

Six global banks fined nearly \$6b for forex, Libor abuses

AFP, New York
US and British regulators fined six major global banks nearly \$6 billion Thursday for rigging the foreign exchange market and Libor interest rates.

The far-flung settlement included guilty pleas from Barclays Bank, JPMorgan Chase, Citicorp and the Royal Bank of Scotland for conspiring to manipulate the massive currency market, as well as a guilty plea from Switzerland's UBS, for violating a prior settlement of Libor charges.

A sixth bank, Bank of America, was fined \$205 million by the US Federal Reserve over its foreign exchange trading operations.

The massive settlement addresses what regulators described as a brazen scheme by financial heavyweights to orchestrate trades in the \$5.3-trillion-per-day global foreign exchange market in ways that cheated clients and bolstered their own profits.

Traders from banks communicated with instant messages and in a chat room referred to as "the Cartel," regulators said.

The size of penalties on individual banks ranged from the hundreds of millions of dollars to \$2.4 billion for British bank Barclays, depending on a bank's

involvement in the scheme and whether it had already settled with some of the agencies involved in the global investigation.

The Barclays sum was high because it had not participated in an earlier deal between the banks and some of the regulators involved.

"Put simply, Barclays employees helped rig the foreign exchange market," said Benjamin Lawsky, the head of the Department of Financial Services for New York State.

"They engaged in a brazen 'heads I win, tails you lose' scheme to rip off their clients."

UBS said that it will plead guilty to fraud in the US over the Libor interest rate-rigging scandal and pay \$203 million in fines.

The bank will also pay a \$342-million fine (307 million euros) to the US Federal Reserve and change the way its foreign exchange system works.

The Justice Department granted the Swiss bank conditional immunity in its foreign exchange probe for cooperating with the investigation. However, Justice demanded the guilty plea on Libor after concluding UBS' role in foreign exchange breached its 2012 non-prosecution agree-

Renault seeks to conquer India with budget car

AFP, Chennai, India

Renault launched its first budget car developed specially for India on Wednesday, seeking to expand its foothold in the huge but highly competitive market.

Renault chief executive Carlos Ghosn described the Kwid as "a car for conquest" designed to deliver high-volume sales as the French auto giant tries to grow its share of the Indian market.

The Kwid, the first Renault car to have its global launch in India, will go on sale in the second half of the year priced at 300,000 rupees (\$4,700).

"India is not an easy market but we ... decided to play a role in this market," he said at the launch in the southern city of Chennai -- India's car-making hub.

"This vehicle is a global car, if we make it in India, we will surely make it in all the world," he continued, adding the country could be the world's fourth-biggest car market within five years.

Renault cars currently account for around 1.5 percent of sales in India but the company aims to swiftly increase that to five percent with the Kwid and a new family car called the Lodgy.

However, it faces strong competition in the small car sector from the Indian-Japanese manufacturer Suzuki-Maruti which holds 45 percent of the market and from Korea's Hyundai. Renault went to great lengths to develop the Kwid in India to keep costs down.



PUBALI BANK
Md Abdul Halim Chowdhury, managing director of Pubali Bank, and Mahtab Uddin Ahmed, chief operating officer of Robi, attend the signing of a corporate agreement at the bank's head office in Dhaka recently.

Lafarge chief gets 2.5m euro merger bonus as cement company cuts jobs

AFP, Paris

Lafarge chief executive Bruno Lafont has been awarded a 2.5 million euro (\$2.8 million) bonus for the successful merger with Swiss rival Holcim as the cement company announced job cuts.

The board of directors of the company awarded Lafont the money "for his key role in the merger project with Holcim" and "his exceptional performance," according to a document posted on its website.

The Board accorded the bonus at a meeting on May 12, two days after Holcim shareholders

approved the merger by a vote of 94 percent.

Lafont, who will receive the money in May, will become co-president of the merged LafargeHolcim.

The 40 billion euro merger will create the world's largest cement company with some 136,000 people, annual sales of 32 billion euros and underlying profits of 6.5 billion euros.

Union sources said Tuesday that Lafarge was planning to cut 380 jobs as part of the merger, while Holcim said Wednesday that it would eliminate 120 posts in central administration in Switzerland due to the tie-up.



Fahima Choudhury, director of Ogilvy and Mather; Shah Masud Imam, chief executive officer of Polar Bangladesh; and Sohail Shahrar Rana, marketing manager of Dan Foods, attend the signing of a communication and media management deal in the city recently. SM Hadiuzzaman, finance director of Ogilvy and Mather; Md Abdullah-Al-Mamun, marketing manager of Polar Bangladesh; and Razeeb Hasan Chowdhury, general manager of Ogilvy and Mather, were also present.



Md Mosharof Hossain Razib, senior deputy director of Marcel, and Amin Khan, brand ambassador, pose while opening its new outlet at Zindabazar in Sylhet recently.

M&S posts first annual profit rise in four years

AFP, London

Britain's Marks and Spencer on Wednesday revealed the first increase in annual profits in four years in a turnaround under chief executive Marc Bolland, partly thanks to "outstanding" food sales.

Underlying pre-tax profits climbed 6.1 percent to £661.2 million (\$1.03 billion, 924 million euros) in the group's financial year to March 28, M&S said in a results statement.

That was the first annual rise since 2010 -- when Bolland took the reins -- and compared with £622.9 million in 2013/2014.

Net profits or earnings after taxation slid seven percent to £486.5 million, while revenues increased 0.4 percent to £10.3 billion.

"We are transforming M&S into a stronger, more agile business -- putting the right infrastructure, capabilities and talent in place to drive our strategic priorities," said Bolland who was previously boss of supermarket Morrison.

Since Bolland's arrival in 2010, M&S has invested billions of pounds into the business in a concerted attempt to turn around its fortunes.

"We have chosen to do this the hard way. We have chosen to do the right investments."

He added: "This is a tough market, and I expect it to remain tough for the next year."

M&S food meanwhile enjoyed "an outstanding year in a difficult market", he noted.

Sales of food grew 0.6 percent despite fierce competition from traditional supermarket rivals and booming German discounters Aldi and Lidl.

"We expect the UK food market to remain challenging but we are well positioned with a differentiated product offer and a store format that caters for the changes in customer shopping habits," M&S said.

"Delivery of our new stores will help drive sales growth over the coming year."

However, the group added that annual sales in its general merchandise division -- which includes clothing -- fell 3.1 percent as unusually warm autumn weather hit demand for coats and knitwear. But the division experienced an upturn in the final quarter and was now set for a period of "modest sales growth", it added.

Nearing midday in London, M&S shares rose 1.71 percent to 595.50 pence on the British capital's FTSE 100 index of top companies, which rose 0.18 percent.

BPC returns to profit after five years

FROM PAGE B1

The government will still set aside Tk 800 crore as fuel subsidies for the upcoming fiscal year as a hedge against any potential increase in oil prices in the global market.

"We may not need it at the end of the day, but we have to be mindful that the global oil market is very unpredictable," Badriddin said.

Crude prices are currently hovering around \$65 per barrel, after dropping to \$44 a barrel in January.

Although the oil imports were higher in fiscal 2014-15 from a year ago, the government spent less thanks to the fall of global prices.

Until February this year, the country imported 7.05 lakh tonnes of crude oil worth Tk 3,816 crore.

About 5.75 lakh tonnes of unrefined petroleum products were imported during the same period a year ago at a price of Tk 5,435 crore, according to figures from BPC and the Mineral Resources Division.

Refined oil imports stood at 17 lakh tonnes in the first eight months of the fiscal year, costing Tk 10,947 crore.

Last fiscal year, 12 lakh tonnes of refined oil were imported for Tk 9,502 crore.

BPC spent Tk 2,085 crore until February this fiscal year to import 4.7 lakh tonnes of furnace oil.

It was Tk 6.2 lakh tonnes in the same period a year ago, costing the country Tk 3,224 crore.

BPC is making a whopping profit of Tk 13 to Tk 36 per litre on petroleum products.

The profit margin is Tk 13.77 per litre for kerosene, Tk 14.68 for diesel, Tk 19.57 for furnace oil and Tk 18.75 for jet fuel.

As the oil prices in the global market went into freefall from last June, both the World Bank and the International Monetary Fund pursued the government bank to deregulate domestic oil prices and introduce a system that makes automatic adjustment of oil prices in line with global market rates.

However, a finance ministry official said the government has no plans to lower the prices, as the country incurred huge losses in the past.

German banks seek way to turn around weak profits

AFP, Frankfurt

Germany's nearly 1,800 banks are being forced to rethink their business models in the face of persistently low level of interest rates and weak profitability.

"It's an incontrovertible fact that the German banking sector is not profitable enough by international standards," Michael Kemmer, head of the BdB federation for private sector banks, told AFP.

In an economic analysis by the Organisation for Economic Cooperation and Development (OECD) and the European Commission, Germany tends to come out with flying colours -- except for its financial sector.

At the end of 2013, despite massive recapitalisation efforts, banks' return-on-equity stood at just 1.3 percent in Germany, a long way behind 2.2 percent in Britain, 5.8 percent in Spain and 6.0 percent in France, according to data compiled by the European Banking Federation (EBF).

With one bank for every 45,000 inhabitants, "there is a phenomenon of over-banking in Germany," said Kemmer.

And like their European counterparts, German banks are feeling the pinch from very low interest rates, increased regulation and competition from new Internet banking rivals.

As if this were not enough, a wave of scandals and litigation has not only hurt the banks' finances but also severely tarnished their image.

Germany's biggest lender, Deutsche Bank, is stuck in a veritable quagmire of different legal battles. And it has embarked on a number of different restructuring drives to try to catch up with its Anglo-Saxon rivals.

Wary of the image of unscrupulous bankers earning breathtakingly large bonuses, Germans are traditionally very conservative when it comes to their choice of bank. They prefer to entrust their savings and the finances of their family-run businesses to their local bank, and it's usually a choice that they stick with for life.

The German model "proved its value during the crisis. Unlike in other countries, credit did not dry up in Germany," said Gunter Dunkel, president of the federation of public-sector banks.

The German banking sector is built on three pillars -- private, public and cooperative. With around 1,780 lenders, it accounts for a third of all banks in the eurozone and a quarter in the European Union.

Private-sector banks make up 36 percent of total German banking assets. The rest is divided up between the regional public-sector lenders, which were hit hard by the financial crisis, municipal savings banks and a vast archipelago of small, local cooperative banks.

"The German banking sector, very closed and isolated, has no equivalent in Europe. In the German vision, its vocation is not to be competitive, but to be at the service of the economy, which explains the very strong links between finance and politicians," said Nicolas Veron, a researcher at the Brussels-based think tank Bruegel and at the Peterson Institute in Washington.

Various elected politicians sit on the supervisory boards of the public-sector regional banks or "Landesbanken", or play leading roles in savings banks, which enjoy a number of special regulatory advantages.

Apple, Android app makers cool to Microsoft overtures

REUTERS, Seattle

Microsoft's plan to make its new version of Windows a mobile hit by letting it accept tweaked Apple and Android apps has met an obstacle: some of the software developers the company needs to woo just aren't interested.

Windows phones accounted for just 3 percent of global smartphone sales last year, compared with about 81 percent for devices with Google's Android system and 15 percent for Apple and its iOS system, according to research firm IDC. One reason is that Windows doesn't run as many or as attractive apps as its rivals.

To boost sales of its phones and new operating system, Microsoft said last month that it would provide tools to software developers to make it easier to design apps for Windows based on apps that run on Android or Apple. But because so few people use a Windows phone, most developers remain focused on the more popular systems and don't see a need to develop apps for Windows. They also said they doubt how easy the new tools will be to use.

"Windows phone will have to gain a significant share of the market before this becomes something that saves us time and/or money," said Sean O'Reilly, a director at app development firm Fuzz Productions in New York, which makes apps related to Citibank, the New York Post, and Conde Nast, among others.

For Microsoft, the world's biggest software company, there's a lot at stake this summer as it rolls out Windows 10, the first operating system designed to run on PCs, tablets and phones. If developers

don't embrace the new platform, it will seriously damage the prospects of the new operating system, which Microsoft hopes will power one billion devices in two or three years.

Interviews with more than a dozen developers found just one planning to move an app from Apple or Android to Microsoft. That's King.com, which ported its popular Candy Crush Saga game from iOS to Windows 10 "with very few code modifications" and will be installed automatically with upgrades to Windows 10, according to Microsoft. King.com confirmed the move but declined to comment further.

Eight developers said they aren't planning to develop for Windows 10 at all. Four who already have Windows apps said they would continue to do so.

Because Microsoft hasn't actually unveiled its new set of tools to turn apps into a Windows format, developers did not rule out any move, and a Microsoft spokesman said that "it is still early" and many software companies want to explore the tools over the coming months.

More and better apps might attract more people to buy a Windows phone or tablet, Microsoft reasons. Only six of the top 10 free apps on iPhone are available for Windows phone, and of those, two are made by Microsoft itself. In the past Microsoft has paid developers to create Windows apps.

Failure to attract the apps would not be fatal for Microsoft, which is growing more reliant on its Office, server software and cloud computing services, but it would be a sign that Microsoft is losing its hold on personal computing, in a world where

Turkey auto workers strike hits Ford

AFP, Ankara, Turkey

One of the biggest strikes in the Turkish automobile sector in recent times showed no sign of letting up Wednesday, with Ford the latest producer to be hit.

The factories of Renault and Fiat in Turkey have been ground to a halt in the past few days by a strike for higher pay and have also been joined by several auto parts manufacturers.

Two factories in the western Kocaeli region operated by Ford Otosan -- a long-standing joint venture between the US car giant and Turkish industrial conglomerate Koc Holding -- were the latest to halt production on Wednesday.

workers had downed tools in solidarity with their counterparts at Fiat and Renault, who are based in the nearby city of Bursa, the hub of Turkey's flourishing car industry.

Reports said that 300 employees of Ford protested at the operation's base in Golcuk in the Kocaeli region, chanting slogans against management and watched by a heavy police presence.

However, Ford Otosan denied that was the case, saying the temporary stoppage was due to a lack of parts caused by the strikes at suppliers.

With the strikes now entering a seventh day, concerns are growing over the threat to the Turkish economy from the labour disputes in a sector that has been an engine



CHEVRON
Kevin Lyon, president of Chevron Bangladesh, receives a memento from Khaled Ahmed Pathan, management committee chairman of Nadampur High School, and Pradip Ranjan Das, headmaster, at a programme held at the school's premises recently.