

India, UAE firms in over \$20b deals

AFP, New Delhi

Indian and United Arab Emirates firms signed deals worth more than 20 billion dollars Monday during a visit by the ruler of Dubai, including plans to build two massive townships in India.

India's largest real estate developer DLF said it inked a 20 billion dollar deal with UAE's Al Nakheel to build two townships in India, with an initial investment of five billion dollars each in the next three years.

"We have signed a 50:50 joint venture with Al Nakheel to develop integrated townships with an investment of 20 billion dollars," said a DLF executive, who asked not be named ahead of a formal announce-

ment.

The executive, speaking on the sidelines of meetings with Indian business leaders by Sheikh Mohammed bin Rashed al-Maktoum, said the townships would be full-sized cities covering 40,000 acres (16,200 hectares) of land, of which 70 percent has already been bought.

A press conference to announce the deal will be held at 4:00 pm (1030 GMT).

Separately, India's Hinduja Group, majority-owned by the London-based Hinduja brothers, said it signed a 12-billion-rupee (275-million-dollar) deal with Nakheel to develop property in Dubai.

In another agreement, the Hindujas signed a joint venture with UAE's real estate group Limitless to develop real estate for medical facilities with an initial investment of one billion dollars.

"Half a dozen lands have already been acquired for this project," group chairman A.P. Hinduja told AFP.

The agreements were part of a string of business deals signed by companies from the two countries during the UAE leader's visit at the head of a large business delegation.

Details of other deals were not immediately available.

In January, DLF said it had filed a new and downsized initial share sale offer with the India stockmarket

regulator almost six months after investors balked at its plan to raise three billion dollars for its ambitious expansion programme.

DLF said instead it would raise 100 billion rupees (2.2 billion dollars) via an initial public offer sometime in 2007, down from the 130 billion rupees of shares it originally proposed to sell in August 2006.

The August share sale plan was withdrawn after major investment banks said the company's plans were unrealistic. New Delhi-based DLF will sell 10.1 percent of the firm, or 175 million shares, to fund the construction of hotels and free-trade zones.



PHOTO: MAXUS

Morshed A Chowdhury, general manager of Finlay Tea, and Taimur Ali, associate brand communication director of Asiatic Marketing Communications Ltd, sign an agreement at a function recently. As per the deal, Asiatic will perform all advertising and promotional activities of Finlay Tea. Aly Zaker, CEO of Asiatic Marketing, and Aql Chowdhury, managing director of Finaly Tea, among others, are seen.



PHOTO: HEIDELBERGCEMENT BANGLADESH

HeidelbergCement Bangladesh Ltd and Major Bridge Engineering Company signed an agreement recently. Under the deal, Major Bridge Engineering will use RubyCement brand cement of HeidelbergCement for the third Karnaphuli bridge construction project. He Xiusheng of Major Bridge and Ramakanta Bhattacharjee of HeidelbergCement Bangladesh signed the deal on behalf of their sides.

Vietnam trade deficit narrows sharply

AFP, Hanoi

Vietnam likely had a trade deficit of 200 million dollars in March, up from a year earlier but down more than 63 percent from February, the General Statistics Office (GSO) said Monday.

Imports were estimated at 4.0 billion dollars, dominated by petroleum products and machinery parts, with exports put at 3.8 billion dollars -- mainly textiles, footwear and coffee.

Vietnam joined the World Trade Organisation (WTO) on January 11, widening the country's access to major overseas markets and providing a boost to investment in the communist country.

It said the monthly trade gap was more than 2.5 times higher than the revised trade deficit of 78 million dollars in March of last year.

In the three months to March, the GSO put the trade deficit at 1.3 billion dollars, compared to a surplus of 78 million dollars for the same period in 2006.

"Huge imports of machinery and oil products have widened the trade gap," said a GSO official who asked not to be named.

"After Vietnam became a member of the WTO, enterprises have tended to expand their production, requiring more inputs."

In the first three months of the year, Vietnam spent 2.23 billion dollars on imported machinery, a year-on-year increase of 66.1 percent.

Refined oil product imports cost 1.41 billion dollars, up 13.6 percent, with steel at 842 million dollars, up 69.3 percent.

Vietnam, which has large offshore oil reserves but no operating refineries, earned 1.73 billion dollars from oil exports in the three month period, down 14.6 percent.



PHOTO: THE ACME LABORATORIES

Afzal R Sinha, deputy managing director of The Acme Laboratories Ltd, speaks at the Annual Marketing and Sales Conference-2006 of the company on Thursday in Dhaka.

Iran tensions push oil above \$62 in Asian trade

AFP, Singapore

Fresh tensions with Iran and problems in Nigeria pushed oil prices to their highest level of the year, well above 62 dollars, in Asian trade Monday, dealers said.

At 2:19 pm (0619 GMT), New York's main oil futures contract, light sweet crude for delivery in May, was up 35 cents at 62.63 dollars a barrel from 62.28 dollars in US trade on Friday.

Brent North Sea crude was 34 cents higher at 63.52 dollars.

Oil prices have now risen about 25 percent since January when they traded below 51 dollars.

Iran, the world's fourth-biggest producer of oil, said Sunday it will restrict its cooperation with the UN nuclear watchdog in retaliation for fresh Security Council sanctions over its disputed atomic programme.

The United Nations Security Council voted unanimously Saturday

to impose the sanctions in a bid to pressure Iran into freezing its uranium enrichment programme.

The decision followed word on Friday that Iran had seized 15 British personnel in the Gulf, a move which roiled the market.

"We haven't had geopolitical tension for a while," said Steve Rowles, an analyst with CFC Seymour in Hong Kong. "Any country that imports oil is monitoring this whole development in Iran very closely."

The latest UN sanctions followed measures adopted in December and came after Iran ignored repeated ultimatums from the Security Council to suspend uranium enrichment.

Tehran insists its nuclear programme is designed for civilian energy purposes but Western nations fear it is building an atomic bomb.

There was also tension in Nigeria, where an Indian and a Lebanese man kidnapped in

Nigeria's oil rich south last week have been released, a diplomatic source said on Sunday.

But a Dutch man kidnapped Friday from Port Harcourt, Nigeria's oil capital, remained missing along with two Chinese nationals abducted on March 17 in the southeastern state of Anambra.

With hostages in Nigeria and the British held by Iran, the geopolitical risk premium "is sort of coming back into the market," Rowles said.

Prime Minister Tony Blair on Sunday called Iran's seizure of the sailors and Royal Marines "unjustified and wrong" but Iranian Foreign Minister Manouchehr Mottaki said the detained group stand accused of "illegal entry" into Iran's territorial waters.

Industry experts fear Iran might disrupt its crucial oil exports if the international community punishes the Islamic republic with economic sanctions.

AFP, Washington

The dream of home ownership could turn into a living nightmare for millions of Americans in the next couple of years as home foreclosures are expected to skyrocket.

Alarmed lawmakers, such as Republican Senator Richard Shelby of Alabama, say the recent spike in home repossessions is just "the tip of the iceberg."

The fizz came out of the US housing boom last year after several years of stellar growth, fueled in part by a speculative binge, but also by sales of "exotic mortgages" including adjustable rate mortgages (ARMs).

Consumer advocates say such loans are costing many working class families an "ARM and a leg," and that buyers were often unaware ARMs can start out with a low "teaser" interest rate that fast kicks into a much higher rate.

Pressure is mounting on Congress to rein in unscrupulous lenders.

"Predatory practices need to end immediately and solutions must be designed to help the millions of distressed Americans who have mortgages they cannot afford," said Kirsten Keefe, a consumer lawyer and the executive director of Americans for Fairness in Lending.

Democratic presidential contender Senator Chris Dodd says the emerging "crisis" could see over two

million Americans lose their homes to foreclosure in the next few years. Such grim predictions are backed by some industry analysts.

Over 500,000 mortgages, or 1.19 percent of all loans, were in foreclosure at the end of the fourth quarter 2006, according to the Mortgage Bankers Association which reported over 43 million loans in total outstanding at the end of last year.

A main focus has been "subprime" loans, or mortgages marketed to people with poor credit histories, now seeing the worst problems. Jennie Haliburton, a 77-year-old widow, told a congressional hearing chaired by Dodd on Thursday that she took out an ARM loan with Countrywide Financial Corporation, one of the US' biggest mortgage lenders, without realizing her monthly repayments would leap from an initial 700 dollars to 1,100 dollars.

Federal banking regulators have also told Congress they are worried about rising foreclosures, especially in the subprime sector.

Mortgage executives promised Congress they would tighten up their standards, but cautioned against tighter regulation.

Top Federal Reserve officials have tried to soothe fears about the housing downturn and the National Association of Realtors (NAR) reported a surprise 3.9 percent rise in February existing home sales

Friday.

But, as the sum of delinquent mortgage loans has swelled to around 150 billion dollars' worth, some like Democratic senator Robert Menendez believe the country could be on the cusp of a foreclosure "tsunami."

Pessimists seeking evidence of a gathering storm do not have to look far.

Several mortgage lenders, who mainly sold subprime loans, including People's Choice Home Loan, Inc., Ownit Mortgage Solutions Inc., and ResMae Mortgage Corp, have filed for bankruptcy in recent months.



Senior officials of Shahjalal Islami Bank Ltd pose for photographs with the participants in a workshop on Uniform Customs and Practice for Documentary Credits (UCPDC)-600 on Saturday in Dhaka.