita, hotels are rushing to get the paperwork done.

"It was essential that they permit this kind of transaction so tourists can pay with their credit cards and so hotels can get the dollars for what they need to import," said the president of the Margarita hotels' association, Martin Espinosa.

The measure came into force six months ago but the complex banking procedures needed to get permission to charge in dollars take time.

The hotels may keep 40 percent of the dollars they receive to buy imported goods for running their business. The rest they must sell to

the central bank. Analysts are skeptical about how much good it will do.

Venezuela received about a million foreign visitors in 2014, before the worst of the crisis hit.

If each of those spent \$100 a day for a week, as the government estimates, that could bring in hundreds of millions of dollars a year -- a fraction of Venezuela's \$12.5 billion of overseas commercial debt.

Despite the attraction of the country's pristine beaches and mountains, the number of visitors is expected to decline as violence and instability mounts.

"Tourism is not one of the main generators of foreign currency" in Venezuela, said Oliveros. "It will not provide a long-term solution."

Foreigners visiting Venezuela used to live like kings, changing their dollars into bolivars at the black market exchange rate.

But high inflation has now all but wiped out that advantage, sending prices in shops and restaurants

soaring.

Tourists risk paying more if they use their bank cards to pay for services billed at official exchange rates.

"This is going to be a disadvantage to tourists. They benefited in a way from the difference between the official rate and the black market rate," said Oliveros.

"So a lot of people now might think twice before coming."

The government fixes a low exchange rate for the purchase of essential goods, but those are in short supply at official shops. Black market retailers sell them at big mark-up.

The International Monetary Fund forecasts that inflation in Venezuela will top 700 percent this year.

"The exchange rate controls have exploded. They are no longer sustainable," said Angel Garcia Banchs, director of the consultancy Econometrica.

"What we are seeing now is an experiment. It will not substantially change anything."

Boro rice output falls

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BBS estimates that boro acreage fell 1.38 percent to 47.73 lakh hectares in the boro season that ended in May.

Earlier, the United Nations' Food and Agriculture Organisation predicted that rice output would be lower than last year's for contraction in plantings in response to low domestic prices.

Boro was the second rice season in fiscal 2015-16 in which the acreage declined.

Earlier, aus acreage had dropped due to a shift to summer vegetables by a section of farmers on profitability grounds.

Production and area rose only during aman, the monsoon-based crop, according to BBS.

But boro acreage fell again as farmers switched to more profitable crops such as maize, wheat, potato, jute, lentils and summer vegetables as low prices of rice persisted. Farmers earlier said they incurred losses as prices of the staple were below their production costs.

With the falling boro production, total rice output in fiscal 2015-16 stood equal to last year's 347.1 lakh tonnes.

For fiscal 2016-17, the Department of Agricultural Extension has targeted to ensure production of 23.76 lakh tonnes of aus and 134 lakh tonnes of aman rice, said an official. Harvesting of paddy grown during aus season has been completed.

Production is likely to be less

than expected as acreage stood at 9.80 lakh hectares against the target of 10.80 lakh hectares for fiscal 2016-17, according to the DAE official. Many farmers have switched to jute because of the higher prices of the fibre, he said.

Jute acreage rose to 8.17 lakh hectares this year from 7.25 lakh hectares a year ago, according to DAE.

"But, we expect that the area of paddy cultivation during the aman (monsoon) season will exceed our target," the official said, citing that the DAE's target of aman transplantation on 52.61 lakh hectares has been achieved.

Transplantation is yet to be completed in Barisal, the southern region, where another one lakh

hectares of aman acreage is expected. This season, the aman acreage will be nearly 54 lakh hectares, he said.

In its July issue of Grain and Feed Update on Bangladesh, the US Department of Agriculture said the production of summer rice aus will be lower due to decreased acreage.

It said many aus farmers switched to jute, maize and vegetable cultivation due to higher returns.

The rule for mandatory use of bulk jute bags for five agricultural commodities is driving the demand for jute and farmers have responded by increasing jute cultivation, which they expect will be more profitable than aus rice, the USDA said.

Online cattle sales show signs of promise

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In 2009, the e-commerce site began selling cows online and sold 76 cows that year. This year, it has put up about 200 animals for sale and is hopeful of selling most of them by Eid, Rahman said, adding that most of Amardesh e-shop's customers are from Dhaka.

"Buying sacrificial animals online is still a new concept in Bangladesh. But I am sure it will be a boon in a few years," he said, adding that the e-shop will target cities beyond Dhaka next year. Rahman said the market is growing fast and amounted to Tk 10 crore last year, with sales expanding this time as well, he added.

Online platform Bikroy.com has posted 700 ads so far from around the country and delivered over 100 animals until last week, said Misha Ali, director of marketing for the company. "We continue to see the trend in

digitisation that has been taking Bangladesh by storm over the past few years."

"We have undertaken a new concept, the online marketplace, and made it truly Bangladeshi," Ali said, adding that the platform allows sellers to post ads and sell their animals. Bengal Meat and Amardesh e-shop prefer online payment or payment via banks. Amardesh is charging Tk 3,000 for home delivery.

Atiqur Rahman Khan, a businessman, said he decided to buy a goat at the last minute in 2015 and ordered it online. "The owner, who was from Savar, delivered it to my house in Mohammadpur the night before Eid."

Khan paid the seller on the spot and was happy with his purchase. Market insiders said the ongoing flood in parts of the country might create a problem for the overall cattle trade and also affect the online platform as well.