

# OECD suggests 'unified approach' to break deadlock on digital tax



Outside view of the Organization for Economic Co-operation and Development headquarters in Paris.

AFP, Paris

The OECD published Wednesday its suggestions for a "unified approach" on fairly taxing digital giants to break a deadlock in a dispute that has raised tensions between the United States and some EU allies.

The issue of how to tax digital giants like American firms Google, Apple, Facebook and Amazon prompted France earlier this year to pass its own law on taxing them, drawing anger from the United States.

France, backed by Britain, argues that the digital giants must pay taxes on revenues accrued in a country even if their physical headquarters is elsewhere.

Washington, meanwhile, fears that US companies have been singled out.

The world's top economies did agree, however, that the Paris-based Organisation for Economic Co-operation and Development (OECD) should work out suggestions that would form a basis for negotiations within the G20 to meet its goal for an international accord in 2020.

The OECD said in a statement that its proposal would help the talks to "ensure large and highly profitable multinational enterprises, including digital companies, pay tax wherever they have significant consumer-facing activities and generate their profits." It proposal would mean reallocating some profits and corresponding taxation rights to countries and jurisdictions where digital giants have their market.

The approach gathers common elements of three competing proposals from member countries, it said, describing its new effort as a

"unified approach".

The new rules would mean that such companies conducting significant business in places where they do not have a physical presence are taxed there.

"We're making real progress to address the tax challenges arising from digitalisation of the economy, and to continue advancing toward a consensus-based solution to overhaul the rules-based international tax system by 2020," said OECD Secretary-General Angel Gurría.

"Failure to reach agreement by 2020 would greatly increase the risk that countries will act unilaterally, with negative consequences on an already fragile global economy. We must not allow that to happen," Gurría said.

The OECD said the suggestions would be formally presented at a meeting of G20 finance ministers and central bank governors in Washington on October 17 and 18.

France has vowed it will scrap its digital tax once a new international levy is in place.

In September, Google agreed a settlement totalling around \$1 billion to end a tax dispute in France after similar settlements in Italy and Britain.

Google, like several other big American tech companies, has its European headquarters in Ireland, where the government has set the corporate tax rate at just 12.5 percent in a bid to attract big companies.

Amazon, whose European headquarters is in Luxembourg, another low-tax jurisdiction, said called the OECD's latest proposal "an important step forward".

"Reaching broad international agreement on changes to fundamental international tax principles is critical to limit the risk of double taxation and distortive unilateral measures," it said in a statement.

Amazon had warned in August that it would pass on the costs of France's new digital tax to firms which use its Marketplace platform for reaching consumers, instead of taking the hit itself.

# India pursues China-led trade deal despite domestic opposition

REUTERS, New Delhi

India is pressing ahead with talks to join a China-led free trade pact, officials said on Thursday, despite the fears of some domestic producers that the country would be flooded with cheaper Chinese imports.

Negotiators for the 16-nation Regional Comprehensive Economic Partnership (RCEP) are in the Thai capital Bangkok this week for talks aimed at finalising the giant free trade zone by the end of the year.

Trade Minister Piyush Goyal will join Indian delegates on the weekend for direct talks with his counterparts from China, Japan, Australia, New Zealand and Singapore.

Indian producers fear cutting tariffs on dairy and other produce would open the door to cheap Chinese imports and threaten an agriculture sector that supports most of India's 1.3 billion people.

A political ally of Prime Minister

Narendra Modi's party has joined opponents of the free trade pact.

The nationalist Rashtriya Swayamsevak Sangh (RSS) called on Friday for a nationwide campaign against the deal, saying any change in tariffs would cripple factories and farms at a time of slowing economic growth.

"RCEP shackles the hands of the government to take the required policy measures to strengthen manufacturing and agriculture," said RSS economic leader Ashwani Mahajan.

Proponents of the deal say it's better for Indian agriculture to be in the trade zone than out.

"It would be better for India to have an open approach where agriculture can compete globally rather than adopt a conservative approach," said A. K. Gupta, director of the Agricultural and Processed Food Products Export Development Authority, which falls under the commerce ministry.



Migrant labourers sit on handcarts as they rest at a wholesale market in the old quarters of Delhi yesterday.

REUTERS



SEA NATURAL FOOD

Sea Natural Food Chairperson Joya Ahmed Kabir, directors Amiran Hossain and Makame Mahmud, CEO TD Packir and BASIS President Syed Almas Kabir launch frozen seafood brand Roja of Sea Natural Food, a sister concern of Rangs Group, in Dhaka yesterday. The ready-to-fry-and-eat food items will be available at super stores such as Unimart, Meena Bazar, Agora, Shwapno and Lavender.

# Banking ills can derail growth

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"Increased bank borrowing by the government in such a situation will increase the risk of crowding out the private sector with adverse effects on private investments."

The external risks are also rising, although Bangladesh may benefit from trade diversion in the short term. "Tariff escalation by the US against China may provide a further boost to exports in the short run if Bangladesh can capture some of the trade diversion."

But slower growth forecast in Bangladesh's major export markets can also slowdown the country's momentum.

Euro area growth is projected to fall from 1.8 percent in 2018 to 1.4 percent in 2020, while growth in

the US is forecast to decline from 2.9 percent in 2018 to 1.7 percent in 2020.

There could also be a loss of competitiveness through exchange rate appreciation because of the BB's interventions in the foreign exchange market to stabilise the taka-US dollar rate, the WB said.

The report found that public investment management (PIM) remains a challenge as the annual development programme continues to be overloaded with too many projects while time and cost overruns remain ubiquitous.

Subsequently, the WB called for closing the infrastructure gap and timely implementation of ADP.

"Bangladesh's economy is projected to maintain strong growth backed by

sound macroeconomic fundamentals and progress in structural reforms," said Mercy Miyang Tembon, country director of the WB for Bangladesh and Bhutan.

"Bangladesh will need a high-productivity economy to achieve its growth vision."

The WB has forecast the Gross Domestic Product (GDP) growth rate of Bangladesh at 7.2 percent for 2019-20, while the government's projection for the same fiscal year in the national budget was 8.2 percent.

The GDP growth rate for 2018-2019, officially estimated at 8.1 percent, was higher than the previous fiscal year's rate of 7.9 percent, the report says, though it predicts a relatively lower growth for the upcoming fiscal year.

# Trade wars lose US its competitiveness top spot

AFP, Geneva

The United States fell to second place behind Singapore in the World Economic Forum's flagship Global Competitiveness Report, with the slippage linked in part to President Donald Trump's trade wars.

The Forum, organisers of the glitzy annual gathering of business and political elite in Davos, have released an annual competitiveness report since 1979 that assesses which economies are well placed to see productivity and long-term growth.

While the report noted that the US "remains an innovation powerhouse" and the world's second most competitive economy, some trouble signs have emerged, the Forum said.

"There are no two ways (about) it. It is important to ensure the countries are being open to trade," said Saadia Zahidi, a Forum managing director, when asked to comment on the impact of the tariffs imposed by the Trump administration.

She noted the lack of "hard data" on the impact of US tariffs imposed on several of its main economic partners, as the set of products impacted remains limited compared to overall trade. But, she said, "the sentiment" surrounding investing in the US "has been going down," she told reporters in Geneva.

# Sustainable banking reforms in progress

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These guidelines encourage banks and financial institutions to incorporate environmental and social risk management into their credit activities, and to publish green banking and sustainability reports.

The guidelines reflect the Bangladesh government's commitment to sustainability and importance of the banking and financial sector in achieving progress towards sustainable development goals and nationally determined contributions. "The SBN members have demonstrated that transforming financial markets toward sustainability is possible," said IFC Vice President Georgina Baker.

"Emerging markets are on the forefront of this shift - and the SBN's tools and guidance have laid the groundwork for more countries to follow suit," she said.

"It is aspiring for us to observe the remarkable progress of Bangladesh among its peers in the SBN global report," said Khondkar Morshed Millat, general manager of the sustainable finance department at Bangladesh Bank.

"The report also provides us worthy snapshot of spaces to improve further through innovation in the coming years," he said. "Ultimately, the SBN is about collaboration," said Ye Yanfei, deputy director-general of the China Banking and Insurance Regulatory Commission and co-chair of SBN Measurement Working Group.

"By bringing together regulators, policymakers, trade associations and development institutions, the SBN has been able to not only turn sustainable finance policies into action, but also strengthen measurement to capture market impact."

# UK economy shrinks but set to avoid recession

AFP, London

Britain's Brexit-facing economy shrank in August, official data showed Thursday, but analysts say a better-than-expected July is expected to help it avoid recession.

Gross domestic product -- the combined value of all goods and services produced in the economy -- slid 0.1 percent in August from July, the Office for National Statistics said in a statement.

That contrasted however with upwardly-revised monthly expansion of 0.4 percent in July.

Sterling barely budged on the August reading, which was only moderately worse than market expectations of zero growth.

# Tea production surges on favourable weather

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Not only there has been an increase in production, the quality of tea has also improved, Ali said.

The total rainfall was about 3,315 millimetres in Sylhet Division this year, said Syed Ahmed Chowdhury, senior meteorologist of Bangladesh Meteorological Department in Sylhet. The division is home to more than 80 percent of the country's tea gardens.

Although there was no rainfall in January, the number of days that witnessed rains has increased which is very useful for tea, he added.

Koloti Robidas, a tea worker of Bharaura tea garden in Sreemangal of Moulvibazar, said she has already collected more than 25kg of tea leaves every day this year owing to timely rains, whereas it was difficult to pick 15 kg of leaves every day this time in the past.

KM Rafiqul Haque, director of the project development unit in Sreemangal of the tea board, said abandoned land of each garden has been brought under tea cultivation. Tea cultivation has also increased in micro-farms in Panchagarh and Lalmonirhat.

A large amount of tea can be exported after meeting local demand this year if the

ongoing pace of production is sustained, he said.

Haque said the BTRI has given proper advice on the control of tea moths and insects and this has had a positive effect on the production.

M Shah Alam, chairman of Bangladesh Tea Association, the platform of garden owners, said thanks to the various steps taken by tea garden authorities and the tea board, production was increasing this year.

Zahar Tarafdar, general secretary of the Bangladesh Tea Traders and Planters Association, said the quality of tea was not deteriorating on the back of direct auctions in Sreemangal.

Makhon Lal Karmakar, president of Bangladesh Tea Workers Union, said tea workers were very happy because of the increased production, which has helped them earn more.

Commercial tea cultivation started in 1854 in Sylhet's Malinichhara tea garden. Currently, there are 166 tea gardens registered with the tea board. Of them, 91 are in Moulvibazar, 25 in Habiganj, 19 in Sylhet, 22 in Chattogram, seven in Panchagarh, two in Rangamati, and one in Thakurgaon.

The government has set a target to produce 74.14 million kg of tea this year.



EAST COAST GROUP

East Coast Group Chairman Azam J Chowdhury, Managing Director Tanjil Chowdhury and Bitopi Group Managing Director Miran Ali attend a deal signing ceremony at East Coast Centre in Dhaka on Wednesday. Under the MoU, a 2.6MW rooftop solar panel will be installed for Tarasima Apparels of Bitopi. Story on B1

# Bangladesh Lamps Limited

Sadar Road, Mohakhali  
Dhaka - 1206

## Price Sensitive Information

Based on Audited Financial Statements of the Company for the year ended 30<sup>th</sup> June 2019, the Board of Directors of Bangladesh Lamps Limited at its meeting held on 10-10-2019 at 3:00 pm, decided to recommend cash dividend of Tk.2.00 per share of Tk.10/- each (i.e. 20%) for the said period.

The date of 58<sup>th</sup> Annual General Meeting of Bangladesh Lamps Limited has been fixed to be held on **Thursday, 05-12-2019** at 11:00 a.m. at the Dhaka Banquet Hall (former Emmanuelle's Banquet Hall), House No. 04, Road No. 134-135, Gulshan-1, Dhaka. The register of members and share transfer book of the Company and the depository register of CDBL will remain closed on **03-11-2019, as Record Date**.

The key financial statistics as per the Audited Financial Statements of the Company are as follows:

	For the year ended & as at 30 June 2019	For the year ended & as at 30 June 2018
Net asset value (NAV) per share	Tk. 92.34	Tk.88.59
Earnings per share (EPS)	Tk. 3.12	Tk. 4.32
Net operating cash flow per share (NOCFPS)	Tk. 3.03	Tk.(25.01)

The shareholders whose names appear in the Register of Members of the Company on the Record Date will be eligible to attend the meeting and qualify for dividend.

By order of the Board

*Mohammad Ruhan Miah*

Dhaka  
10-10-2019

Mohammad Ruhan Miah  
Company Secretary

## NOTES :

Shareholders bearing BO ID are requested to update their mailing & e-mail address through their Depository Participant (DP); and

Shareholders bearing Folio Numbers are requested to submit their e-mail address to the Share Department of the Company latest by October 31, 2019.

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TRANSTEC