

EU takes Panama, seven others off tax haven list

AFP, Brussels

The EU removed eight countries including Panama from its new tax haven blacklist on Tuesday after they pledged to address its concerns, in a move swiftly condemned by activists.

The United Arab Emirates, Tunisia, Mongolia, Macau, Grenada and Barbados were also lifted from the list by finance ministers, in a move that comes just weeks after the bloc unveiled its original list of 17 non-EU nations.

The decision drew criticism from campaigners including Oxfam who say the EU's commitment to tackle tax avoidance after the "Panama Papers" leak last year has now been watered down.

"Eight jurisdictions have been removed from the EU's list of non-cooperative jurisdictions for tax purposes, following commitments made at a high political level to remedy EU concerns," an EU statement said.

French finance minister Bruno Le Maire tweeted that "European pressure has brought its first results!"

The eight countries will now be on a "grey list" of countries that have made unspecified commitments to the EU on reforming their tax laws.

The blacklist now covers just nine jurisdictions: American Samoa, Bahrain, Guam, Marshall Islands, Namibia, Palau, Saint Lucia, Samoa and Trinidad and Tobago.

Ministers agreed that "delisting was justified in the light of an expert assessment of the commitments made by these jurisdictions to address deficiencies identified by the EU," the statement said.

"In each case, the commitments were backed by letters signed at a high political level."

The lists came a year on from the leak of the "Panama Papers" -- a massive amount of data from a prominent Panamanian law firm showing how the world's wealthy stash assets.

The EU originally screened a total of 92 countries to draw up the list, which is expected to be continuously updated. Oxfam said Tuesday's decision undercut EU efforts to get tough on tax.

"The EU is rushing to take countries off the blacklist without it being clear what they have actually committed to improve; this is further undermining the process," said Aurore Chardonnet, Oxfam's EU Policy Advisor on tax and inequality.

Chardonnet said it was "no secret that tax havens remain at the heart of the EU, with four European countries actually failing the EU's own blacklisting criteria."

"EU governments should tackle tax havens within the EU with the same urgency they are pressuring other countries to adopt tax reforms that were decided by an exclusive club of rich countries," she added.

EU Economic Affairs Commissioner Pierre Moscovici last week accused several European countries including Ireland, the Netherlands, Luxembourg, Malta and Cyprus of being tax policy "black holes" and promised to pressure them to change their ways.

Moscovici has also urged ministers to make public any commitments made by countries to get off the list.

French MEP Eva Joly of the Greens party, a major advocate of fair tax policy, echoed his call and condemned the decision to withdraw the eight countries from the blacklist.

"Today's decision further weakens the credibility of this list," she said.



Ali Reza Iftekhar, CEO of Eastern Bank; Muhammad Ziaul Islam Chowdhury, chairman of Vroom Services; Habibur Rahman, managing director, and Subhrajit Basu, director of Diners Club International for South Asia, Singapore, Philippines and Malaysia, attend the launch of co-branded Diners Club International Auto Credit Card and Diners Club International Fuel Card at a programme in Dhaka recently.

EBL, Vroom launch cards with Diners Club

STAR BUSINESS DESK

Eastern Bank and Vroom Services recently introduced Diners Club International Auto Credit Card and Diners Club International Fuel Card for drivers and vehicle owners at a ceremony in Dhaka.

Those availing either of the cards will get countrywide access to vehicle workshops, service centres and fuel stations partnering with Vroom. Zero equal monthly instalment facility will be provided at the workshops.

Bearers of the credit card will have access to over 800 airport lounges and over 27 million merchant locations in 185 countries and territories where Diners Club International is accepted. The co-branded credit card is only for Vroom Service members.

The fuel card can be used to buy fuel at partner refuelling stations across the country, says a statement.

Ali Reza Iftekhar, the bank's CEO; Muhammad Ziaul Islam Chowdhury, Vroom chairman; Habibur Rahman, managing director, and Subhrajit Basu, director of Diners Club International for South Asia, Singapore, Philippines and Malaysia, launched the cards.

New chairman for AB Bank

STAR BUSINESS DESK

MA Awal has recently been elected as the chairman of AB Bank, the bank said in a press release yesterday.

The election took place at a meeting of the board of directors of the bank.

The bank also elected Feroz Ahmed as its vice chairman.

Awal joined the bank as a director in 2008. He has over 40 years of experience in senior positions in different banks. He is also a director of AB International Finance Ltd, Hong Kong.

Ahmed is the chairman of Elite Paint Group and managing director of Elite International Ltd, according to the press release.



Memoirs of a fervent patriot

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Economist Wahiduddin Mahmud said Islam's patriotism was such that as soon as he heard of Bangladesh's independence, he dropped everything in the US and took off for his motherland.

Rehman Sobhan, chairman of the Centre for Policy Dialogue, said Islam could have been the Amartya Sen of Bangladesh had he become a professor of economics at Harvard University and conducted research work there.

But he was always fought in this tension between the desire to be a person who could influence in formulating policy and the person who wants to be a successful professional economist.

"He did not resolve this tension in his life," Sobhan said.

Manwarul Islam, one of Islam's students, echoed the same. He left a lucrative job with the World Bank to work for the country and bring its people out of poverty and hunger.

"This book should be seen as a lantern for the present and the future, not just as an autobiography only. Let it be our guide and our inspiration," he added.

In the book, Islam shared many hitherto unknown episodes and incidences bearing upon his long and chequered life.

Islam's mind was like a computer, Sobhan said. His ability to point out flaws in both theoretical reasoning and empirical works was exceptional, according to Sobhan.

Islam currently resides in Washington DC but he still thinks of Bangladesh.

"But the fire that burns in Washington and the fire that burns in Dhaka do not generate the same heat," Sobhan said.

At the launch yesterday, Islam, who is now in his 90s, could not attend but he sent out a written speech that was read out by Sobhan, who chaired the event.

"It will be a great reward to me if I

have succeeded in conveying a picture to the younger generation of the social, political and economic conditions of our time. After all, one analyses the present in light of the past for purposes of the future," Islam said in his written speech.

Prominent lawyer Kamal Hossain said Bangabandhu Sheikh Mujibur Rahman looked for Islam just after coming out of Pakistan jail in January 1972.

There would be very few instances in which economists took part in the creation of a nation. Islam was one of the economists who started writing on the disparities between the East and West Pakistan, Hossain added.

"He is a legendary figure. He is an unparalleled figure as researcher, policy planner and development thinker," said AB Mirza Azizul Islam, a former finance adviser to a caretaker government.

Carrefour revamps operations with job cuts, China deal

AFP, Paris

France's Carrefour group said Tuesday it is overhauling its business in a transformation plan involving thousands of job cuts, a product revamp and new partnerships in China.

Carrefour, which was the world's second-biggest retailer at the start of the century after US giant Wal-Mart, has since slipped to ninth position, according to the Deloitte consultancy, having been overtaken by the likes of Amazon and Costco.

"Carrefour has not sufficiently developed with its customers," CEO Alexandre Bompard told a news conference.

Some 2,400 jobs will be cut in Carrefour's French operations via voluntary redundancies, the group announced.

Many of the cuts will be made at Carrefour's 12 French headquarters, which total 10,500 employees and are, according to Bompard, staffed "out of proportion" compared to its competitors.

VAT online project's tenure extended to December 2020

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The original project proposal said Tk 101 crore was to come from government funds while Tk 450 crore from the World Bank. The revision increased the government fund contribution to Tk 240 crore.

Yesterday 14 new and revised projects involving Tk 6,228 crore were approved at the Ecne meeting.

One is on renovating polders at Ukhia and Teknaf along the Naf river on the Bangladesh-Myanmar border by June 2020 for Tk 144 crore.

Its main aims are to raise embankments by improving flood control and irrigation system in some areas and prevent illegal infiltration from Myanmar.

Another Tk 1,521 crore project is for upgrading the power distribution system of 13 upazilas in Comilla.

A project of Tk 1,152 crore will improve Noakhali's rural infrastructure.

BTRC to declare all operators eligible for 4G licences

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However, none of them submitted their parent companies' acknowledgement letters to invest in 4G service, the official said. The operators also did not properly abide by the rule of submitting details of employees in the top two tiers, he said.

In the top two tiers, at least half of the employees of the operators should be local. Actually the operators are cashing in on the government's eagerness to launch the 4G service and making the regulator bound to bring changes to the guidelines at their will, the official said.

The BTRC is very hopeful that the

super fast data service will be available at least in cities from March.

The telecom regulator will declare its spectrum auction procedure on January 29 and a mock auction will take place on February 12.

All operators but Teletalk will take part in the spectrum auction scheduled for February 13. The next day the regulator will declare the name of the bid winners.

Winning companies will have to clear the payments within the next 30 days. From this auction, the government can earn Tk 11,000 crore if the entire spectrum is sold out.

JP MP demands Muhith's explanation in parliament

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The minister said the government would have to be cautious and sincere in this regard as the banking sector plays a strong role in the economy.

"The government is not remaining silent over these issues. Actions are being taken to address them. But it would not be right for me to reply to everything as I am a cabinet minister."

Earlier Bablu said, "We have heard about loan defaulters. Now we have come to know about bank defaults as Farmers Bank has become a defaulter."

He pointed to a media report related

to Beximco Group getting special facilities in repaying rescheduled loan and questioned, "Is the banking law not applicable to Beximco Group?"

"Even, a farmer or a rickshaw-puller is punished for loan default. But various corporates, including Beximco, are getting extra facilities instead of punishment for defaulting on loans."

The lawmaker urged the finance minister to inform parliament about the condition of the country's banks and present statistics about loan defaulters. "We want to know whether the country is riding a sinking boat or a floating boat," he said.

Janata sinks into despair for one large borrower

FROM PAGE B1

The apparel exporter also demanded bringing down the interest rate against its loans to 10 percent from existing 11 percent. But the central bank rejected both the proposals.

The huge capital shortfall prompted the BB to conduct a detailed investigation into the loan, according to a central bank official.

"We found a tendency of aggressive lending by the bank when it came to large borrowers," he said.

In September last year, the bank's loan-deposit ratio was 60.45 percent, the highest among the state banks.

Sonali's loan-deposit ratio was 34.04 percent, Agrani's 51.26 percent and

Rupali's 58.93 percent. The classified loan of the bank sees significant increase to 20.94 percent in September last year from 16.14 percent in December 2016.

Janata's total classified loan stood at Tk 8,187 crore in September last year, up 37 percent from December 2016.

Irregular payment of some other restructured large borrowers accounts for the rising default loans and the capital shortfall, said Janata's Managing Director Abdus Salam Azad.

Azad said the bank will once again forward the restructuring proposal of AnonTex's three companies -- Galaxy Sweaters & Yarn Dyeing, Suprov Spinning and Simran Composite -- to the central bank. "We would like to

give them some breathing space to come out of the defaulter status."

In the new rescheduling proposal, the size of instalment will be increased but the payment tenure will remain unchanged at 10 years.

The rescheduling will be implemented only after getting the no-objection from the BB, he said.

Ratanpur Group, another one of Janata's large borrowers that defaulted, will be given the rescheduling facility in the same manner, according to Azad.

The group had restructured loans amounting to Tk 811 crore with three banks, Tk 435 crore of which was with Janata, according to data from the central bank.

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