



SAMSUNG FAIR ELECTRONICS

HyunChil Hong, president and CEO for South West Asia at Samsung Electronics; Myungsook Song, vice president for marketing; Jiwon Mo and Hyoin Lee, directors, and Seungwon Youn, managing director of Samsung Electronics Bangladesh, pose for photographs during a visit to a factory of Samsung Fair Electronics in Narsingdi.

# Google escapes 1.1b euro tax bill in France

AFP, Paris

Google is not liable for 1.115 billion euros (\$1.272 billion) in unpaid taxes claimed by the French state, a French court ruled Wednesday, saying the internet giant's Irish subsidiary is not taxable in France.

"The French company Google Ireland Limited (GIL) is not taxable in France for the 2005 to 2010 period," the court ruled.

Google paid just 6.7 million euros in corporate taxes in 2015 in France by booking revenues for its online empire at its European subsidiary in low-tax Ireland, a legal loophole prized by multinationals.

The group employs 700 people in France but advertising contracts

for its search engine or video-sharing website YouTube are signed with its Irish subsidiary.

The French claim was the latest in a series against the California-based group, which faces mounting legal problems in the EU.

European action has become increasingly aggressive against US technology giants Amazon, Facebook and Apple as well as Google.

The EU hit Google with a record 2.4 billion euro fine on June 27 for abusing its dominant position in the search engine business and illegally favouring its own shopping service over rivals.

In 2016, European competition chief Margrethe Vestager shocked Washington and the world by ordering iPhone manufacturer

Apple to repay 13 billion euros in back taxes in Ireland after paying a near-zero rate of tax some years.

Newly elected French President Emmanuel Macron promised to get tough on US internet giants during his campaign, seeing their low tax rates as a source of resentment about globalisation and unfair on European companies. The government's public accounts ministry said later Wednesday that it was weighing an appeal.

"The administration has two months to appeal these rulings and is already working to this end," it said in a statement.

Economy Minister Bruno Le Maire had said Sunday: "It is time Europe got a grip and defended its interests, making Google, Amazon

and Facebook pay the taxes they owe European taxpayers."

The French claim was significantly higher than the amount Google agreed to pay Italian and British tax authorities over its tax arrangements with its Irish subsidiary.

In May, the group agreed to pay 306 million euros to Italian authorities. Last year, it struck a deal with Britain to pay £130 million (170 million euros) for a decade of business, which was criticised at the time by opposition MPs as being too low.

The French claim was a fraction of the company's annual profits: In April, Alphabet, Google's parent company, declared a 29 percent jump in profit to \$5.4 billion in the first quarter of 2017.

# Chinese exports, imports beat expectations in June

AFP, Beijing

Growth in Chinese exports and imports outstripped expectations in June, official data showed Thursday, but analysts warned the pick up could be temporary.

The world's second-largest economy is expected to lose momentum in the second half as Beijing clamps down on free-wheeling credit and property purchases that have been key drivers of growth for years.

"We still expect export growth to slow in the second half of 2017 on stronger RMB (yuan) so far this year and uncertainties in external demand," said Yang Zhao, chief China economist at Nomura.

"The cooling property market leads to slower domestic investment growth, which may weigh on import growth as well."

Exports rose 11.3 percent from a year ago to \$196.59 billion, the customs administration said, topping a Bloomberg News forecast of 8.9 percent.

Imports were up 17.2 percent year-on-year -- compared with an expected increase of 14.5 percent -- to \$153.83 billion, lifting the trade surplus to \$42.76 billion.

While China's exports were likely to

remain strong, "we are sceptical that the current pace of imports can be sustained for much longer given the increasing headwinds to China's economy from policy tightening," said Julian-Evans Pritchard, China economist at Capital Economics.

China has been trying to rein in risky bank lending and put restrictions on property purchases as the country's mounting debt fuels fears of a looming financial crisis that could blow out globally.

The surprising trade data comes ahead of US-China talks in Washington next week where they are expected to assess the results of a 100-day action plan aimed at improving trade ties between the economic rivals.

Tensions between the two countries have intensified in recent months amid disagreements over how to handle the growing North Korea threat.

China's trade surplus with the rest of the world has historically been a thorn in relations.

But US data released earlier this month showed America's deficit in goods with China, which the White House has targeted with accusations of unfair trade, fell 6.2 percent in May to \$30.1 billion.



AFP

A loaded container ship is seen at a port in Qingdao, eastern China's Shandong province, yesterday.



GLOBAL BRAND

Edward Kim, managing director of LG Electronics Bangladesh; Rafiqul Anwar, managing director of Global Brand Private Ltd, an IT product distributor and ICT solution provider, and Jashim Uddin Khondaker, director, attend the launch of some products of Global Brand, including interactive ultra HD picture display, ultra stretch signage, LG gram laptop and curved ultra wide monitor. The event took place at Radisson Blu Dhaka Water Garden on Tuesday.

# Tech firms protest proposed changes to US net neutrality rules

REUTERS, New York/Washington

Facebook Inc, Twitter Inc, Alphabet Inc and dozens of other major technology companies protested online on Wednesday against proposed changes to US net neutrality rules that prohibit broadband providers from giving or selling access to certain internet services over others.

In support of the "Internet-Wide Day of Action to Save Net Neutrality," more than 80,000 websites - from big social media platforms like Facebook to streaming services like Netflix and matchmaking website OkCupid - are displaying banners, alerts, ads and short videos to urge the public to oppose the overturn of the landmark 2015 net neutrality rules.

Net neutrality is a broad principle that prohibits broadband providers from giving or selling access to speedy internet, essentially a "fast lane," to certain internet services over others. The rule was implemented by the Obama administration in 2015.

Changes to the rule are being proposed by the head of the US Federal Communications Commission (FCC), Ajit Pai, appointed by President Donald Trump in January.

Pai wants the commission to repeal the rules that reclassified internet service providers as if they were utilities, saying the open internet rules adopted under former President Barack Obama harm jobs and investment. The FCC voted 2-1 in May to advance a Republican plan to reverse

the "net neutrality" order.

During a speech in April, Pai asked: "Do we want the government to control the internet? Or do we want to embrace the light-touch approach" in place since 1996 until it was revised in 2015. At a Capitol Hill press conference, Democrats and internet companies vowed to fight the changes and suggested internet companies could slow internet speeds. Senator Edward Markey said the internet "is under attack."

"We will not let this takeover happen," Markey said. "A free and open internet is our right and we will fight to defend it."

Major broadband providers, including AT&T Inc and Verizon Communications Inc, acknowledged the public support for net neutrality. They emphasized they are in favor of an "open internet" but made clear they oppose the 2015 net neutrality reclassification order that they say could lead to government rate regulation.

FCC spokesman Brian Hart declined to comment. FCC Commissioner Mignon Clyburn, the sole Democrat on a commission with two current vacancies, said in a statement on Wednesday she supports "those who believe that a free and open internet is a foundational principle of our democracy."

The public will have until mid-August to send comments to the FCC before the final vote.

More than 550,000 comments

have been filed in the last day with the FCC and more than 6.3 million filed to date and thousands of people called Capitol Hill offices to express concerns.

Facebook CEO Mark Zuckerberg wrote on the social media platform, "Right now, the FCC has rules in place to make sure the internet continues to be an open platform for everyone. At Facebook, we strongly support those rules."

Twitter expressed support for the existing rules, encouraging users to protest while promoting the hashtag #NetNeutrality.

"Net Neutrality is foundational to competitive, free enterprise, entrepreneurial market entry - and reaching global customers. You don't have to be a big shot to compete. Anyone with a great idea, a unique perspective to share, and a compelling vision can get in the game," Twitter said in a blog.

Online forum Reddit displayed a pop-up message that slowly loads the text, "The internet's less fun when your favorite sites load slowly, isn't it?" Netflix Inc displayed banners on top of the home page while Amazon.com Inc posted a short video explaining net neutrality, urging consumers to send comments to the FCC.

A pop-up banner on The American Civil Liberties Union's website read: "Trump's FCC wants to kill net neutrality. This would let the cable and phone companies slow down any site they don't like or that won't pay extra."

# S Korea raises 2017 GDP growth forecast to 2.8pc

AFP, Seoul

South Korea's central bank on Thursday tweaked upwards its growth forecast for Asia's fourth-largest economy this year, citing strong exports.

Bank of Korea Governor Lee Ju-yeol said the bank was forecasting a 2.8 percent rise in gross domestic growth (GDP), 0.2 percentage points higher than an earlier projection made in April.

It was the second increase in the projection in three months.

"Growth in domestic demand remains weak but exports have been expanding rapidly," Lee told journalists.

Lee said there were downside risks such as trade protectionism in major trading partners such as the United States and geopolitical uncertainties over North Korea's nuclear and missile threats.

"However, the domestic economy is expected to stay on a solid growth path," he said.

South Korea enjoyed a decades-long economic boom, but expansion has slowed more recently and economic and social frustrations were among the drivers of left-leaning new President Moon Jae-In's election in May. The central bank on Thursday also kept its key interest rate at an all-time low of 1.25 percent.

# IEA raises forecast for global oil demand this year

AFP, Paris

Global demand for oil will be slightly higher than expected this year, driven by increased consumption in India, the US and Germany, the International Energy Agency (IEA) predicted Thursday.

"Estimates of global oil product demand growth in 2017 have been revised up... to 1.4 million barrels per day, on surprisingly robust preliminary second quarter demand numbers," the IEA wrote in its latest monthly oil market report.

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After "lacklustre" oil demand growth in the first quarter, "there was a dramatic acceleration" in the second quarter, "due to a combination of expected increases in India, and some surprise additions in the US and Germany," it said.

In total, global oil demand was projected to reach 98 million barrels per day this year.

And it was set to increase at around the same pace again next year to 99.4 million barrels per day, the IEA said.

# German economic growth to accelerate

REUTERS, Berlin

The German economy will continue to enjoy solid growth in the second quarter, driven by soaring private consumption and higher construction activity while net foreign trade is unlikely to add to the expansion, the Economy Ministry said in Thursday.

Europe's biggest economy grew by 0.6 percent in the first quarter - faster than in the prior quarters - and analysts expect gross domestic product (GDP) to grow at least by the same rate in the April-June period.

"The German economy is continuing its accelerated upswing - in the second quarter too," the ministry said in its monthly report.

"German exports are currently benefiting from a revival of world trade. But they are likely to grow less sharply in adjusted terms than imports, which are also heading upwards," the ministry added.

Kyoko Yokosuka, country director for UNDP Bangladesh; Shamima Nargis, additional secretary at the Economic Relations Division, and Saurendra Nath Chakrabhatty, additional secretary at the Local Government Division, attend a deal signing ceremony at the Planning Commission in Dhaka for implementation of a project titled "Efficient and accountable local governance", to further strengthen the capacities of local government institutions.

UNDP

