

# Star BUSINESS

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## Crude prices lower in Asian trade

AFP, Singapore

Crude prices were lower in Asian trade Monday on mild US weather, ample supplies of heating oil products and confusion over planned production cuts by Opec, dealers said.

At 2:29pm (0629 GMT) New York's main contract, light sweet crude for January delivery, shed 60 cents to 58.37 dollars a barrel. The December contract expired in New York Friday at 55.81 dollars per barrel.

Brent North Sea crude for January delivery lost 68 cents to 58.31 dollars.

Global crude prices plunged to their lowest level in 17 months last week before recovering slightly, dealers said.

"The market finished low last week and it is continuing this morning," said Victor Shum, the senior principal with Purvin and Gertz energy consultancy in Singapore.

"It's really a combination of factors that has caused the market to come down, the Opec cuts and their credibility and the winter weather in the northern hemisphere," said Shum.

The 11-member Opec decided on October 20 to slash its production by 1.2 million barrels per day (bpd) from the start of November due to what it said was an over-supplied market to support prices which have fallen from record highs of above 78 dollars earlier this year.

According to an analysis by "Petrologistics", Opec's exports have fallen 1.1 million bpd in November.

## China plans to up car, auto parts exports by ten folds

AFP, Beijing

China plans to boost its car and auto parts exports by more than 10 fold to 120 billion dollars in a decade, a vice commerce minister said Monday.

"The exports of car and auto parts... represent the level of a country's industrial technology and competitiveness," Wei Jianguo was quoted by Xinhua news agency as saying.

"Our country's car and auto parts exports currently amount to just 0.7 percent of the global trading volume so our plan is to make up 10 percent of the world auto trade in 10 years' time, which is 120 billion dollars."

China's exports of vehicles and auto parts have grown rapidly during the past few years, Wei said. In 2005, exports reached 10.9 billion dollars, up 34 percent from the previous year, he said.

Chinese auto maker Chery told AFP on Saturday that it would export 50,000 vehicles by the end of 2006, compared with 18,000 last year, mostly to its current markets in the Middle East, Southeast Asia, Latin America and Africa.

# Business limps as blockade restarts

STAR BUSINESS REPORT

Business activities across the capital limped yesterday as the third phase of indefinite blockade programme enforced by the 14-party combine began.

All kinds of financial activities suffered heavily on the first day of the blockade as banks, stock exchanges, business houses and manufacturing units witnessed thin activities.

Although the stock exchange remained open yesterday, the transactions were thin. The total turnover in terms of value on the Dhaka Stock Exchange was Tk 254,315,295 against Tk 308,106,001. However, indices closed higher slightly.

Salahuddin Ahmed Khan, chief executive officer of the DSE, said the political impasse is severely hurting the country's capital market.

He said now the investors especially the foreigners are shy to invest. If the political deadlock continues for a long time, ultimately the portfolio investment will be hampered, he feared.

Commercial banks located in Motijheel business hub witnessed very thin financial activities. A manager of a private commercial bank said his branch did not see financial activities such as LC opening. A few clients only withdrew and deposited money, he added.

Most market places and malls in the capital remained closed resulting in huge losses to traders.

Productions in garment units in and around Dhaka city were hampered, as many workers could not join their workplaces because of the blockade, which paralysed the transportation network.

"We are also facing the shortage of raw materials such as fabrics

and other accessories as ports are not in operational," said Anwar-Ul-Alam Chowdhury Parvez of Evince Group.

"Many RMG makers have started canceling orders as they cannot meet buyers' work schedules," he added.

Business activities in Dhaka's New Market, Chandrima Super Market, Mouchak Market, Elephant Road markets, Gauchhia Market, Karnaphuli Garden City remained suspended. Although the Bashundhara City shopping mall was open, most of the shops were closed.

Some shops saw a very few customers. Shopkeepers remained almost idle.

"The political turmoil has cast an adverse impact on small traders and shopkeepers," said Amir Hossain Sawpan, director of Bangladesh Grocery Business Association.

## CORUS TAKEOVER Tata braces for battle with CSN

OUR CORRESPONDENT, New Delhi

India's industrial giant the Tata Group is bracing for a major battle to take over British steel firm Corus in the wake of a dramatic counter bid by rival Brazilian steel company CSN, industry watchers here said.

For now, the Tatas have decided to adopt a wait-and-watch posture as CSN begins due diligence on Corus soon.

The Tatas are reportedly busy taking legal opinion on CSN's counter bid with a higher price offer per share of Corus than the Indian conglomerate had offered, taking the latter by surprise last Friday.

The Brazilian company, one of the top five steel makers in the world, is expected to make a formal offer at an extraordinary general meeting of board of directors of Corus, the Anglo-Dutch company, in London on December 4.

Even though the Corus had last month recommended to its shareholders the bid by the Tatas, sources in the Indian company said the British firm is going ahead with opening its account books to CSN, just as it had done for Tata Steel.

While ideally, the Tatas would be hoping the Corus board to turn down the offer by the Brazilian company, officials of the Indian conglomerate are keeping their fingers crossed because CSN has offered 475 pence per share of the British firm as against 455 pence bid by the Tatas.

## Kuwait to start gas production by end of '07

AFP, Kuwait City

Opec member Kuwait, which discovered large reserves of natural gas earlier this year, plans to start commercial production by the end of 2007, a top oil executive said Monday.

"We expect to start gas production by end of 2007 or January 2008 with a daily output of 180 million cubic feet (5.1 million cubic meters)," Farouk al-Zanki, head of Kuwait Oil Company, told reporters after opening a conference on gas and oil.

He said a provisional plan for natural gas development will be ready by the end of November or early December.

"According to the plan, our target is to increase production to 600 million cubic feet (17 million cubic meters) daily by 2011 and to one billion cubic feet (28.4 million cubic meters) by 2014-2015," Zanki said.

Kuwait in March announced the discovery for the first time of 35 trillion cubic feet (one trillion cubic meters) of free natural gas and a large quantity of light oil in its northern oilfields.

## Qatar Airways to add 7 cities to route network

Qatar Airways has announced to expand its international network with the addition of seven new routes in 2007 as the airline is celebrating 10 years of flying since its re-launch, says a press release.

From Europe and Africa to Asia and, for the first time, North America, Qatar Airways will add seven key cities to its route network over the next 12 months. And the airline confirmed it would take delivery of the first of 20 Boeing 777s next year to operate long haul routes from the carrier's Doha hub.

Nigeria's commercial centre of Lagos joins Qatar Airways' network from January 3, followed six days later by Dar Es Salaam, capital of Tanzania.

Qatar Airways will also begin flying to Bali, Ho Chi Minh City and New York.

In addition, the airline will fly to a new point in Northern Europe and, for the first time, in Eastern Europe, in the second half of 2007.

Addressing a press conference at World Travel Market in London recently, Qatar Airways Chief Executive Officer Akbar Al Baker said 2007 would be a milestone year for the Doha-based airline.

Baker said, "Our fleet, our destinations and our global network have grown in unprecedented proportions."

# Huge investment needed for youths to cut poverty

## Suggest speakers at WB report dissemination

STAR BUSINESS REPORT

Investment on a large scale is badly needed for the promising youths of Bangladesh in order to accelerate growth and reduce poverty, observed speakers at a function in Dhaka yesterday.

Investing heavily on young population between the ages of 12 and 24 years will be one of the profound decisions Bangladesh can ever make to banish poverty and galvanize its economy, they said at the dissemination of the World Bank Report 2007 on 'development and the next generation'.

The event was organised jointly by World Bank and Brac at the Brac Centre Inn in the city.

The World Bank development report (WDR) offers a framework addressing five transitions of youths, namely, in schools, in work, in health risks, in forming families and in exercising citizenship.

To this end, the report, however, underscored adopting three lenses that would broaden opportunities, enhance capabilities for youths as decision makers and offer second chances to youths to recover from bad habits.

Nistha Sinha, member of the WDR team apprised the audience of these information and discussed the report and its context from different

dimensions.

She stressed the need for public and private bondage, including special contribution from the civil society in channelling of Bangladesh youths' knowledge and natural creativity to simulate the economic growth and produce long-lasting beneficial effects in today's competitive global economy.

Rasheda K Chowdhuri, executive director of Campaign for Popular Education (CAMPE), meanwhile, remarked that the report lacks the humanitarian approach. In spite of raising the issue of the rights of youths, the report focuses mostly on investment, she said, suggesting that the government must carry the onus to provide basic skills and well-being for the young people.

"What the civil society can do is to provide necessary information on the drop-out youths, but the government must carry the responsibility for the bulge of youth", she explained.

The report disclosed that a number of firms in developing countries, including Bangladesh, rate inadequate skills and education of workers as a major or severe obstacle to their operation.

It said the female secondary stipend assistance programme has hugely increased girls' enrolment,

over 30 percent of 15-19 years old girls are mothers or pregnant, while nearly 50 percent of the teenage mothers seek no help for maternal complications in Bangladesh.

The Brac's Research and Evaluation Division (Brac-RED) has also released its latest monograph on 'adolescents and youths in Bangladesh: Some selected issues,' bringing together a number of its primary research studies.

Abdullah Abu Sayeed, chairman, Bishwo Shahitya Kendro, in his chief guest's address regretted the 'corporate attitude' of the report and said, "Materialistic life is not bad, but, people must learn how to spend the money."

He asked for effective leadership that would nurture dreams and ignite the young souls braving the competency in job market.

Qaiser Khan, acting country director, World Bank (WB), Julian Schweitzer, director for WB human development, Abdul Mueyed Chowdhury, chairman, BRACnet, also spoke on the occasion. Dr Alauddin Ahmed, pro-VC, Brac University, moderated the programme.



PHOTO: DBBL  
Md Yeasin Ali, managing director of Dutch-Bangla Bank Ltd (DBBL), inaugurates the 33rd branch of the bank in Muradpur, Chittagong on Sunday. Senior officials of the bank, among others, were present at the opening ceremony.

# UAE aims to cut back on foreign workers

AFP, Dubai

The United Arab Emirates (UAE) president has announced plans to gradually replace Asian workers with nationals to redress the huge demographic imbalance in his booming oil-rich country.

Sheikh Khalifa bin Zayed al-Nayhan told London-based newspaper Asharq Al-Awsat he was

aware of "the seriousness of the imbalance" in the Gulf state where foreigners make up about 80 percent of the four-million population.

The solution was a "progressive" nationalisation of the workforce with local, qualified workers taking over from non-Emiratis, he said on Monday.

The president called for the economy to be restructured in a

way that would cut down on "the mass of unqualified foreign workers who account for the biggest factor in the demographic imbalance".

Foreign labourers, mostly from the Indian sub-continent, have been powering the UAE's construction boom but their working conditions have been a regular target of criticism by rights groups.

Sheikh Khalifa, however, said they "can not be classified as immigrant workers as they work here on a provisional basis under fixed term contracts."

"As a result, the standing laws on immigration in Western countries can not apply fully to these workers," who often complain of not being paid salaries or over poor housing at labour camps in the desert, he said.

The president denied his country was coming under US pressure on the labour and political fronts in negotiations to seal a lucrative free trade agreement with Washington.

"Our negotiators have clear instructions: no laxity or negligence, under any circumstances, when it concerns the sovereignty of our country or the independence of our will," said Sheikh Khalifa.

In March, about 2,500 labourers rioted at the construction site of Burj Dubai, set to be the world's tallest skyscraper. Some destroyed vehicles and equipment.

The riot prompted the New York-based Human Rights Watch (HRW) to call on the Abu Dhabi government to "end abusive labour practices" and describe labour conditions as "less than human".

Earlier this month, the UAE prime minister, Sheikh Mohammed bin Rashid al-Maktoum, who is also ruler of Dubai, ordered sweeping measures to protect foreign labourers.

# Japan eyes bolstering economic links with East Asia

STAR BUSINESS REPORT

Japan has now put its efforts more on improving productivity and bolstering economic links with East Asia. This has become possible as it came out of prolonged recession.

"The East Asian bilateral economic partnership agreement (EPA) plan, along with sparking IT sector growth and effort to expand service sector investment to Japan will be important in this regard," a research on Japan's economy, trade and investment said.

Japan External Trade Organisation (JETRO) has conducted the in-depth analytical research, according to a press release.

The report has covered three topics, starting with the state of Japan's economic recovery, current trade and investment situation and changing business environment and opportunities.

It said putting these new economic growth strategies in place would enable raising the long-term growth from its current estimated 1.9 percent or so to around 2.2 percent.

The report said the latest economic recovery phase began in February 2002 and will possibly become the longest post-war economic expansion in November 2006

when it reaches 58 months.

Japanese GDP grew 2.6 percent in 2005, the highest rate since 2000.

The recovery has been led by the private sector, mainly capital investment by corporate sector.

Japanese major banks led the way in eliminating bad debts, and by the end of September 2005 they had reduced their cumulative ratio to 2.4 percent, which exceeded the government target.

"To achieve future sustainable growth as its population declines, Japan must boost productivity and continue strengthening economic links with Asia," the report suggested.

It said innovation and its accompanying creation of demand are especially important and there is a need to promote innovation in service industries, which have a reputation for particularly low productivity.

As part of EPA, an FTA between Japan and Singapore is already in effect, broad agreement has been reached with Thailand and the Philippines and the negotiation with the Asean members is ongoing.

The report said deliberations regarding the start of future discussions with Australia, China, India, Korea and others are also proceeding.



Ahmed Akbar Sobhan

## New president of land developers association

Ahmed Akbar Sobhan Shah Alam, chairman of Bashundhara Group, has been elected president of Bangladesh Land Developers Association for 2006-2009 term, says a press release.

Besides, Nurul Islam Babul of Jamuna Group, MM Enamul Haque of Amin Mohammad Land Developers Ltd and Md Wakil Uddin of Swadesh Properties Ltd have been elected vice presidents while Mustafa Kamal Mohiuddin of Bangladesh Development Company Ltd secretary general of the association.

## Jakarta lifts import duty, coal export tax

ANN/ THE JAKARTA POST

To attract investors to put their money in the country's vast energy resources, Indonesia's Finance Ministry has lifted import duties on goods and equipment for oil and gas exploration and production as well as export tax on coal products.

The import duty exemption for equipment and goods used in the oil and gas upstream sector is given to oil and gas companies that operate under production sharing contracts with BP Migas, the regulatory body for oil and gas exploration and production, the Finance Ministry announced last week.

The equipment and products exempted from import duties include those used for drilling and production, transportation, power generation as well as workshop equipment and electrical tools.

## Correction

In a news item published on this page yesterday headlined 'Businesses should not make money at cost of social safety', it was inadvertently mentioned that Mominul Ahsan presented a keynote paper at a roundtable on 'Corporate Social Responsibility and Practices in Bangladesh'. Actually, the keynote was presented by Syed Nasim Manzur, managing director of Apex Footwear Ltd. We regret the mistake.



PHOTO: QATAR AIRWAYS  
Qatar Airways Chief Executive Officer Akbar Al Baker (C) addresses a press conference at World Travel Market in London recently. General Manager Commercial Peter Spencer (L) and Regional Manager Europe Siva Ramachandran, among others, are seen.