Facebook has no plan to open office in Bangladesh now

Its regional head tells The Daily Star

Muhammad Zahidul Islam, *back from Singapore*

FACEBOOK has no plan to set up office in Bangladesh at the moment and is rather pleased to serve the country through regional offices, said a senior official of the social media giant, dealing a blow to a government push that aims to persuade it to establish local presence.

"We have no current plans to open an office in Bangladesh. Our community is global but we don't have offices in every country," said Dan Neary, vice president for Asia Pacific (Global Business Group) at Facebook, in an interview in Singapore recently.

The current plan, however, does not mean that the company is not committed to the country, he said.

The comments, however, dashed, for the time being, the government's attempt to convince the social media giant to set up its office in Bangladesh.

In September, the government sat with Facebook's high officials in Dhaka when it pushed them to establish the office. After the meeting, the government also said Facebook is willing to set up an office and appoint local representative.

In the last budget the National Board of Revenue (NBR) stipulated that all social media platforms set up an office in Bangladesh or appoint an agent to ensure 15 percent value-added tax and 4 percent advance income tax are paid to its coffer.

The size of the digital advertisement market in Bangladesh is about Tk 2,000 crore and almost half of it goes to Facebook, according to market sources.

Without making detailed comments on Bangladesh's decision to impose 15 percent VAT on the spending for social media campaigns, Neary said Facebook is engaged with relevant stakeholders and partners to comply with the new VAT regulations in Bangladesh.

He said Facebook has teams that are dedicated to Bangladesh. The teams sit in regional offices where they get resources and support they need.

The world largest social media company recently invited some journalists from 14 countries in the Asia-Pacific to its inaugural APAC press day event, where Neary also attended a session.

Neary, who has 20 years of executive-level work experience in the US and Asia, said Facebook is supporting local businesses to grow and helping Bangladeshi businesses achieve their goals.

"We are learning from Bangladesh's SMEs and are investing in ways to help them attain their goals and contribute to Bangladesh economy."

Dan Neary

"We will continue to educate SMEs on how they can grow business on our platform," said Neary, who worked for Skype and handled its marketing in the Asia-Pacific region before moving to Facebook.

Currently, Facebook has 2.45 billion active monthly users globally and the user base is expanding at 9 percent annually. It, however, didn't share country-level breakdowns and also didn't give details about the products Bangladeshi users are using the most.

Bangladesh has 33.71 million active Facebook users as of January, according to Napoleoncat, a research firm focused on digital companies.

Bangladesh has become a very important market for Facebook as already three crore users are connected with the platform and the company is earning huge amounts from here, Post and Telecom Minister Mustafa Jabbar said in August.

Neary said its mission is to give people the power to build communities and to bring the world closer.

"It is a mission that Facebook takes very seriously. We're always looking for ways to support local communities to enrich their lives."

Facebook is committed to digital literacy education in Bangladesh, the Facebook official said.

It partnered with the Unicef in Bangladesh in 2018 to launch an online safety campaign for children.

It has teamed up with Banglalink, the country's third-largest mobile phone operator, under an initiative – New to Internet People Programme -- that has helped educate more than 1 million women and children in Bangladesh by helping them develop an understanding on the internet's relevance in daily lives and how to use it safely.

More recently, Facebook joined forces with Banglalink to train women on how to participate in the digital world in a safe and responsible way through the "Learn More, be More" campaign.

News is also a key part of Facebook's mission to give people the power to build community and bring the world closer.

"We care deeply about journalism and it is the future. That's why we are focused on helping publishers build sustainable businesses and stronger communities around their important work," Neary said.

The Facebook Journalism Project (FJP) supports quality journalism and news literacy and serves as a hub for journalists and publishers as they look for new tools to enhance news-gathering and storytelling.

Neary said the project works in three ways: Building Community through News; Training Newsrooms Globally; and Quality through Partnerships.

In its community-building efforts, Facebook invests in institutes that are dedicated to funding high-quality journalism and building sustainable futures for community-based news.

As part of newsrooms trainings, it visits newsrooms and offers online courses to train journalists on how to leverage social media tools to tell stories that matter.

And for quality through partnerships, Facebook directly partners with news publishers and non-profit organisations to combat misinformation, promote news literacy, fund new initiatives, share best practices, and improve journalism on its platform.

And most recently, Facebook News, a dedicated place for news on Facebook, was launched and it is now being piloted on a subset of people in the US. The platform gives people more control over the stories they see and the ability to explore a wide range of their news interests, directly within the Facebook app.

BMW, Daimler quit carsharing service in US, Canada

AFP, *Frankfurt Main*

Luxury carmakers BMW and Daimler have announced that they will ditch their joint carsharing scheme in North America and scale back the service in Europe, citing lower than expected take-up in a "complicated" market.

The move comes less than a year after the German rivals launched their Share Now scheme to great fanfare as part of a plan to join forces and pour one billion euros ($1.1 billion) into the "mobility services" of the future.

In a statement on Wednesday, the firms said they would scrap Share Now in the United States and Canada from February 29, 2020, blaming "the volatile state of the global mobility landscape" and rising costs.

Share Now, born out of Daimler's Car2Go and BMW's DriveNow operations, will also exit the carsharing market in London, Brussels and Florence "due to low adoption rates".

The firms said they had to face up to "complicated realities" in the fiercely competitive business of using apps to book cars for short-term rentals in urban areas.

US auto giant General Motors earlier this year pulled its Maven carsharing service out of eight American cities, while rival Ford dropped its Chariot shuttle service for commuters.

The setbacks are the latest to hit a car industry in the throes of transformation, with automakers scrambling to respond to changing customer demands and investing billions in the electric, self-driving cars of tomorrow.

While carsharing has been touted as an affordable and more environmentally-friendly alternative to owning a car, it has yet to gain widespread acceptance and faces strong competition from ride-hailing services like Uber.

German court bans Uber services via rental cars in Germany

Reuters, *Frankfurt*

A German court has banned Uber services in Germany arguing the US ride hailing company lacks a necessary licence to offer passenger transport services using rental cars.

The verdict is effective immediately, but can be appealed, the Frankfurt regional court said in a statement on Thursday.

The court in 2015 forbid Uber from matching up drivers using their own cars with ride hailers.

Uber's service, which lets customers hail rides carried out in rented cars, is also illegal as it violated competition rules, the court said.

Uber was not immediately available for comment.

China announces new tariff exemptions for US chemical, oil products

Reuters, *Singapore/Beijing*

CHINA on Thursday unveiled a new list of import tariff exemptions for six chemical and oil products from the United States, days after the world's two largest economies announced a Phase 1 trade deal.

The exemptions will be for one year from Dec. 26, the Finance Ministry said, without providing a value for the imports excluded from duties.

Duties already imposed on US products would not be refunded, the ministry added.

In 2018, China imported some 6.86 million tonnes of HDPE and 4.46 million tonnes of LLDPE, according to Cui, who cited Chinese customs data. The data does not provide a breakdown for different grades of each polymer.

These imports had a combined total value of about $14 billion, according to Reuters calculations based on the delivered cost for these two products.

For petroleum wax, China imported from the US 1,108 tonnes or worth only $3.2 million in the first 10 months of 2019, one-tenth of China's total imports of the product, according to Chinese customs

AFP/FILE

Containers are seen at the foreign trade container terminal in Qingdao, in China's eastern Shandong province.

The tariff waivers will apply to four chemical products, such as metallocene high-density polyethylene (HDPE) and a special grade of linear low-density polyethylene (LLDPE), and refined oil products that include white oil and food-grade petroleum wax.

Kelly Cui, principal analyst with consultancy Wood Mackenzie, said the exemptions on the chemical products would benefit companies such as Dow Chemical Co, Exxon Mobil Corp and Chevron Phillips Chemical Co, which have since 2017 been adding shale-based ethylene production facilities and targeting China as the prime export market.

Cui also pointed out that the listed products, metallocene HDPE and LLDPE, were high-end special grade plastic raw materials used for packaging and pipes. China is the world's largest importer of polyethylene.

"The exemptions could see China resume buying more HDPE and LLDPE from the US, reversing the trade flow, as the US supplies have been diverted to Latin America and Europe while China has been importing mostly from the Middle East," said Cui.

data and consultancy JLC Network Technology.

White oil imports from the US were 3,490 tonnes or worth only $8.7 million during the same period, roughly 6% of China's total imports.

China waived import tariffs for some soybeans and pork shipments from the United States on Dec. 6, before the two sides reached a Phase 1 trade deal to cancel tariffs that were planned to take effect on Dec. 15.

China said it will continue to work on the product exemptions and release the second batch of waivers at an appropriate time. The Sino-US trade war has been a major headache for global policymakers as it slowed economic growth worldwide and chilled business investment and confidence.

US Trade Representative Robert Lighthizer last week acknowledged there remained hard work ahead in the next phase of negotiations.

He gave no specific timetable, but said US President Donald Trump did not want to wait until after the 2020 presidential election to wrap up a more comprehensive agreement.

Cautious UK shoppers send retail sales growth to 19-month low

Reuters, *London*

BRITISH shoppers kept a tight grip on their wallets last month as retail sales grew at their slowest annual pace since April 2018 amid uncertainty about Brexit and December's election.

Thursday's figures from the Office for National Statistics were collected before Black Friday sales promotions, but the ONS said it was confident the slowdown in year-on-year sales growth to 1.0 percent in November from October's 3.1 percent was not distorted by the timing.

Economists polled by Reuters had expected a smaller slowdown in growth, to 2.1 percent.

Spending by shoppers had been supporting the overall economy for most of the time since 2016's Brexit referendum; Thursday's figures added to other signs of a slowdown in the run-up to last week's election.

Excluding fuel purchases, retail sales growth was the weakest since October 2017.

Retail sales in November were down 0.6 percent from October, and have now failed to show any monthly growth for four months in a row - the longest such run since at least 1996.

"All main sectors saw their sales fall with the exception of food stores," ONS statistician Rhian Murphy said.

Sterling fell briefly on the data, but most analysts are more focused on the political outlook. Prime Minister Boris Johnson's sweeping election victory has eliminated the risk of a disruptive no-deal Brexit on Jan. 31, removing some of the uncertainty hanging over the British economy.

But a hit to trade remains possible at the end of 2020, when Johnson insists a post-Brexit transition period will end, regardless of whether or not he can negotiate a trade deal with the European Union before then.

This year, the November retail sales sample period did not include sales promotions in the

REUTERS/FILE

Shoppers are seen inside the Selfridges store on Oxford Street during the Boxing Day sales in Central London.

days running up to Black Friday, which fell on Nov. 29, but the ONS said it was confident its seasonal adjustment process accounted for this.

A fuller picture will be available once November's sales can be compared with December data. "At face value, November's further drop in retail sales is pretty concerning," said Thomas Pugh, UK economist at consultancy Capital Economics. But he doubted whether the ONS methodology fully captured the effect of Black Friday not being included in November's data, and predicted a pick-up in December.

"Even so, given the falls in October and November, it will be very difficult for retail sales volumes to grow at all in Q4 as a whole. So not a very merry Christmas for retailers."

A separate survey from the Confederation of British Industry suggested retail sales stabilised this month after months of decline.

"While stagnating sales volumes in December are hardly something to cheer about, the figures at least provide hope that the recent period of falling sales has passed," CBI chief economist Rain Newton-Smith said of its figures.

Thursday's data come too late to influence the Bank of England's December interest rate decision, which is due for publication at 1200 GMT. The BoE is expected to keep rates steady at 0.75 percent, but economists expect two policymakers - Michael Saunders and Jonathan Haskel - to vote again for a cut because of tentative signs of weakness in the job market.

Amazon publishes French taxes after accusations of underpayment

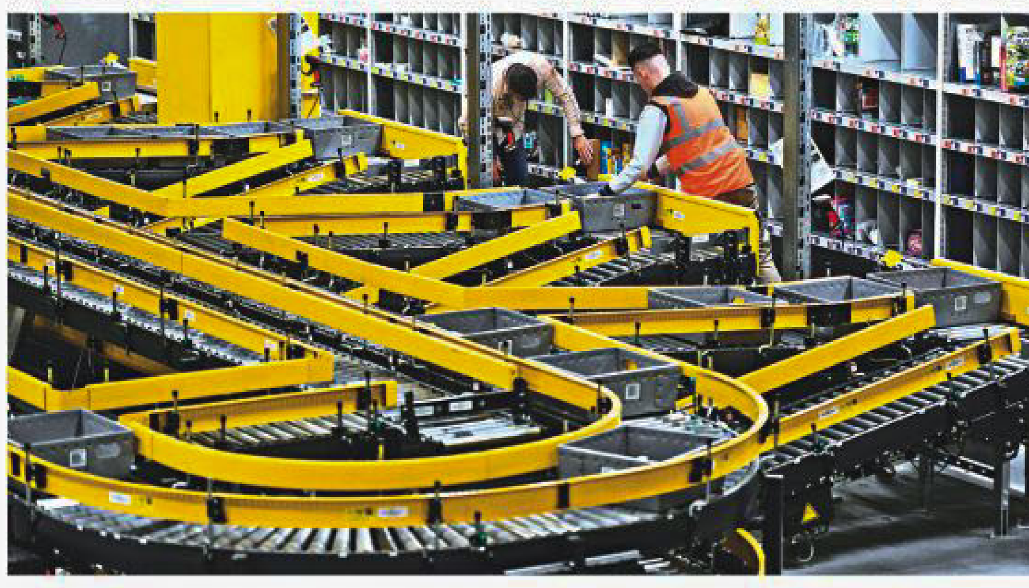
AFP, *Paris*

AMAZON on Wednesday published its French tax returns, showing it paid 250 million euros last year, after accusations that the US e-commerce giant was not paying enough into the public coffers.

France has been at the forefront of efforts to tighten taxation of multinational digital giants and parliament infuriated the administration of US President Donald Trump in July by adopting a law taxing digital firms like Google, Apple, Facebook and Amazon for revenues earned inside the country.

France and other nations argue that such multinational digital giants must pay taxes on revenues accrued in a country even if their corporate or tax headquarters are elsewhere, such as Ireland or Luxembourg where company profits are taxed at comparatively low levels.

"Amazon is growing in France and as that growth increases so do the contributions to public services, to the French social model," said Amazon France chief Frederic Duval.



AFP

Employees work at the distribution centre of US online retail giant Amazon in Moenchengladbach, Germany on December 17.

In 2018, "the compulsory deductions linked to Amazon's activities in France amounted to more than 250 million euros" the company said in a statement. Of that some 150 million were classed as "direct deductions", like corporate tax and employer contributions.

The rest was listed as taxes collected on behalf of the state, like value added tax and social security.

Asked why Amazon had chosen to make its French tax information public now, Duval said it was because the question has been "often asked".

"We did it in Britain recently, we are doing it in France, we want to bring clarity because this has frequently beena matter of debate," he added.