



Berger Paints Bangladesh Chairman Gerald K Adams presides over its 46th annual general meeting at Golf Garden in Dhaka yesterday. The company approved 250 percent cash dividend for 2018-2019. Managing Director Rupali Chowdhury was present.

EU launches in-depth probe into Amazon over data use

AFP, Brussels

The EU's powerful antitrust authority launched an in-depth investigation into Amazon on Wednesday, amid suspicions the US-based online behemoth misuses merchant data hosted on its website. The formal investigation opens a new chapter in the European Union's campaign to address the dominance of US tech firms with Google, Facebook and Apple also regular targets of regulators in Brussels. With its probe, the EU competition watchdog is seeking to expand its oversight powers to data, the most prized asset for Silicon Valley giants that now dominate web-use worldwide. "I have... decided to take a very close look at Amazon's business practices

and its dual role as marketplace and retailer (and) to assess its compliance with EU competition rules," the EU's anti-trust commissioner Margrethe Vestager said in a statement. At the heart of the case is Amazon's service to third party merchants who use the world's biggest online retailer to access customers and broaden their reach. In providing this service, Amazon "continuously collects data about the activity on its platform", the commission said. Preliminary findings, according to the statement, indicate that Amazon "appears to use competitively sensitive information -- about marketplace sellers, their products and transactions on the marketplace." The opening of a formal investigation procedure does not

prejudge its outcome, but if fault is found the sanctions by the EU can reach up to 10 percent of sales. "The stakes for the digital economy are high, because any action by the Commission can have an impact on the business model of web giants, which is based on data accumulation," said Andrea Collart, of the consulting firm Avisa in Brussels. The investigation, which has no deadline, is likely to be the final offensive by Vestager against big tech before the end of her current mandate on October 31. In an email to AFP, Amazon said: "We will cooperate fully with the European Commission and continue working hard to support businesses of all sizes and help them grow." The probe adds to Vestager's long list of cases against US Big Tech.

France defiant as digital dispute set to tax G7 ministers

AFP, Chantilly, France

France was defiant as a row over taxing tech giants threatened to overshadow a meeting of G7 finance ministers that gets under way near Paris on Wednesday. French Finance Minister Bruno Le Maire was set to meet directly with his US counterpart, Treasury Secretary Steven Mnuchin, as the two countries are hurtling towards a confrontation over plans by Paris to ensure it gets a slice of what tech companies earn selling digital services to French customers. Le Maire set a defiant tone ahead of the meeting, saying France would not back down its plans to impose a three percent tax on revenue that tech firms earn from French sales, despite the threat of US retaliation. "The possibility of US sanctions against France exists," Le Maire said on France Inter radio several hours before his meeting with Mnuchin. "There is a legal instrument for that and clearly there is the political will." France became the first major economy to impose such a tax last week when legislators gave their final approval, while Britain unveiled legislation last week and Spain said Wednesday it would move forward once a new government is in place. While the measure does not specifically target US internet giants, the French commonly call it the GAFA tax, an acronym for Google, Amazon, Facebook and Apple. Even before the final vote by French lawmakers, the US announced it was opening a so-

called Section 301 investigation into the measure. A Section 301 investigation used by the Trump administration to justify tariffs on China. Washington and Beijing have lashed out at each other with

Mnuchin "that it is in the interest of the United States to put into place a tax on that new economic model that relies on creation of value from data and that we don't want to target US companies". Work has been under way for



French Finance and Economy Minister Bruno Le Maire (L) greets US Treasury Secretary of State Steven Mnuchin at the G7 (Group of 7) Finance Ministers and Central Bank Governors' meeting in Chantilly, France yesterday.

punitive tariffs on about \$360 billion in goods in a trade dispute that has roiled global financial markets and undermined business confidence. But Le Maire said: "France will not back down on the introduction of its national tax. It was decided upon, it was voted upon, it will be applied from 2019." He said he would explain to

several years on a reform of the international tax system to ensure that multinationals are not able to escape paying taxes in countries where they do large amounts of their business. France and Britain, which also moved forward last week by introducing legislation for a similar tech tax, have indicated their performance for an overarching deal

via the Organisation for Economic Cooperation and Development (OECD) and the G20, and they would abandon tech taxes if an agreement is reached. Faced with the risk of individual nations imposing taxes, the United States unblocked the OECD talks at the beginning of the year, but progress remains slow. "There are still too many multinationals that escape paying taxes. It's revolting," said Le Maire. A number of other thorny issues await G7 ministers when they begin their annual meeting later Wednesday in Chantilly, north of Paris. Among them are plans by Facebook to launch a virtual currency called Libra, which has stoked concerns among regulators in numerous countries about regulation and market oversight of cryptocurrencies. "We'll reiterate our intention not to allow a private company to acquire the elements of monetary sovereignty," a French official told AFP last week on condition of anonymity. Le Maire has publicly voiced his concerns about Libra, a virtual currency to be backed with a basket of real-world currencies that Facebook says will facilitate online financial transactions. The ministers are also expected to discuss who will take over at the International Monetary Fund after Frenchwoman Christine Lagarde was named to head the European Central Bank. The IMF post has traditionally been held by a European.



Md Touhidul Alam Khan, deputy managing director of Prime Bank, and Md Abdul Hamid Bhuiyan, executive director of the Society for Social Service, sign an agreement at the bank's head office in Dhaka recently facilitating loans for the society members under the bank's financial inclusion programme.

GM, Fiat Chrysler warn workers auto industry facing tough future

AFP, Detroit

With plant closures hanging over the start of contract negotiations, General Motors chief Mary Barra on Tuesday warned the United Auto Workers union that the industry is facing a difficult road ahead. Barra opened talks with labor at the traditional handshake ceremony, emphasizing that the company must be prepared to change to be better positioned for the future. "In a transforming industry, if we want our company to grow -- and grow jobs -- we can't keep doing things the same way," she said. GM has drawn the wrath of the UAW and President Donald Trump over plans to halt production at four US plants including a major one in Lordstown, Ohio, a state that could be key to Trump's re-election bid in 2020.

GM is attempting to sell that plant to a startup company proposing to build electric trucks. "I have made it clear publicly and in many conversations with elected officials -- including President Trump -- that we are committed to investing in and growing jobs in the US," Barra said. But she cautioned that, in addition to challenges of changing technology, "we continue to operate in a very uncertain trade environment in a long-lead industry." After launching contract negotiations with Ford on Monday, UAW president Gary Jones opened talks Tuesday with GM and Fiat Chrysler Automobiles (FCA). Mark Stewart, FCA's chief operating officer in North America, had a similar message for workers about the need for the industry to prepare for a future that will be dominated by electric and self-driving vehicles.

Spain vows to push ahead with tax on tech giants

AFP, Madrid

Madrid will push ahead with a tax on large internet and technology firms as soon as a new government is sworn in, Spain's acting economy minister said Wednesday. Parliament will vote next week on acting Prime Minister Pedro Sanchez's bid to form a new government after his Socialist party won an early general election in April but without an absolute majority. His government in January introduced a draft law which would slap a 3.0 percent tax on revenues generated from some services to Spanish consumers by the largest tech firms such as Google and Facebook, putting Spain among a vanguard

of countries seeking to force the companies to pay more in the markets where they operate. But before the proposed law could be approved the government was forced to call the early election after it failed to pass its draft 2019 budget in parliament. Acting Economy Minister Nadia Calvino told news radio Cadena Ser that the government's "intention is to put (the tax) back on the table as soon as there is a government." "The idea would be to find a global solution because it is a global problem" but since this has so far not been possible, "we must take action because the impact on our economies can not be minimised," she added. France's parliament last week

passed a law making it the first major economy to impose a tax on digital giants, defying a probe ordered by an angry US President Donald Trump that could trigger reprisal tariffs. The new law -- dubbed the GAFA tax in an acronym for Google, Apple, Facebook and Amazon -- aims at plugging a taxation gap that has seen some internet heavyweights paying next to nothing in countries where they make huge profits because their legal base is in smaller, lower rate European Union states. Asked about the possibility that the United States will also impose sanctions on Spain if it goes ahead with the tax, Calvino said it was "very risky" to predict its reaction because of Washington's "erratic behaviour".

Gold eases as dollar holds firm after robust US data

REUTERS

Gold slipped on Wednesday as the dollar held near a one-week high on the back of better-than-expected retail sales data from the United States, while investors waited for direction on interest rates from the US Federal Reserve. Spot gold fell 0.3 percent to \$1,402.42 per ounce as of 1131 GMT. Prices were on track for a third straight session of losses as robust US data trimmed expectations of an aggressive interest rate cut by the Fed. US gold futures for August delivery shed 0.5 percent to \$1,403.80. "We're seeing a delayed reaction (in gold) considering yesterday's movement in the foreign exchange market," said Quantitative Commodity Research analyst Peter Fertig. "It is crucial for gold to hold above \$1,400. If prices fall slightly below this level, we should see some buying interest coming in and pushing prices higher." The dollar was marginally lower against a basket of six major currencies at 97.325 after gaining 0.5 percent the previous day following a rise in US retail sales numbers. The US currency held near a one-week high. The data dampened expectations that the Fed could cut interest rates by 50 basis points (bps) rather than 25 bps at its month-end policy review. Chicago Fed President Charles Evans said on Tuesday that an interest rate cut of a half a percentage point at the US central bank's July 30-31 policy meeting could mean that the



A man arranges gold jewels on a display inside a jewellery shop in Abuja.

Fed's inflation goal is reached sooner. Investors are now awaiting the Fed's Beige Book later in the day for insight on how trade tensions are affecting the business outlook. Gold is highly sensitive to rising interest rates, which lift the opportunity cost of holding non-yielding bullion. They also boost the dollar, in which the metal is priced. In the latest on the trade row, US President Donald Trump said on Tuesday the United States still has a long way to go to conclude a deal with China but could impose tariffs on an additional \$325 billion worth of Chinese goods if needed. "Gold remains locked within the \$1,400 - \$1,420 range, while more broadly we look for a move outside

of \$1,380 - \$1,440 for medium-term direction," trading firm MKS PAMP said in a note. Meanwhile, silver rose 0.4 percent to \$15.62, extending gains for a fourth straight session. It hovered close to a more than four-month high of \$15.69 it hit on Tuesday. "Silver ETFs have continued to register substantial inflows in recent days -- inflows since the start of the month have exceeded 600 tons," Commerzbank wrote in a note. "It appears that the pronounced ETF inflows are gradually having an impact after all." Amongst other precious metals, platinum fell 0.4 percent to \$834.99 per ounce, while palladium dropped 0.4 percent to \$1,518.71.



Md Ehsan Khasru, CEO of Padma Bank, and Mohammad Khairuzzaman, country head for Bangladesh at Transfast Remittance LLC, attend a deal signing ceremony in Dhaka on Monday facilitating distribution of remittance sent by non-resident Bangladeshi through the bank's branches.