



Abdus Salam, chairman of NCC Bank, attends the bank's half yearly business conference-2017, in Dhaka on Saturday. Mosleh Uddin Ahmed, managing director, was also present.

## France says Europe should make US companies pay fair share of taxes

REUTERS, France

Time has come for the European Union to make multinationals, such as U.S. giants Amazon, Facebook and Google, pay their fair share of taxes, the French finance minister said on Sunday.

"I can tell you that the times we live in are not for the weak," Bruno Le Maire told a conference in the southern French city of Aix-en-Provence where many French and international executives gather every year.

"Since we have to deal with Mr Putin, Mr

Trump or Mr Erdogan, it's time for Europe to pull itself together and defend its own interests, to make Google, Amazon and Facebook pay the taxes they owe in Europe," he said.

U.S. companies such as Apple and Starbucks that were recently ordered by the European Commission to pay back taxes to EU countries have challenged their rulings.

Le Maire's comments come after the head of the European Commission, Jean-Claude Juncker, said the EU would respond if the United States imposed punitive tariffs on steel.

## India's biggest tax reform excludes tens of thousands of small firms: analysts

REUTERS, Mumbai

India's biggest ever tax reform excludes tens of thousands of small businesses and millions of workers, risking an increase in unemployment and social unrest, analysts say.

The goods and services tax, the biggest tax reform in the 70 years since independence, replaces more than a dozen federal and state levies. Officials say it will bring millions of businesses into the tax net, boosting government revenues.

But critics say the tax is too complex and the cost of compliance too high.

The new tax requires firms to upload their invoices to a portal that will match them with those of their suppliers or vendors. Companies that do not register for a tax number risk losing customers.

"Smaller, unregistered companies are being treated as untouchables," said Vinod Shetty, a rights lawyer in Mumbai.

"Not all companies can afford to register and invest in compliance. As a result, you will see small businesses shutting down and laying off workers."

India's informal sector employs an estimated nine out of 10 workers. It makes up about half the textile industry and 70 percent of footwear and jewellery manufacturers.

Any firm with an annual turnover of more than 2 million rupees (\$31,000) has to register for the goods and services tax, which will require an overhaul of the firm's accounting systems and an investment in technology.

For small companies operating on wafer-thin margins, this is an expensive proposition.

"The entire system only favours registered companies. Even firms not required to register will suffer, as other firms may not want to do business with them," Shetty said.

"It is really targeting a class of business owners who are not very wealthy and are likely religious minorities or of lower caste, who now stand to lose their livelihoods."

According to the government, the new tax makes doing business easier, and companies will gain substantial savings. Expanding the tax base will bolster public finances and boost welfare spending, officials say.

For businesses, the benefits outweigh any initial costs and hiccups, said an industry representative.

"Small businesses face an existential question: Comply and thrive, or not comply and die," said Anil Bhardwaj, secretary general of the Federation of Indian Micro and Small and Medium Enterprises lobbying group.

"Inevitably, a few firms will lose out." The informal sector employs about 400 million workers and generates more than half India's gross domestic product.

Those losing their jobs may have a hard time finding employment, as too few jobs are being created despite an expanding economy.

Only about 200,000 jobs were created in eight of India's most labour-intensive sectors in the last two years - a fifth of the jobs created in the previous two-year period, data showed.

Meanwhile, the government has diluted its goal of training 500 million people in new skills by 2022.

"Imagine that millions of workers laid off because of GST (goods and services tax) end up on the street with no jobs," Shetty said.

"It will lead to an increase in social unrest unless the government makes GST more inclusive."

## EU, Canada agree start of free trade deal

REUTERS, Brussels

The European Union and Canada said on Saturday they had agreed to start a free trade agreement on Sept. 21, paving the way for over 90 percent of the treaty to come into effect.

The Comprehensive Economic and Trade Agreement (CETA) has been championed by both sides as a landmark deal for open markets against a protectionist tide, but last-minute wrangles over cheese and pharmaceuticals were holding up its start.

"Meeting at the G20 in Hamburg, reaffirming our joint commitment to the rules-based international trading system, we agreed to set the date of 21 September 2017 to start the provisional application of the agreement," European Commission President Jean-Claude Juncker and Canadian Prime Minister Justin Trudeau said in a statement.

The agreement will allow all the necessary implementing measures to be taken before that date, they said.

"It is by opening up to each other, by working closely with those who share the

same values that we will shape and harness globalisation," the joint declaration said.

The agreement will enter definitively into force once all 28 EU member states and parliaments ratify it.

The European Union had not been satisfied that Canada would effectively open up its markets to 17,700 additional tonnes of EU cheese and provide guarantees for the patents of European pharmaceuticals.

A spokesman for Canadian trade minister Francois-Philippe Champagne said the allocation of the cheese tariff rate quota would be made before the September deadline.

"So what happens now is that both sides will complete their internal processes and closely consult one another on how the agreement will be implemented," the spokesman said.

This is about ensuring a smooth transition to a strong start for the Comprehensive Economic and Trade Agreement, the official said.

Both sides had been hoping for the provisional implementation of the agreement this month.

## German industry picks EU unity over post-Brexit trade

AFP, London

German industries will prioritise European unity over trade with Britain post-Brexit, business leaders told the Observer newspaper in interviews published Sunday.

British Brexit minister David Davis had claimed that German businesses, especially carmakers, would pressure the German government to keep trade open with one of its key export markets, but two of Germany's biggest industry groups cast down on his claims.

Dieter Kempf, president of the BDI federation of German industries, told the newspaper: "Defending the single market, a key European project, must be the priority for the European

Union.

"It is the responsibility of the British government to limit the damage on both sides of the Channel.

"Over the coming months, it will be extraordinarily difficult to avert negative effects on British businesses in particular," he added.

Ingo Kramer, president of the BDA confederation of German employers' associations, added that access to the single market "requires the acceptance of all four single market freedoms.

"The UK will remain a very important partner for us, but we need a fair deal for both sides respecting this principle," he said.

"The cohesion of the remaining 27 EU member states has highest priority."

Britain last month began negotiations with the EU to set the terms of its divorce and set a potential timetable for discussing a future free trade deal.

Prime Minister Theresa May wants to take Britain out of the EU's single market and customs area in order to limit the free movement of people and strike trade deals with other countries.

She received a boost on Saturday when President Donald Trump said the US would strike a "very powerful" trade deal with Britain "very quickly" after Brexit.

May is under severe pressure domestically after losing her parliamentary majority during a disastrous general election last month and is rumoured to be facing calls to go from junior ministers.



Anisuzzaman Chowdhury, chairman of the executive committee at United Commercial Bank, cuts a ribbon to launch the bank's service quality measurement campaign—You Have the Power—at its Agrabad branch in Chittagong yesterday. AE Abdul Muhaimen, acting managing director, was also present.

## UK's finance minister wants transitional Brexit deal to minimise business shock

REUTERS, Hamburg, Germany

Britain should negotiate a transitional Brexit deal that replicates its membership of EU structures as closely as possible, its finance minister said on Friday, acknowledging the country cannot stay in the single market or customs union.

Philip Hammond welcomed corporate input into the discussion on managing Brexit, a day after the CBI employers group said Britain should stay in the EU's single market as it works out new ties with the bloc after Brexit in 2019.

"I'm glad that the business community is exercising a voice in this discussion. I think that is helpful," he said, adding: "I do not believe it is either legally or politically possible to say in the customs union and in the single market."

Hammond, speaking on the sidelines of a G20 summit in Hamburg, said his preference was for Britain to negotiate a "transitional structure" that takes it out of the single market and customs union "but in the transition phase replicates as much as possible of the existing arrangements".

The aim would be to minimise the shock to business.

Britain could negotiate new trade agreements with countries outside the EU, but this would involve implementation periods over time. In the near term, London needed to work out a transitional deal with the EU.

"To people who are looking to us to protect jobs, economic growth,

living standards, they won't thank us if we deliver them an instant hit with only a longer term, slowly building benefit to compensate for it," Hammond said.

British employers have started to push harder for a Brexit deal that causes as little disruption as possible after voters failed to back

Prime Minister Theresa May's tough approach to divorce negotiations with the EU in an election last month.

The result, which cost May her majority in parliament, has reopened the debate about how Britain should leave the EU.

Hammond called for an agree-

ment with the EU that "keeps trade flowing in both directions across the UK-EU border but at the same time allows us as much leeway as we can get to open up new markets for UK goods and services".

In the long term, he said Britain wanted an agreement that is "very business friendly ... giving as full as possible reciprocal access to markets and as frictionless a border for our goods traffic as we possibly can achieve".

Asked if there was any chance of Britain not going through with Brexit, Hammond replied: "No, I think the British people have made up their minds."

The EU was on a long-term path to deeper political integration and the British people were not comfortable with that idea, he said, pointing to Britain's relationship with the United States as a possible model for future ties with the EU.

"We're not in a political union with them," he said of the United States. "Yet we have the closest possible partnership and collaboration and I hope in future we will have a similarly easy and comfortable relationship with our European Union neighbours."



Britain's Chancellor of the Exchequer, Philip Hammond, delivers a speech to the bankers and merchants at the Mansion House in London.

## Gold demand in India, China tapers off

REUTERS, Bengaluru/Mumbai

Gold demand in India lost its steam this week as consumers held off after advancing purchases ahead of a new tax policy effective this month, while fresh buys in China too remained sluggish despite a slide in global spot prices.

"Demand in the Indian market has fallen sharply due to tax factors. Demand from China too isn't as rosy as before. So people are cautious about investing their capital in gold at this point," said Brian Lan, managing director at gold dealer GoldSilver Central in Singapore.

However, lower prices have attracted buyers from centres including Singapore, Thailand, Vietnam, Indonesia, Malaysia, and Laos, Lan said, adding "generally, people in these countries prefer to save in gold rather than investing in the banking sector."

Spot gold was trading at around \$1,223 an ounce on Thursday and hovered close to a two-month low.

Dealers in India were charging a premium of up to \$2 an ounce this week over official domestic prices, compared to a premium of \$10 last week, the highest in 7-1/2 months. The domestic price includes a 10 percent import tax.

"Fearing price rise after the implementation of the Goods and Services Tax (GST), many consumers made purchases last week. Now retail demand is very weak," said Ashok Jain, proprietor of Mumbai-based wholesaler Chenaji Narsinghji.

As part of a new nationwide sales tax regime that kicked in on July 1, GST on gold has jumped to 3 percent from 1.2 percent previously, with traders and buyers saying the move will likely force more transactions on to the black market.

"Many banks were not importing gold this week. They first wanted to understand implications of GST, but from the next week they will resume imports," said a Mumbai-based dealer with a private bank.

The hike in taxes on gold sales could pressure short-term demand from the world's second largest consumer of the metal, the World Gold Council said on Thursday.