MASTERCARD BANGLADESH

Syed Mohammad Kamal, country manager for Mastercard Bangladesh, launches a campaign, Roman Holiday with Mastercard, at a programme in Dhaka last week. Debit, credit or prepaid card users of Mastercard can win exciting gifts on everyday spends for overseas retail transactions.

US industry gears up to save Nafta

AFP, *Washington*

The business world is mobilizing to convince the Trump administration to save the North American Free Trade Agreement, which corporate leaders say has greatly benefited the world's largest economy for 23 years.

With televised ads proclaiming "Nafta works for America" and study after study enumerating the dangers of withdrawing from the treaty, the US Chamber of Commerce and like-minded trade proponents have taken their message to Capitol Hill. The effort has taken on added significance now that negotiators from Canada, the United States and Mexico working to overhaul the treaty are conducting their fifth round of talks in Mexico City.

"We -- along with several other business, agriculture, and industry groups -- made the case on the Hill in recent weeks. On October 24, the group talked about Nafta with all 100 Senate offices," a spokeswoman for the US Chamber of Commerce told AFP.

Their message: exiting Nafta would be a grave mistake that could, among many other painful outcomes, devastate American agriculture, including wheat producers, according to the chamber.

According to Monica De Bolle, senior fellow at the Peterson Institute for International Economics, an outright US withdrawal remains "a very, very clear possibility."

The last round of talks in October saw radical propositions from the US side, including a "sunset" clause -- which would require the three sides to renew the treaty in five years, failing which it would expire -- and a call to scrap the trade dispute arbitration mechanisms in Chapter 19 of the agreement.

Both proposals are anathema to investors, and were immediately rejected by Mexico and Canada. They were also a wakeup call to lawmakers and businesses who until then had not taken President Donald Trump's threats seriously, said Edward Alden of the Council on Foreign Relations. "To be fair, this president is hard to predict," he told AFP. "We've never had a president like him before, so it is hard to make a good judgment on what constitutes a laugh and what constitutes a serious threat."

Trump has denounced Nafta as a "disaster" and the worst agreement ever signed by the United States, blaming it for a $64 billion trade gap with Mexico and loss of countless jobs.

According to de Bolle, different trade bodies and organizations are working to convince the Trump administration "to move away from this very hard rhetoric that we saw in the fourth round."

As a result, she said, the top officials from the three countries are staying away from the latest round of talks to avoid more verbal escalation.

"It preserves the possibility to have a sixth round in 2018," said de Bolle.

Alden of the Council on Foreign Relations said the business world was now committed to the task, "and they have money and influence."

With US mid-term elections a year away, Trump needs to show results.

And one fear, according to de Bolle, is that he could make good on a campaign pledge to scrap Nafta altogether if high-stakes Republican efforts to overhaul the tax code fail in the Senate.

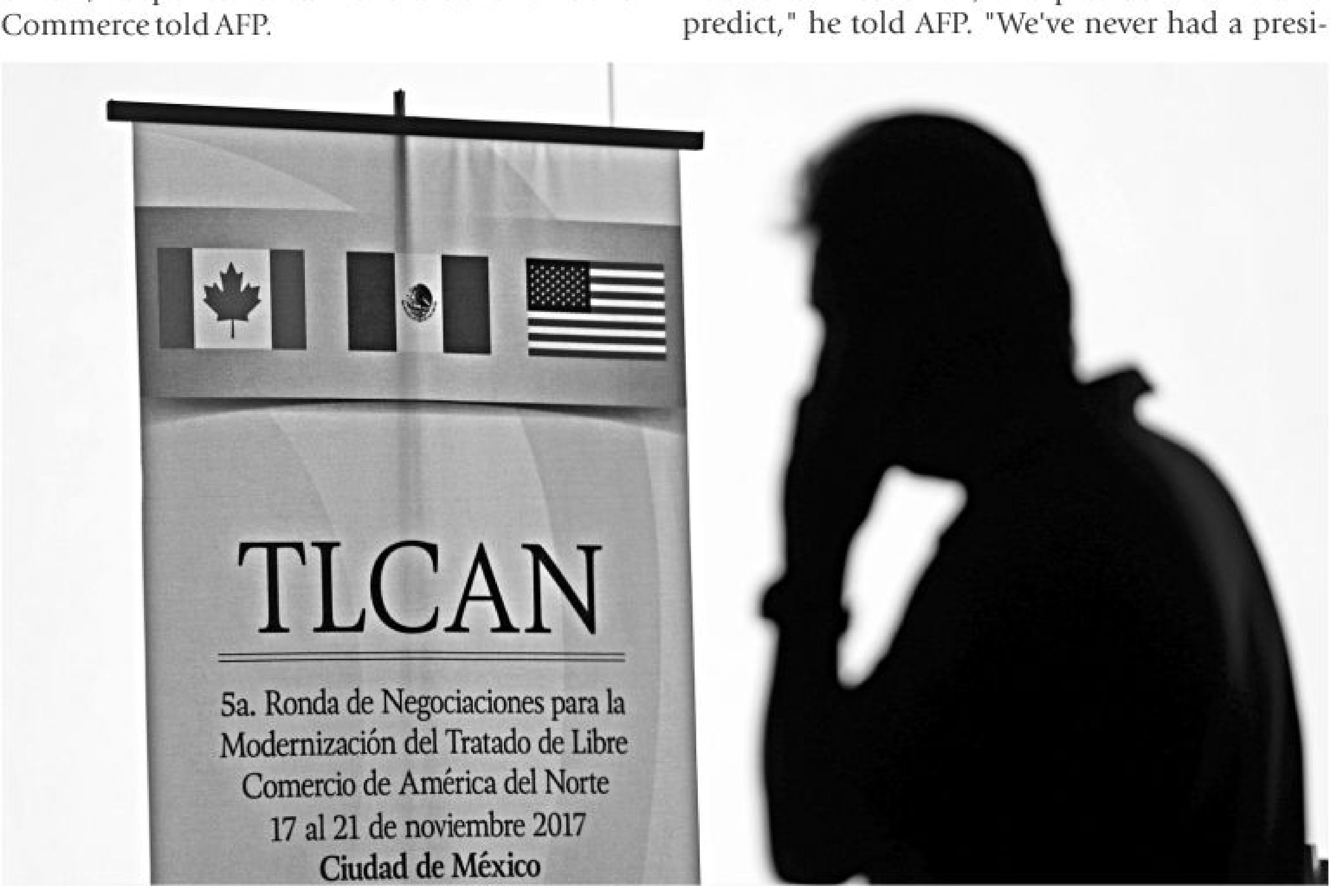
According to an opinion poll published this month, 56 percent of Americans believe Nafta has benefited the United States. Only among Republican voters do a majority believe the contrary. Beth Ann Bovino, chief US economist at S&P Global Ratings, said many people were unaware of how trade had grown since Nafta took effect in 1994. "It has tripled since Nafta was initiated," she told AFP.

She said the agreement had strengthened competitiveness among manufacturers by forcing businesses to innovate, "which has increased employment and investment opportunity in the end."

Exiting the treaty would drive up prices, slowing consumer spending -- a mainstay of the US economy -- and depressing corporate revenues as a result, Bovino added.

Citing an ImpactECON study, she said job losses for unskilled workers could rise as high as 250,000 positions in the three to five years following a withdrawal.

Adding skilled labor would see job losses rise by another million positions.



REUTERS

A Nafta banner is seen during the fifth round of Nafta talks involving the United States, Mexico and Canada, in Mexico City.

Europe turns on Facebook, Google for digital tax revamp

AFP, *Brussels*

They have revolutionised the way we live, but are US tech giants the new robber barons of the 21st century, banking billions in profit while short-changing the public by paying only a pittance in tax?

With public coffers still strained years after the worst of the debt crisis, EU leaders have agreed to tackle the question, spurred on by French President Emmanuel Macron who has slammed the likes of Google, Facebook and Apple as the "freeloaders of the modern world".

As recently as March, five of the world's top 10 valued companies were Silicon Valley behemoths: Apple, Google's Alphabet, Microsoft, Amazon and Facebook. (Germany's SAP was Europe's biggest and 56th on the global list).

But tax rules today are designed for yesterday's economy when US multinationals -- such as General Motors, IBM or McDonald's--entered countries loudly, with new factories, jobs and more taxes for the taking.

These firms had what tax specialists call "permanent establishment", when companies showed a clear physical presence measured and taxed through tangible, real world assets.

But today in most EU nations, the US tech titans exist almost exclusively in the virtual world, their services piped through apps to smart phones and tablets from designers and data servers oceans away.

Ghost-like, Silicon Valley has turned Europe's economies upside down, but often with just a skeleton staff and some office space in markets with millions of users or customers.

According to EU law, to operate across Europe, multinationals have almost total liberty to choose a home country of their choosing. Not surprisingly, they choose small, low tax nations such as Ireland, the Netherlands or Luxembourg.

Thus, it is through Ireland that Facebook draws its wealth from millions of accounts across Europe. There are 33 million accounts in France and 31 million in Germany, according to recent data.

While users enjoy the platform, Facebook tracks likes, comments and page views and sells the data to companies who then target consumers.

But unlike the economy of old, Facebook sells its data to French companies not from France but from a great, nation-less elsewhere, with no phone number, address or physical "presence" for a customer who probably cares little.

It is in states like Ireland, whose official tax rate of 12.5 percent is the lowest in Europe, that the giants have parked their EU headquarters and book profits from revenues made across the bloc.

IDLC

Aziz Al Mahmood, chairman of IDLC Finance Ltd, opens the non-bank financial institution's 36th branch at Chowmuhani in Noakhali on November 16. Arif Khan, CEO, was also present.

Embattled Toshiba to boost capital by $5.3b share issuance

AFP, *Tokyo*

Embattled Japanese conglomerate Toshiba said Sunday it plans to raise $5.3 billion by issuing new shares -- a move aimed at avoiding a humiliating delisting from the Tokyo bourse.

A board meeting on Sunday decided on the move, it said.

Toshiba will issue 2.28 billion new shares to raise a total of 600 billion yen ($5.3 billion), with financing expected to close on December 5.

Each share will be priced at 262.8 yen, a 10 percent discount from Friday's closing price.

The number of new shares is roughly half the number of currently listed shares.

"This of course poses a concern of dilution of the value of shares but... we believe this measure will enable us to clear obligations and focus on core business, which will ultimately contribute to the value of shares," a Toshiba spokeswoman said.

Toshiba is on the ropes after the disastrous acquisition of US nuclear energy firm Westinghouse, which racked up billions of dollars in losses before being placed in bankruptcy protection.

Driverless, electric future just round the corner for urban cars

AFP, *London*

A driverless, electric car is only a swipe away in the cities of the future, where pollution clampdowns and rapid advances in technology will transform the way we travel, despite lagging infrastructure.

As more and more countries announce a phasing-out of pure petrol and diesel cars, early versions of tomorrow's models are already on the streets: hybrid cars, fully electric motors and vehicles that can partially drive themselves.

Attitudes to vehicle ownership in cities are changing as smartphone apps make a ride available in minutes.

David Metz, of the Centre for Transport Studies at University College London, believes developed cities have reached "peak car", with ownership no longer associated with increasing prosperity.

Metz said city planning was changing to temper the vehicle access once thought vital.

"We now see high-density urban areas are more successful with less traffic," he said, citing London's car-free Leicester Square entertainment district and the Canary Wharf financial hub.

Cars could be phased out of city centres altogether, as urban planners ditch the 20th-century, car-focused grid-plan model for city streets.

Private cars, sitting idle for 23 hours a day, might be eclipsed by car-pool clubs, journey-sharing apps or one-trip rental cars as seen in cities around the world from Berlin to Istanbul to Vancouver.

Driverless technology also looks set to revolutionise urban road travel, according to industry figures.

Graeme Smith, chief executive of Oxbotica, a British company developing autonomous vehicle software, said new cities being planned in China envision all vehicles being electric, autonomous and publicly-owned.

"In those cities, your life would be fundamentally different," he told AFP.

"50 years into the future, maybe these things will be driving everywhere by themselves -- but there's a progression to go through."

Driverless technology faces the challenge, over time, of bringing down the cost of sensors while improving their performance -- and there is currently no standard operating methodology.

Some cars with levels two and three autonomy are already on the roads.

Britain's Transport Secretary Chris Grayling said he expected the first level four self-driving cars to reach the UK market by 2021, bringing the world closer to level five, or total autonomy.

Fully driverless cars could help ease gridlock by driving closer together in convoy and avoid traffic by exchanging real-time information.

The switch to electric vehicles (EVs), meanwhile, is already well under way.

Volvo will no longer sell solely diesel or petrol cars from 2019, while Volkswagen's Audi brand is gearing up to offer an electric version of every one of its models.

"We think it is really the final destination for the auto industry," said Eric Feunteun, Renault's electric vehicle programme director, told journalists in Utrecht in the Netherlands earlier this month at an event where the French car maker unveiled partnerships with renewable energy companies.

Britain and France intend to ban the sale of fully petrol or diesel cars from 2040, while smog-plagued India wants to sell only electric cars by 2030.

Besides legislation on a pan-European and a national level, cities themselves are taking action on pollution.

London is set to introduce an ultra-low emissions zone in the city centre in 2019, with charges for more polluting vehicles, and hopes to extend it to the inner London ring road by 2021.

Manufacturers said they feel up to the challenge.

"We'll supersede the sale of petrol/diesel cars way before 2040," said Jonny Berry, Renault's regional electric vehicles fleet sales manager.

Berry was speaking at a car show in Regent Street in the heart of London's shopping district, where electric models were the focus of attention.

"I think it's a very easy target for us to reach. More and more people are coming round to the idea."

While some countries like Norway have a high take-up of electric vehicles, in many world cities, the charging infrastructure is patchy.

Some commentators see a future of wireless charging base pads laid under city streets, underground car trains or drone car flights; others are more sceptical.

Expert motoring journalist Matt Robinson said a "woeful lack" of suitable charging points remained a big problem for electric car users.

China's home price growth picks up in October

REUTERS, *Beijing*

China's new home prices rose at a slightly faster pace in October after gains had held steady the previous month, as prices remained resilient in the face of falling sales and a tighter liquidity environment.

China's housing market has seen a near two-year boom, giving the economy a major boost but stirring fears of a property bubble, with the government taking strong measures to curtail purchases.

Authorities have been particularly focused on curbing speculative lending in the housing market and have continued a broad effort to defuse financial risks from a rapid build-up in debt in the economy.

Average new home prices rose 0.3 percent month-on-month in October, compared with a 0.2 percent gain in September, according to Reuters calculations from National Bureau of Statistics (NBS) data out on Saturday.

The number of cities surveyed that recorded monthly increases in prices increased in October, indicating broadening strength in markets nationwide.

New home prices rose 5.4 percent year-on-year in October, down from September's 6.3 percent increase as rapid increases subside in the face of government efforts to engineer a soft landing in the housing market.

Data on Monday showed household loans, mostly for property purchases, fell to 450.1 billion yuan in October from 734.9 billion yuan in September.

While monthly price rises peaked in September 2016 at 2.1 percent nationwide, they have softened only slowly, regaining momentum as buyers shrugged off each new measures to curb speculation.

Prices for new private homes in top-tier cities fell 0.1 percent in October, narrowing from a 0.2 percent decline in September, the NBS said in a note accompanying the data.

In the southern boomtown of Shenzhen, which borders Hong Kong, prices fell 0.1 percent after being flat in September. They fell 3.3 percent from a year earlier.

Property values rose 0.2 percent on-month in Shanghai after remaining unchanged in September.

IDCOL

Tawfiq-e-Elahi Chowdhury, prime minister's energy affairs adviser, speaks at the opening ceremony of a three-day workshop and exhibition organised by Infrastructure Development Company Ltd at the Sonargaon hotel in the capital yesterday to promote renewable energy.