



Moniruzzaman Khandaker, chairman of Midland Bank, presides over the bank's fourth annual general meeting at the Westin Dhaka in the capital on June 29. The bank declared 11 percent stock dividend for 2016. Md Ahsan-uz Zaman, managing director, was also present.

## IMF to participate for last time in Greek bailout

AFP, Athens

The International Monetary Fund, a key creditor in Greece's bailout, will not participate in any further rescues of the debt-ravaged country, Germany's finance minister told a Greek newspaper Saturday.

"We have all acknowledged (eurozone and IMF) that the third Greek (bailout) payment will be the last with the participation of the IMF," Wolfgang Schaeuble told Greek daily Ta Nea.

The German finance chief has been inflexible on the issue of Greek debt relief, in opposition to the IMF which says it needs to be done to breathe new life into Greece's floundering economy.

Agreement was reached last month to pay the third tranche of Greece's 86-billion euro (\$97-billion) bailout, after being held up for months by a row over its need for debt relief which has pitted bailout-weary Germany against the IMF.

After participating in two previous international loans to save Greece from bankruptcy, the IMF is still set to take part in a third bailout.

But for the moment, it has held back its contribution over the issue of whether the eurozone will decide to ease Greek debt -- currently at 180 percent of gross domestic

product (GDP).

Since 2010, the international bailouts accompanied by tough austerity measures "have obtained some results but have not resolved the problem," said Schaeuble, who hopes a solution can be reached by the end of the current programme in 2018.

Under pressure especially from Berlin, Greece's 18 other euro partners have not yet broached the issue of debt relief, preferring to push that hot-button topic to next year.

But IMF chief Christine Lagarde has warned that Greece's debt is not sustainable and that the country requires significant debt relief from Europe.

In the interview, Schaeuble pointed to the European Stability Mechanism (ESM), a bailout fund for eurozone countries, as a way to respond to the future needs of countries sharing the single currency.

Meanwhile, in another Greek newspaper, ESM chief Klaus Regling appeared to share that view, saying there is "a discussion in Europe on reinforcing the monetary union."

Speaking to the Efimerida ton syntakton (Journal of Editors), Regling said the eurozone had to become "less vulnerable" and that he was certain that "the ESM will play a very important role" if a new financial crisis arises.

## As anti-G20 protests begin, Merkel says growth must be inclusive

REUTERS, Berlin

With an eye on anti-globalization protests brewing in Hamburg before this week's G20 summit, Chancellor Angela Merkel said on Sunday leaders will have to focus on sustainable and inclusive economic growth rather than their own prosperity.

In her weekly podcast, the German chancellor said this year's G20 summit will delve into issues championed by protesters such as distribution of wealth and consumption of resources - alongside related issues like climate change, free markets, consumer protection and upholding social standards.

Tens of thousands of demonstrators marched against the meeting in the rain in Hamburg on Sunday in a prelude to the July 7-8 gathering, where 21,000 police from across Germany will protect the meetings of the world's 20 largest economies.

"It's not only going to be about (economic) growth but rather sustainable growth," Merkel said. "We've got to have a 'win-win' situation for everyone. The issues obviously revolve around: how do we achieve inclusive or sustainable growth?"

Merkel, seeking a fourth term in a Sept. 24 election, outlined the issues as: "What are we doing with our resources? What are the rules for distribution of wealth? How many people are taking part? And how many countries are able to profit from that?"

Without mentioning the protests that have German security officials worried about possible acts of sabotage this week in the country's second-largest city, Merkel noted that these non-traditional issues were forced onto the G20 agenda.

"If we simply try to carry on as we have in the past, the worldwide developments will definitely not be sustainable and inclusive," she said. "We need the climate protection agreement, open markets and improved trade agreements in which consumer protection, social and environmental standards are upheld."

In a speech to parliament last week, Merkel promised to fight for free trade and press on with multilateral efforts to combat climate change at the summit, challenging the "America First" policies of U.S. President Donald Trump.

The G20 meeting follows a G7 summit in Sicily a month ago that exposed deep divi-

sions between other Western countries and Trump on climate change, trade and migration. Trump later announced he was pulling the United States out of a landmark agreement to combat climate change reached in 2015 in Paris.

German authorities are bracing for trouble in Hamburg, worried that the protests could turn violent as they did outside a G8 summit in Genoa, Italy in 2001 when one person was shot dead and hundreds injured.

The German Federal Crime Office warned that violent G20 opponents could carry out arson and sabotage at infrastructure targets such as the Hamburg harbor and airport, newspaper Welt am Sonntag said on Sunday.

"New and creative forms of attack have to be watched out for," the report said. It added Hamburg police are bracing for attempts by activists to disrupt electrical power in Hamburg.

Sunday's demonstration was organized by a group called "Protest Wave G20", with 50,000 to 100,000 protesters expected on an afternoon march through the city center. Other demonstrations this week are called "Welcome to Hell" and "G20 Not Welcome".

## Little India struggles with tax revolution

AFP, New Delhi

India has vowed that a new nationwide tax will transform the economy by bringing more businesses into the digital system and filling state coffers, but for shopkeeper Sanjay Kumar Rai, who has never used a computer, the transition is terrifying.

Rai is one of hundreds of thousands of small traders fearful of the goods and services tax (GST) launched Saturday that aims to create a single market in place of a labyrinthine system of more than a dozen national and state levies.

Under the new regime, businesses must register with the GST network and file invoices and tax returns online at least once a month.

Prime Minister Narendra Modi has compared the changes to getting used to a new pair of eye glasses. Ministers say there will be teething troubles but India's army of small business owners like Rai are in a digital panic.

At his shoebox-sized stationery store in central Delhi, Rai carefully notes down all sales in a traditional thick ledger book in Hindi. He has no laptop and says he would not know how to use one if it was placed in front of him.

"I'm uneducated," he told AFP. "I don't know English. I only know Hindi so how do I navigate this new system?" Till now he has made all tax returns on paper.

In theory, traders like Rai with



Cloth merchants and workers shout slogans during a protest against implementation of Goods and Services Tax (GST) on textiles in Chandigarh, India.

annual revenues of less than two million rupees (\$31,000) do not need to register on the GST network.

However, the bigger clients which buy paper and pens from him want suppliers to be in the GST system or they will go elsewhere. The government is pressing for proof of all sales, regardless of size, so that it can go after tax cheats.

Analysts say the GST has been

set up to force compliance in a country with a poor tax base and a reputation for avoidance.

"It's a very clever system design," Credit Suisse managing director Neelkanth Mishra told AFP.

"There will be an automatic compliance upstream because it's up to the companies to ensure that all their suppliers are GST compliant."

In Rai's case, an accountant

client came to his rescue and completed his online registration. But the shopkeeper is still not confident about filing monthly returns under the new system.

"They take out a new law and then we small people have to find a way to fit in it," he said.

He is not the only one worried about the massive changes rippling through India's economy.

Thousands of traders across the country closed their shutters on

the day before the launch to protest against the tax.

Vijay Prakash Jain, secretary general of the Bhartiya Udyog Vyapar Mandal, a national traders association, was among those supporting the strike.

"The rules and regulations are complicated and hard-hitting and we, especially small businesses, can never comply," he told AFP.

"Earlier we filed returns once a quarter but now we have to file three returns a month and that's 37 in a year," he said.

"Plus the government wants everything done online. Less than two percent of the country's 60 million traders may have computers. Where is a small trader going to get a computer from?"

Bhartiya Udyog Vyapar Mandal has asked the government to reduce the filings to once a quarter and to let businesses file manually. Ruling BJP party chief Amit Shah said this weekend that changes could be made to the tax law.

Ratings agency ICRA said the transition would reduce the competitiveness of the informal sector in favour of organised business.

"Nevertheless, higher compliance is expected to boost the tax base and the revenues of the central and state governments over the medium term," it said.

Moody's Investors Service also said in a report that GST would boost productivity, economic growth and government revenues.

## China opens bond market to foreign investors

AFP, Beijing

China will allow foreign investors direct access to its massive bond market from Monday, the Chinese central bank said.

A platform allowing one-way "northbound" investments from Hong Kong into the Chinese bond market will go into "experimental operation" on July 3, the People's Bank of China and the Hong Kong Monetary Authority said in a joint statement Sunday, which came as Hong Kong marked the 20th anniversary of its hand-over to China by Britain.

Access to the market will be restricted to "qualified investors" including central banks and sovereign wealth funds, but also commercial banks, insurers, brokerage firms and investment funds, according to the PBOC.

## Samsung to launch refurbished Note 7

REUTERS, Seoul

Samsung Electronics Co Ltd said on Sunday it will start selling a refurbished version of the recalled Galaxy Note 7 smartphone in South Korea on July 7, using batteries different from those that caused some handsets to catch fire last year.

Samsung said in a statement it will offer 400,000 phones, dubbed the Galaxy Note 7 Fan Edition, in its home country priced 699,600 won (\$611) - about 30 percent lower than the Note 7's original launch price. The devices will be made from recalled, unsealed Note 7 handsets and unused

Note 7 components.

Batteries for the refurbished devices will have a lower capacity than those of the original Note 7s, but have passed new safety measures implemented following the recall, Samsung said.

The world's biggest smartphone maker by volume was forced to halt sales of the Note 7 in October, roughly 2 months after its launch, due to fire-prone batteries from two different suppliers.

The incident cost Samsung over \$5 billion in operating profit and damaged its reputation, though the firm has since recovered with

the successful launch of the Galaxy S8.

The firm said earlier this year it planned to sell refurbished Note 7s after investigations by Samsung and independent firms concluded the batteries were solely responsible for the fires. Samsung also plans to hold a launch event for the Note 8 in the second half of August, a source told Reuters last month.

The firm said it will decide whether to sell the refurbished Note 7s in other markets at a later date. It has said it does not plan to offer the device in the United States or India.

## Printing money would trigger painful S Africa recession: central bank chief

REUTERS, Johannesburg

South Africa risks slipping into a long and painful economic recession if the central bank is forced to abandon its policy of reducing inflation and protecting the currency, Reserve Bank governor Lesetja Kganyago said on Sunday.

In an editorial article published in the Sunday Times newspaper, Kganyago said the recent recommendation by an anti-graft agency for the central bank to focus on growth misunderstood the dangers of persistently high consumer prices.

"The past half-century is littered with examples of painful recessions caused by the need to reduce runaway inflation created by authorities trying to create growth by printing money," Kganyago said.

Credit downgrades by two of the top three ratings agencies, based on the eco-

nomie and political turmoil, have dented business and consumer confidence in South Africa, which has just suffered two quarters of economic contraction.

Public Protector Busisiwe Mkhwebane set-off a political row this month when she called for an overhaul of the bank's mandate - to focus on growth rather than inflation and the currency - rattling investors and hitting the rand hard.

The bank has since filed a court challenge to quash the recommendation. On Friday, Finance Minister Malusi Gigaba echoed parliament's and the ruling party's denouncement of the recommendation, accusing the agency of overstepping the mark. The bank aims to keep price-growth below 6 percent, currently at 5.4 percent, and since early 2014 has lifted benchmark interest rates by 200 basis points in a bid to cool inflation and encourage long-term investment.