

International Business News

China's online sales soar in nine months

AFP, Beijing

Online sales in China almost doubled in the first nine months of this year, official data showed Tuesday, as the nation becomes more switched on and confident in Internet shopping.

China's enormous Internet community spent 168.9 billion yuan (25 billion dollars) through their computers in the January-September period, a 90 percent increase from the same period last year, the government data showed.

And Di Jiankai, a director-general of the commerce ministry, told reporters the total figure for the whole year was expected to exceed 260 billion yuan. He did not provide a comparative figure for 2008.

"The commerce ministry pays great attention to e-commerce," he added. "It is a very important business form we can use to boost consumption."

A report by research firm iResearch and China's top auction website Taobao shows online sales reached 120 billion yuan last year, up 128.5 percent from the previous year.

Liu Ning, a Beijing-based analyst with research firm BDA China, said the online shopping market has been growing strongly as consumers become more confident in payment security and the quality of goods sold.

Japan central bank pumps cash into financial markets

AFP, Tokyo

Japan's central bank, under pressure to help boost a fragile recovery in the world's second-largest economy, said Tuesday it would pump more than 100 billion dollars into the financial system.

Japan has emerged this year from its worst post-war recession sparked by the global downturn, but the recovery has been threatened by deflation and a surging yen.

The government on Monday announced plans for more than 30 billion dollars in fresh stimulus spending but has also badgered the central Bank of Japan (BoJ) to take steps to help revive the economy.

The central bank, in a hastily announced extraordinary meeting Tuesday, said it would keep its interest rate at a rock-bottom 0.1 percent while pushing about 10 trillion yen (114 billion dollars) into the financial sector.

Under a new loan facility, the money would be lent at 0.1 percent to financial institutions against collateral such as government securities or corporate bonds, the BoJ said.



DEBT CRISIS

Jitters as Dubai drama unfolds

AP, DUBAI, United Arab Emirates

If global investors were looking for reassurances from Dubai that it would stand behind its massive, debt-swamped investment conglomerate, they got none. Instead, the Gulf city-state seemed to wash its hands of the financial woes that have rattled world markets.

The muddled message from Dubai has fuelled worries over a possible default by the conglomerate, which is involved in projects around the world -- from Gulf banks and ports in 50 countries to luxury retailer Barneys New York and a grandiose six-tower hotel-entertainment complex in Las Vegas.

Many investors are hoping that the conglomerate, Dubai World, will either openly discuss restructuring of some \$60 billion in debt with its creditors, or that Dubai's larger, oil-rich neighbour, Abu Dhabi, will step in to restore confidence by promising to foot any bills.

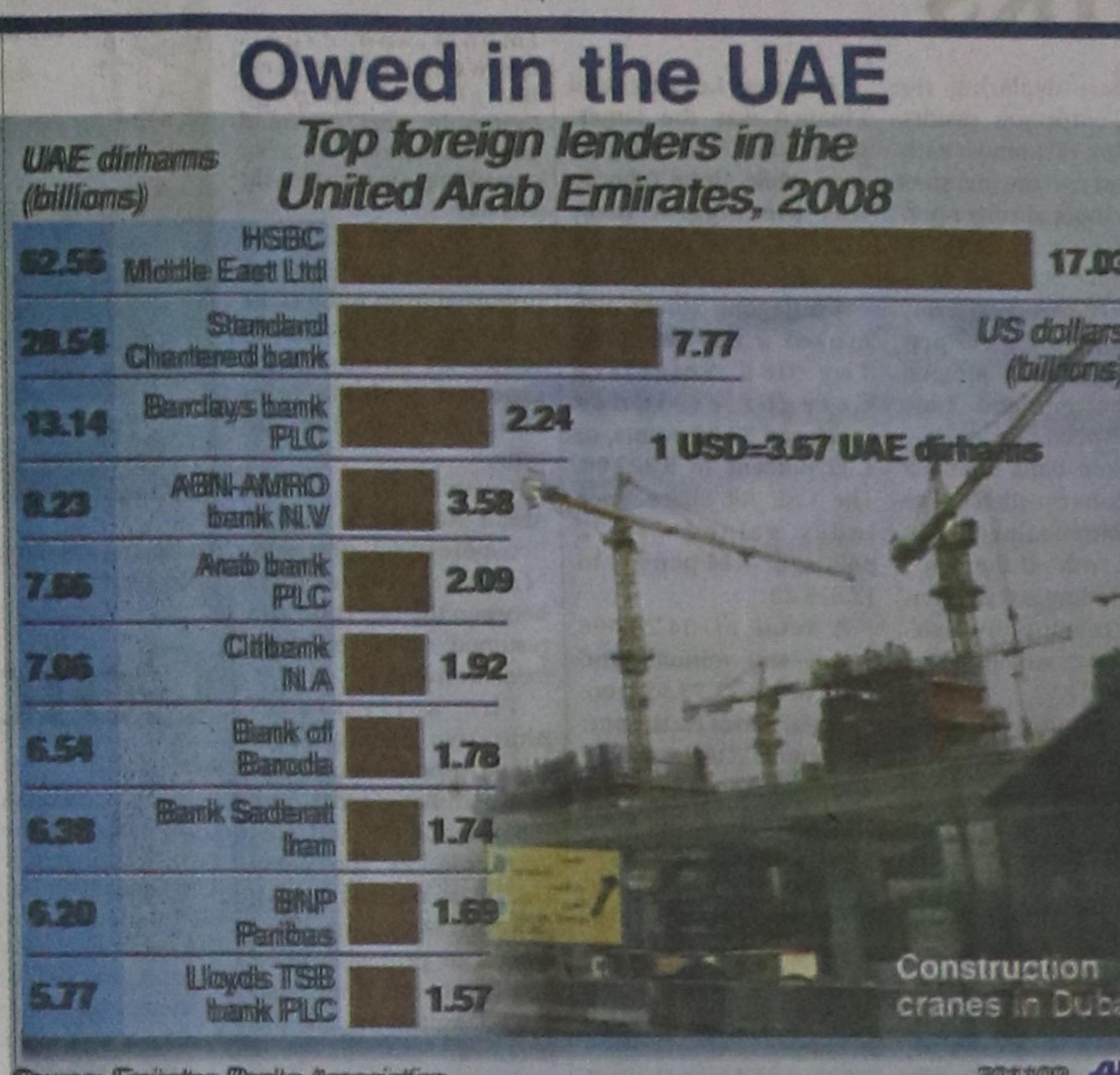
Dubai and Abu Dhabi are the most powerful of the seven highly autonomous sheikdoms that make up the United Arab Emirates, but their sharply different styles have long made them rivals. For any help, Abu Dhabi will likely demand a price, possibly including increased say over Dubai's affairs.

Abu Dhabi, the seat of the UAE's federal government, has been the more conservative, religiously and financially, relying on its oil wealth to fuel growth. Meanwhile, smaller Dubai -- without any oil resources -- has for the past decade been the freewheeling boomtown, racking up debt as it built extravagant skyscrapers, artificial residential islands and malls complete with indoor ski slopes.

Government-owned Dubai World has been the engine for much of that growth at home and abroad. So it was a bombshell last week when Dubai announced that the conglomerate wanted to defer debt payments until at least May.

The United Arab Emirates' two main stock exchanges registered record declines Monday as they opened for the first time since the announcement, after a long Islamic holiday.

The Dubai Financial Market was down 7.3 percent, while Abu Dhabi's bourse was off over 8 percent. Brokers said they hadn't seen such declines in at least a year.



Source: Emirates Banks Association

30/10/09 AFP

Construction cranes in Dubai

made his first comments Monday, it was hardly reassuring.

Abdulrahman al-Saleh distanced the emirate from Dubai World's debt, saying that while the conglomerate was government-owned, it was "established as an independent company."

"Given that the company has various activities and is exposed to various types of risks, the decision, since its establishment, has been that the company is not guaranteed by the (Dubai) government," he said on Dubai TV.

Moreover, lenders should take some of the responsibility for the problems, he said, arguing that they lent money to the company on the basis of the feasibility of its projects, not on assurances provided by Dubai's government.

Further fueling the confusion from Dubai authorities, the only other official to speak out about the debt mess was the emirate's police chief, Lt. Gen. Dhahi Khalfan Tamim.

Tamim said Dubai faces "unfair competition" aimed at "the defiling of the emirate so that it will not be a hub for finance, work or foreign investment."

He said the Dubai government's debts "are not worth mentioning" and shouldn't be confused with those of local companies.

Dubai World broke its silence in a pre-dawn announcement Tuesday.

The company said in an emailed statement from the Dubai ruler's media office early Tuesday that "constructive" discussions have begun with banks. It said the restructuring would include about \$6 billion covered by Islamic bonds issued by its Nakheel subsidiary. Nakheel, which is the real estate developer famous for building Dubai's palm tree-shaped islands, has a roughly \$3.5 billion Islamic bond coming due in two weeks and it was considered the litmus test of Dubai World's debt woes.

The conglomerate emphasised that the proposed restructuring would not include a number of its other portfolio companies, including Infinity World Holding, Istithmar World and Ports & Free Zone World.

While the statement offered the first taste of clarity for a financial world eager for some transparency, it did not deal with the broader issue of how the company and Dubai itself would deal with the overall debt.

One possibility is that Abu Dhabi will step in, more to salvage the UAE's creditworthiness and economy than out of any filial or legal obligation to Dubai. Abu Dhabi's rulers appear to be furious over Dubai's handling of last week's debt announcement, showing it by remaining silent amid the crisis.

"Abu Dhabi's leaders have long viewed Dubai's economic growth model as excessively risky, and they now feel vindicated," Hani Sabra, a Middle East expert with the New York-based Eurasia Group, wrote in a recent report.

But it also can't allow Dubai or Dubai World to fail. "Some of Dubai's largest creditors are domestic Emirati banks in Dubai and Abu Dhabi, and Abu Dhabi does not want Dubai's troubles to spook international investors away from the UAE as a whole," he said.

In a move to partly allay liquidity concerns, the UAE's Abu Dhabi-based central bank on Sunday reaffirmed it was standing behind local and foreign banks in the country by offering additional funds at a low cost.

The move was ostensibly to ward off a run on the banks. The conglomerate, alone, is responsible for about 75 percent of Dubai's at least \$80 billion in liabilities.

Abu Dhabi could earn additional political leverage by stepping up.

Intervening "gives Abu Dhabi the leverage it needs to extend its influence more broadly across the UAE federation," wrote Sabra.

Meanwhile, stock markets in the United Arab Emirates plunged for a second day yesterday after the government said it is not guaranteeing Dubai World's 59 billion dollars of debt and the troubled conglomerate unveiled major restructuring plans, reports AFP.

BRITISH CURRY AWARDS

Adding spice to English palate

SADYA AFREEN MALICK, back from London

Glitz and glamour were the watchwords at the recent British Curry Awards 2009, held in London.

Touted as the 'Oscars' of Britain's spice restaurant business, the prestigious awards are now being handed out for the fifth year running. This year, a huge gathering of 1,500 guests, including diplomats, MPs, celebrities and entrepreneurs from countries as diverse as Bangladesh, India, Pakistan, Qatar and Dubai, turned out for the award ceremony, hosted by Sir Trevor McDonald, one of the UK's most popular TV journalists.

David Cameron, opposition leader in British parliament, delivered the keynote speech as chief guest, the first by a leader of a major political party at the event. The address was a fitting tribute to an industry that has grown by leaps and bounds over the years: today according to estimates, the £3.5 billion curry industry provides employment to around 1,00,000 people across the UK.

Cameron said, "The British curry industry is a great success story. It has shown how people from all backgrounds, with different creeds and cultures, can come together as one."

Founder and chief organiser of the British Curry Awards Enam Ali, MBE, appealed to the political forces to help solve the skills shortage that was plaguing the curry restaurant industry.

"We recognise that the long-term solution to our staffing problems is to attract and groom our home-grown chefs. The improved profile that these awards have given to our industry is already showing some results, with more young people among the award winners. But this is a slow process and, in the short and medium term, we will still need to turn back to the subcontinent to find many of the skilled people we need to help keep our industry moving forward."

This year's winners were chosen from a record 40,000 public nominations, covering



Left to right, Sir Trevor McDonald, one of the UK's most popular TV journalists, Anjum Anand, presenter of the BBC2 series 'Indian Food Made Easy', Enam Ali, chief organiser of the British Curry Awards 2009, and David Cameron, opposition leader in British parliament, attend the recent awards ceremony in London.

more than 2,700 restaurants. Honours were handed out to nine restaurants that had been adjudged the best in their categories. These included Cinnamon (Scotland/Northern Ireland), Aagrah (North East), Indian Ocean (North West), Lasan (Birmingham), Bokhara Brasserie (Wales), Jaipur (South East), Rajpoot (South West), Bombay Brasserie (London Central) and Brilliant Restaurant (London Suburb).

In addition, London's Tayyabs won the

'Newcomer of the Year Award' for establishments that have been open for less than three years.

Anjum Anand, presenter of the popular BBC2 series 'Indian Food Made Easy' and one of the first writers to create Indian style health-conscious recipes, was the 'Personality of the Year' and Sanjay Anand, boss of Asian catering operation Madhu's, received the special 'Recognition Award for Catering'.

Noted personalities Max Clifford, Rageh

Noon, among others, presented the awards, while Chris Tarrant made an emotional and heart-felt appeal for the chosen charity of British Curry Awards 2009, the Lord's Taverners.

In all, guests came from far and wide, including Bangladesh, India, Pakistan, Qatar and UAE, to attend the event, where more than £11,000 was raised on the night for the charity.

The writer is the editor, Arts and Entertainment, The Daily Star

Vietnam infrastructure deters Investors

AFP, Hanoi

The poor state of Vietnam's roads and other infrastructure poses the key obstacle faced by foreign investors as the communist country battles to boost its exports, business leaders said Tuesday.

Almost 96 percent of foreign trading firms rated the country's infrastructure as "bad" or "very bad" according to a survey presented to the Vietnam Business Forum.

Unless the government works to remedy the problem, "the country's infrastructure status will act as a deterrent to foreign investment and the enhancement of Vietnam's export sector," the survey said.

The figure is "staggering", Tony Foster, who heads a forum sub-committee which includes multinational corporations, told the gathering of government officials, foreign diplomats, businessmen and aid agencies.

Vietnam has already seen a precipitous drop in foreign direct investment this year. At about 19.7 billion dollars from January to November, the total was barely a quarter of the amount registered over the same period of 2008.

Eurozone jobless at highest since December 1998

AFP, Brussels

Unemployment across the 16 nations that use the euro has hit its highest level since December 1998, the European Union's statistics office said on Tuesday.

The seasonally adjusted rate for the eurozone was 9.8 percent in October, with overall numbers on the dole up to 15.567 million people across the economic region -- even though the rate was unchanged from September.

Across the 27-nation EU as a whole, there are now at least 22.51 million people unemployed.

Compared to September, that meant an extra 134,000 out of work in the euro area -- whereas the EU figures rose by 258,000.

Compared to one year earlier, there were more than 3.1 million more people unemployed in the eurozone and five million more across the full bloc.