

Star BUSINESS

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New CEO of Kafco

Muhammad Qaiser Jamal has recently been appointed the chief executive officer of Karnaphuli Fertilizer Company (Kafco) Ltd, says a press release.

Prior to joining Kafco, Jamal worked as the chairman of State Petroleum Refining and Petrochemical Corporation of Pakistan.

He also held several other senior positions during his 30-year career in the industry, the release adds.

Banks to remain open Dec 30

UNB, Dhaka

Bangladesh bank has asked all the scheduled banks to remain open on December 30 to facilitate people for transaction.

The central bank will also remain open on the day, said a Bangladesh Bank press release.

Oil holds above \$63

REUTERS, Singapore

Oil held steady above \$63 on Monday, as a dense fog delayed U.S. crude shipments and traders factored in Opec's plan to further cut output.

U.S. crude traded one cent up at \$63.44 a barrel by 0825 GMT, after rising 92 cents on Friday to the highest settlement in two weeks. London Brent slipped 3 cents to \$63.46 a barrel.

Forecasts showed a fog delaying tankers carrying crude to refineries along the U.S. Gulf Coast could lift early this week, though vessel traffic on the Houston Ship Channel was halted again on Sunday night due to the fog.

Four days of intermittent delays on the waterway, which feeds the nation's busiest petrochemicals port, has led some refiners in the area to warn they may need to slow fuel production, but so far no Gulf Coast refinery has announced production cuts.

The shipping disruptions follow OPEC's decision on Thursday for a second output cut of 500,000 barrels per day (bpd) to start from February, coming on top of a 1.2 million bpd reduction agreed from November.

"People thought they might not cut so the market has been supported by the Opec move and by U.S. inventory statistics," said Hiroyuki Kitakata at Barclays Capital in Tokyo. "On the other hand temperatures in the U.S. northeast are above normal, so it depends on the weather."

Analysts said Opec's deal seemed to be a compromise between price hawks who feared swollen inventories would cause prices to slump in the second quarter, and others who worried that an immediate cut could leave markets short at the height of winter.

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Volkswagen to begin production in India in 2007

AFP, Frankfurt

Audi, the luxury car arm of European auto giant Volkswagen, said Monday that it planned to start production in India next year.

Audi said in a statement that it would assemble its A6 sedan at Skoda's Aurangabad site from next autumn, using parts imported from Germany.

In 2008, the first full year of production there, around 300 cars were expected to be assembled, the statement said.

At the same time, Audi would set up a distribution centre in Mumbai at the beginning of next year, the car maker continued.

Over the next few years, the group planned to expand its network of exclusive Audi dealers from three to at least eight.

"India is one of the most important growth markets of the future," said distribution and marketing chief Ralph Weyler.

"We're planning to sell around 3,000 cars there every year by 2010."

This year, sales of Audi's A4, A6, A8 and Q7 models in India are expected to total 300.

9561 WRIT PETITIONS IN 13 YEARS Unrealised revenues of customs houses hit Tk1,661cr

REJAUL KARIM BYRON

The amount of unrealised revenues of the Customs Department of National Board of Revenue (NBR) reached Tk 1,661 crore because of writ petitions filed by taxpayers in the last 13 years.

NBR sources said a total of 9,561 writ petitions were filed against customs houses during the period. Against this backdrop, the NBR has initiated a move to dispose of the cases to recover the revenue.

As part of the move, Customs Department officials met deputy attorney generals and assistant attorney generals on Sunday in Dhaka.

Customs officials headed by NBR Chairman AFM Soliman Chowdhury met the law officials and discussed ways to expedite the legal processes to recover the revenues.

The meeting also discussed ways to efficiently handle writ petitions filed by the taxpayers.

According to the meeting sources, NBR will soon send a written report on pending cases and unrealised revenues to the office of the attorney general.

Customs Department officials said they cannot appear before courts in time to fight writ petitions, as there is a communication gap between the offices of NBR and

attorney general. The petitioners easily get stay order because of such a gap, they added.

Earlier, the High Court constituted benches to dispose of revenue-related cases.

The two other revenue collection wings of NBR—VAT and Income Tax—will also meet the senior government law officials to expedite the processes to recover the revenues. The VAT and Income Tax wings are also facing the same problems.

According to the NBR statistics, the number of cases involving Tk1661 crore against the customs houses stood at 9561 during the period between 1993 and November 2006.



Senior officials of Singapore Telecommunications Ltd (SingTel) and Advanced Data Networks (ADN) System Ltd, a satellite and wireless solutions provider, exchange documents after signing an agreement recently. Under the deal, international IP-VPN (internet protocol-virtual private networks) service will be available in Bangladesh.

Indian PM questions subsidies given by West in WTO

OUR CORRESPONDENT, New Delhi

Indian Prime Minister Manmohan Singh yesterday questioned the subsidies given by the West in WTO regime to the detriment of developing countries and said the approach of developed nations in managing global affairs is not acceptable.

"Old ways of managing global affairs, wherein a single digit group of nations could constitute themselves into a global board of management, are over," he said.

Inaugurating a seminar by FICCI (Federation of Indian Chamber of Commerce & Industry) and Shri Ram Centre for Industrial Relations, he hit out at developed countries for giving subsidies that were coming in the way of Doha Round of the World Trade Organisation.

"We cannot continue to live in a world of 'butter mountains and rivers of milk', liberally funded by

government subsidies when the poor starve in the villages of the Third World."

Even the United Nations, which could have been a political instrument to manage globalisation, had not succeeded, he said and regretted that not much attention has been paid to politics of globalisation.

He cautioned that the UN would not be able to succeed unless it reforms as an institution and its own management is more democratic and more representative. The increasingly multi-polar world requires global 'rules of the game', not just for trade and capital flows but for the management of peace and security, he added.

The prime minister said there was as yet no framework for movement of people and the focus of globalisation had so far remained on movement of goods, capital and financial and logistical services.

"Developed countries are becoming more restrictive with

respect to immigration and movement of labour... Even in the area of trade, we have still not been able to find an acceptable basis for making globalisation more development-oriented," he said.

Referring to the stalemate in the Doha Round of trade tariff negotiations, Singh said WTO talks must remain focused on development issues.

"If the Doha Round has to have a successful outcome then it must remain true to its original mandate of being a Development Round," he said.

"We must find ways in which trade aids its development to ensure that globalisation works for all. This is the challenge before the leadership of developed world."

"While private sector will increase its role and bring prosperity to newer generation of entrepreneurs and professional workers, the government will be expected to provide a range of services," he added.



Prime Bank Ltd opened its 46th branch in Sreemangal, Moulvibazar on Sunday. Azam J Chowdhury, former chairman of the bank, inaugurated the branch while senior officials, among others, were present.

Iran seeks to replace dollar with euro

AFP, Tehran

Iran announced Monday it would replace the dollar with the euro in foreign transactions and state-held foreign assets, in an apparent response to mounting US pressure on its banking system.

"The government has ordered the central bank to replace the dollar with the euro to limit the problems of the executive organs in commercial transactions," government spokesman Gholam Hossein Elham told reporters.

"We will also employ this change for Iranian assets (in dollars) held abroad."

Amid US allegations that Tehran funds militant groups and is seeking a nuclear weapon, reports have suggested the US treasury has put major pressure on European banking giants to halt transactions involving Iranian clients.

Bankers in Iran have complained in recent weeks that it was becoming increasingly difficult to receive Iranian-held money denominated in dollars from European bank accounts.

They said that this was because of US pressure on European banking giants not to allow dollar-denominated funds to be sent into, or out of, the Islamic republic.

Elham implied the move would apply to oil revenues from the world's number four crude producer, although it would be difficult for Iran to force oil buyers to pay for all of its crude oil in euros.

"Foreign income sources and oil revenues will be calculated in euros and we will receive them in euros in order to put an end to our dependence on the dollar," Elham said.

Citigroup wins final nod for China bank deal

REUTERS, Beijing

A consortium led by Citigroup Inc has won final regulatory approval for its \$3.1 billion purchase of 85.6 percent of Guangdong Development Bank (GDB), the China Banking Regulatory Commission said on Monday, paving the way for a restructuring of the troubled southern China lender.

The CBRC's stamp of approval was the final chapter in a year-and-a-half battle for control of GDB between Citigroup and France's Societe Generale, which had assembled its own bidding team.

Citigroup, China Life Insurance Co and China's State Grid Corp. are each taking 20 percent of GDB, while International Business Machines will own 4.74 percent and China's CITIC Investment and Puhua Investment will take 12.85 percent and 8 percent, respectively.

A Citigroup spokesman declined immediate comment.

According to the agreement on the Guangdong bank's restructuring plan, Citigroup's consortium is scheduled to complete the transaction on Monday, the CBRC said.

Citigroup and its investor team now face the challenging task of cleaning up GDB, which lost its president last week when Zhang Guanghua resigned to become designated CEO at rival China Merchants Bank Co, according to sources.

The Chinese lender has more than 500 branches and a strong position in Guangdong, China's richest province, but it had more than \$6 billion in bad loans at the end of last year, according to sources.

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Japan, ROK resume trade talks

AFP, Tokyo

Japan and South Korea on Monday resumed economic talks for the first time in two years but made no immediate breakthrough in the deadlock on free-trade negotiations, officials said.

Working-level talks on a bilateral free trade pact have been suspended since November 2004 due to differences over farm products, tariff barriers and government procurement regulations.

Senior officials on Monday opened two days of talks on overall economic matters -- a forum that had been held annually until 2002 and was then incorporated into free trade negotiations.

"We agreed to keep up the momentum in resuming talks on a bilateral free trade deal," a Japanese foreign ministry official said on customary condition of anonymity.



Microcredit pioneer and Nobel Peace Prize laureate Muhammad Yunus (R) gestures as he holds a press conference with French food giant Danone's CEO Franck Riboud in Paris yesterday.

VIOLATION OF SECURITIES RULES SEC issues show-cause notice on Southeast Bank high-ups

STAR BUSINESS REPORT

Securities and Exchange Commission (SEC) has served a show-cause and hearing notice on the directors, managing director and company secretary of Southeast Bank Ltd for violation of securities rules.

The capital market watchdog issued the show-cause notice in connection with non-submission of account clarification regarding the revaluation of the bank's land.

The SEC in a recent show-cause notice issued to the bank and its high-ups said the issuer company (Southeast Bank) revalued its land on December 21, 2005 and increased the value of land by Tk23.16 crore and such revaluation was done without the consent of the SEC and violated the Securities and Exchange Ordinance, 1969.

But, the issuer was restricted to account for any upward revaluation of its fixed assets without the clearance of the commission, the notice said.

According to the show-cause notice, the issuer sought SEC's permission on December 26, 2005 for revaluation of its fixed assets through creating reserve while the

bank revalued its assets on December 21, 2005, which is not acceptable.

On August 15 this year, the SEC issued a letter to the third generation bank asking it to clarify its position about revaluation of its fixed asset without the consent of the commission. But the grounds stated in the reply letter were not considered acceptable, according to the notice.

The hearing will be held at the SEC office in Dhaka on January 28, 2007.

An SEC high official said revaluation of fixed assets is a sensitive matter for the capital market as any information regarding the revaluation can influence the price of a security.

Hence, the revaluation of fixed assets by the bank indicates that there might be an ill motive behind the process, he said.

If the bank and its high-ups cannot provide acceptable reply during the hearing, necessary actions will be taken against the bank, the official added.

When contacted, Company Secretary Muhammad Shahjahan said the bank is yet to receive the show-cause notice.

Toyota to be world's top carmaker in 2007

AFP, Tokyo

Toyota Motor Corp is expected to replace struggling US auto giant General Motors Corp. as the world's largest automaker next year amid plans to boost global output, a report said Monday.

By increasing global output by 400,000 vehicles over 2006 to about 9.45 million, the Japanese automaker is in line to dislodge GM as the world's No.1 carmaker, the Nihon Keizai Shimbun reported, without citing sources.

The figures also included vehicles produced by two subsidiaries, small-car specialist Daihatsu Motor Co. and truckmaker Hino Motors Ltd. The Japanese business daily said.

Toyota has continued to enjoy booming demand for its vehicles in North America, driven by sales of its popular hybrid-electric Prius and other fuel-efficient models.

Toyota said last month it was looking at a plan to boost production of auto parts including engines in a response to brisk global sales.

It also opened up the Toyota Motor Manufacturing Texas plant in the heart of the pickup truck market in the United States in November, marking the start of production for the all-new full-size 2007 Tundra pickup truck.

Toyota is already the world's most profitable automaker, having increased in the July-September quarter to 3.44 billion dollars on the back of strong sales in both North American and Europe.