

Trade war raises questions for US sports in China

AFP, Dongguan, China

Senior executives of American sports trying to grow their businesses in China said they are keeping a close eye on developments as a trade war brews between the two superpowers.

US basketball, golf, American football and others have invested significant time and money in their presence in the Chinese market but they face potential disruption if relations sour further.

US President Donald Trump has imposed tariffs on \$250 billion in Chinese goods in an attempt to pressure the country to reverse what he claims are unfair trade practices, prompting dire warnings of a new cold war.

Derek Chang, the CEO of NBA China, said the impact of a protracted trade dispute was hard to predict -- but he remained hopeful that sport could act as a bridge between the two countries.

"I think we hope that it won't impact our business, but you never know," he told AFP during an on-stage interview at the Sports Connects sport-business conference in Dongguan, southern China.

"That being said... I think sports truly does bridge cultures, I think that's our focus. You can't really focus on things that we can't control."

The world's favourite basketball league has built up a huge following over many

years in China and gains estimated annual revenues of \$150 million from its Chinese arm, which has been valued at more than \$4 billion.

American golf has also been active in China, with the PGA Tour setting up a subsidiary tour in 2014. This week, the PGA of America announced the creation of three academies at Mission Hills, the world's largest golf facility and host of Sports Connects.

Arjun Chowdri, the PGA of America's senior director of global and corporate strategy, said the organisation was thinking long-term about China and expected to ride out the storm.

"I think the benefit that we have is we get to play this long-term. So a trade war, we hope, if it does occur, isn't a 20-year lapse," he said at the conference.

"So we have the ability to go 'OK, long term, what do we (US sports) want the ultimate outcome of our respective leagues and organisations to become' (and) figure out the way to become that.

"We're going to hit some bumps in the road certainly and many won't be controllable by us, some will. But that's part of learning and pivoting and moving forward."

Richard Young, managing director of American football's NFL China, said he was "certainly mindful" of the developing dispute. But he added: "If there's anything that can supersede that, it would be sports."

REHAB elects top brass

STAR BUSINESS DESK

Alamgir Shamsul Alamin has recently been elected president of the Real Estate and Housing Association of Bangladesh (REHAB).

The association also elected six vice presidents for 2018-2020, REHAB said in a statement yesterday.

The six are Nurun Nabi Chowdhury (senior vice president), Liakat Ali Bhuiyan (vice president 1), Md Anwaruzzaman (vice president 2), Kamal Mahmud (vice president 3), Mohd Shohel Rana (vice president for finance) and Md Abdul Kauiam Chowdhury (vice president).

Bitcoin gains

REUTERS, London

Bitcoin bounced more than 6 percent on Wednesday, climbing above \$4,000 and heading for its biggest daily jump since July as it clawed back ground after recent heavy selling.



SUMMIT TECHNOPOLIS

Abu Reza Khan, managing director of Summit Technopolis, and Kevin Wang, chairman of Banglatronics Technology, exchange documents of a deal in Dhaka recently. The Chinese company will invest \$15 million to set up a handset assembling and manufacturing factory at Kaliakair in Gazipur.

Low prices spoil joy of bumper aman harvest

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The prices of paddy should be Tk 800 each maund if the government procurement price of Tk 36 is taken into consideration, said Fazlul Haque, a grower in Dimla of another northwest district Nilphamari.

Those who cultivate by hiring labour and other farming implements will face losses at the current prices of Tk 660-670 per maund, he said.

The paddy prices may go up after the general election, said Chitta Majumder, managing director of Majumder Group of industries that operates rice mills and also imports

the staple.

Mokhlesar, too, is hopeful the paddy prices will pick up after the national elections on December 30.

"It appears that many traders have taken on a wait-and-see stance ahead of elections. They will begin purchasing after the polls," said the farmer who has kept paddy harvest on hold owing to low prices of the grain.

Meanwhile, the prices of rice have fallen in the last one month on the back of higher production of aus and boro crops and good public stock of grains.

At the retail level in Dhaka, the

prices of fine grains fell 4.92 percent to Tk 54-Tk 62 per kilogram and coarse grains 3.53 percent to Tk 38-44 each kilogram over the last one month, according to the Trading Corporation of Bangladesh.

"There is a surplus of the staple now and this is causing the prices to fall," said Nirod Boron Saha, president of the rice and paddy wholesalers' body Naogaon Dhan O Chal Arathdar Babshayee Samity. One of the main reasons for the surplus is last year's record imports of 38.92 lakh tonnes.

"There is scarcity of buyers for rice," he said.



BSRM

Officials of BSRM Group of Companies and Gana Unnayan Kendra, a nongovernmental organisation, exchange documents at a programme in Dhaka after teaming up for a project in Gaibandha to establish a dairy farm, provide school kids with fresh milk and generate jobs.



NRB BANK

Imran Ahmed, chief operating officer of NRB Bank, and M Mustafizur Rahman Jewel, head of sales and marketing at Dream Square Resort, attend an agreement signing ceremony at the bank's corporate head office in Dhaka Tuesday. The bank's debit and credit cardholders will get 25 percent discount at the resort.

Low-cost home loans for public university teachers, SoE staffers

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Any government employee under the age of 56 can get the low-interest housing loan, as per a notice from the finance division on July 31. Five state-owned banks and financial institutions signed an agreement on September 25 with the finance division about the scheme, which will have about 14 lakh beneficiaries.

The loans will start from Tk 20 lakh and go up to Tk 75 lakh depending on the location and grade of the government employee. The rate of interest would be 10 percent.

Of the interest rate, the government will subsidise 5 percentage points and the employee will bear the rest. The rate of interest will be charged only on the principal amount.

Loans can be taken for building houses and purchasing readymade flats.

For loans taken to buy apartments, the debt-to-equity ratio will be 90:10. The payment of instalments will begin after one year for building houses and six months for readymade apartments.

Internet may be cheaper from next month

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Instead of reduction, the NBR in an analysis sought to reinstate the standard 15 percent VAT on all through the value chain.

In its analysis, the NBR, citing newspaper reports that the cost of internet usage has not reduced at the users' end, said a handful of firms are enjoying the benefit of the reduced VAT rate on internet usage instead of transferring the benefit to users, said finance ministry officials.

Officials said the NBR in its analysis said internet service was one of the main revenue generating sectors, bringing Tk 1,300 crore for the state coffers before the reduction of the VAT rate at the users' end.

Complexity related to VAT rebate would be resolved if 15 percent VAT is imposed all through the chain and revenue collection from the sector will continue to increase, officials

Dutch to tighten tax rules for multinationals

AFP, The Hague

The Netherlands said it will tighten rules on tax breaks for foreign firms after facing criticism from the EU for offering complicated schemes for multinationals.

Dutch authorities said they were cracking down on "letter box firms" with a Dutch address which allow foreign countries to benefit from lucrative local deals.

"We are making considerable changes to the law in order to prevent the Netherlands from being used as a conduit to tax havens," Deputy Finance Minister Menno Snel said in a letter to parliament seen on Tuesday.

"These changes also mean that

letter-box companies established in the Netherlands purely for fiscal reasons, but which do not contribute anything to the Dutch economy, will in future not get any dispensation from the tax authorities," Snel's ministry added in a statement.

The announcement follows a Dutch probe opened in November last year in the wake of revelations by the so-called "Paradise Papers" scandal.

Leaked documents claimed that several multinationals saved millions in taxes through secret tax deals and loopholes in the Dutch system.

But there has also been mounting pressure from the Netherlands' EU partners. In January a top European Union official described several

European countries including the Netherlands as being "black holes" for tax and promised to pressure them to change their ways.

Pierre Moscovici lumped the Dutch in with Ireland, Luxembourg, Malta and Cyprus as countries that often serve as EU headquarters for global multinationals such as Google, Apple or Facebook, offering complex tax schemes to help them shift profits and avoid big bills.

The European Commission is currently investigating Swedish furniture giant Ikea's tax deals in the Netherlands, while in a similar Dutch case it ordered coffee chain Starbucks to repay 30 million euros in back taxes.

Savings instrument database from Feb

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On many instances, the amount is in excess of their allowed limit, so they purchase the instruments in others' names to get away from the limitation.

"This will stop once the database comes," said a finance ministry official, adding that savings instruments bought before the introduction of the database will be spared.

The overwhelming demand for savings instrument means the government's interest payment burden is rising every year and it is diverting it from taking on low-cost funds from the banking sector.

The allocation for interest payment in this year's budget is Tk 48,377 crore.

Last fiscal year, the government's borrowing target from savings instruments was Tk 30,150 crore, but it ended up borrowing Tk 46,530 crore.

The target for this fiscal year is Tk 26,197 crore, but in the first three months the government has already borrowed Tk 13,412 crore.

The database is expected to dampen the buying pressure of savings instruments.

Also at the meeting, which was chaired by Muhith, it was decided

that the interest rate on savings instrument will not be lowered, despite calls from economists and the finance division.

"The meeting decided not to lower the rate of interest for now considering the savers are from the low-income group," said the finance ministry official.

At the meeting it was mentioned that the huge sales of savings instrument are not creating any problem in the financial market seeing that the banks are sitting on huge excess liquidity and the call money market is also stable.

Accord seeks to delay closure, flags risks

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"We have submitted an appeal to the Supreme Court...and are working to have a stay issued against the High Court judgment that would close down our office," Rob Wayss, the Accord's executive director told Reuters.

The appeal is likely to be heard on Thursday, a government official said, declining to be named as the information was not public. Shamsuzzaman Bhuiyan, head of the department of factory inspections at the labor ministry declined to comment, saying the matter was before the court.

Low wages have helped Bangladesh build the world's second-largest garment industry, behind China, with some 4,000 factories employing about 4 million workers. The sector exports more than \$30 billion worth of clothes a year, mainly to the United States and Europe.

Wayss said the group would move its work to its Amsterdam office if it is forced to shut down in Bangladesh, as the legally-binding contract signed between its brand members extends up to 2021. However, moving operations out of Bangladesh would likely increase the Accord's costs and also harm suppliers, said Wayss.

"Right now, they can come to the office any day of the week, we can review designs together, we can give them feedback," said Wayss. "Our ability to do that when we don't have an office and infrastructure is reduced, so the industry is harmed."

Bangladeshi Commerce Minister Tofail Ahmed told Reuters last week the Accord was no longer needed as the government's national regulatory body, the Remediation Coordination Cell, was able to do the job.

However, Wayss said that body still has work to do before it is ready to fully police standards in the sector.

"It's in its infancy, they have just hired their staff, they really don't have their systems in place, their engineers need a lot of additional training just like ours did," he said, adding safety fixes at over 500 of the factories the Accord oversees are still incomplete.



MIDLAND BANK

Md Ahsan-uz Zaman, CEO of Midland Bank, opens a branch at Foyla Bazar of Rampal upazila in Bagerhat yesterday.



IFAD ENTERPRISES

Tashfeen Ahmed, a director of Ifad Group, attends "Customer Appreciation Night 2018" of Ifad Enterprises Ltd, the sole representative of ELGI air compressors, at a hotel in Dhaka recently.