

## International Business News

## Britain stuck in recession

AFP, London

Britain remains the last major economy in recession after official data Tuesday showed the country's output shrank by 0.2 percent in the third quarter.

The Office for National Statistics said that British gross domestic product (GDP) contracted by 0.2 percent during the July-September period compared with the previous three-month period.

It had previously put the contraction at 0.3 percent, while analysts' consensus forecast had been for a revision this time around showing GDP shrinkage of only 0.1 percent.

Britain officially ends 2009 as the only top economy in recession after the eurozone, France, Germany, Japan and the United States have all emerged from a deep downturn that was sparked by the global financial crisis.

"Gross domestic product contracted by 0.2 percent in the third quarter of 2009," the ONS said in a statement.

"This has been revised from a fall of 0.3 percent in the previous estimate of GDP, due to upward revisions to construction partly offset by downward revisions to production and services.

"GDP remains 5.1 percent lower than the third quarter of 2008," added the statistics office.

British Prime Minister Gordon Brown's government, heading for defeat in next year's general election according to polls, believes that the country has returned to growth during the current fourth quarter.

## FBI probes hacker attack on Citigroup

AP, Washington

The FBI is investigating a hacker attack on Citigroup Inc that led to the theft of tens of millions of dollars, The Wall Street Journal reported Tuesday.

Citing anonymous government officials, the Journal reported that the hackers were connected to a Russian cyber gang. Two other computer systems, at least one of connected to a US government agency, were also attacked.

Citigroup denied the report. "We had no breach of the system and there were no losses, no customer losses, no bank losses," said Joe Petro, managing director of Citigroup's Security and Investigative services. "Any allegation that the FBI is working a case at Citigroup involving tens of millions of losses is just not true."

The Journal reported that the attack on Citigroup's Citibank subsidiary was detected over the summer, although it may have occurred up to one year earlier. The FBI, the National Security Agency, the Homeland Security Department and Citigroup worked together to investigate the attack.



Chairman of Olive Telecommunication Arun Khanna (C) poses with models as they display Olive Zipbook X107H-3G computer with inbuilt high-speed connectivity and Olive 7 stylish smart mobile phone during the launch in New Delhi yesterday.

## Shanghai IPOs to triple in value in 2010

AFP, Beijing

The value of initial public offerings in Shanghai is forecast to more than triple in 2010, reflecting the strong rebound in the Chinese economy, global accounting firm Ernst and Young said.

Chinese companies are expected to raise 380 billion yuan (55.7 billion dollars) on the Shanghai Stock Exchange next year, compared with an estimated 118 billion yuan this year, Ernst and Young said in a report Monday.

That would place Shanghai ahead of Hong Kong, where companies are expected to raise a record 370 billion Hong Kong dollars (47.7 billion dollars) in 2010 compared with 246 billion Hong Kong dollars this year.

"With the economy and the capital markets becoming more stable, coupled with a strong IPO pipeline and market liquidity, we forecast 2010 IPO activities in the Chinese mainland will continue to be strong," said Terence Ho, strategic growth markets leader for Ernst and Young.

## Thailand expects 15m tourists next year

AFP, Bangkok

Thailand said Tuesday it expects a rise of up to ten percent in the number of tourists travelling to the kingdom next year, after political turmoil contributed to a drop in visitors in 2009.

"There will be 15.0 to 15.5 million tourists," the tourism and sports ministry said in a statement on projections for 2010.

It said the industry would campaign worldwide to promote Thailand as a holiday destination, with the priority of attracting more visitors from South and Southeast Asia, France and Britain.

"The tourism industry will improve if there are no major political incidents or other kind of threats," the statement added.

## Dubai World in debt talks



Atlantis hotel, built on the man-made Palm Jumeirah island off the Dubai coast, is seen behind a string of villas on Monday.

AFP, Dubai

Dubai's heavily indebted group, Dubai World, began talks Monday with its lenders over its request to restructure 22 billion dollars in debt but has made no specific proposals, a company spokesman said.

"Representatives of Dubai World took part in the meeting with creditors today (Monday)," the spokesman told AFP, declining to be named.

But "there were no specific proposals made" by the government-owned company, he said.

Later, a company statement said the purpose of the meeting "was to provide an update to the banks on the development of the group's restructuring plans as it seeks to reach a standstill agreement with financial creditors."

It reiterated that Dubai World

"will continue to work with financial creditors to seek a standstill in an orderly way. As long as a standstill is successfully implemented, Dubai World has assurances that the government of Dubai ... will provide financial support to cover working capital and interest expenses to ensure the continuity of key projects."

"Dubai World is committed to working closely with the banks' appointed coordinating committee to work towards a consensual solution for the benefit of all lending banks, trade creditors and other stakeholders affected by the restructuring."

Representatives of at least 90 creditors were expected to take part in the Dubai meeting, with the first aim being to name a coordinating committee to represent the creditors, The National newspaper said earlier.

The committee is likely to include four British banks -- HSBC, Lloyds, RBS and Standard Chartered, which are believed to have a Dubai World debt exposure exceeding five billion dollars, the paper said.

Regional lenders are led by Abu Dhabi's Commercial Bank and Dubai's Emirates NBD bank.

Dubai World was represented by its chief restructuring officer, Aidan Birkett, of Deloitte global accounting firm, who was recently hired by the Dubai government to oversee the revamping of the group, the spokesman said.

The meeting is believed to be just the beginning of long negotiations to sort the obligations of a number of Dubai World subsidiaries which are up for restructuring.

Topping the list is the group's giant property developer Nakheel, which narrowly escaped being

pushed to default on debt after a last-minute Dubai announcement last week that Nakheel's maturing Islamic bonds of 4.1 billion dollars would be paid on time.

The payment was covered thanks to a 10-billion-dollar lifeline extended by neighbouring deep-pocketed Abu Dhabi, which brought to 25 billion dollars the total aid supplied by Abu Dhabi and the UAE's central bank to sort the debt problems of Dubai corporates.

Dubai made it clear that remaining funds would cover Dubai World's interest payments and arrears to contractors through April 2010 on the condition that the group reaches a debt restructuring settlement with its lenders.

The emirate had rocked global markets last month when it requested a six-month freeze on

debt payments by the group in order to restructure it.

Top Dubai financial officials reportedly told banking leaders in London last week that Dubai World could still pay the bank loans of its troubled subsidiaries in full over the medium term.

Debts owed to banks are believed to amount to over a half of the obligations of the concerned units.

The total debt of Dubai is estimated between 80 and 100 billion dollars. Dubai World's debt was 59 billion dollars before the government paid Nakheel's 4.1 billion dollars bonds.

Dubai's economy grew at a rapid rate over the past years, on the back of a real estate boom, but it was hard hit by the global economic crisis which caused a shortage in available finance for the emirate's ambitious projects.

## AUTOMOBILE

## Beijing cars pass 4 million mark

AFP, Beijing

Mao Chunqun and her husband stand in the sprawling Yayuncun Auto Market on the outskirts of Beijing eyeing Hyundai sports utility vehicles on offer for as much as 250,000 yuan (36,600 dollars).

The couple are hunting for their third car just as Beijing traffic hits a new milestone with four million registered vehicles, according to state media.

The spiralling number of cars on the roads of China's sprawling capital are a sign both of the increasing affluence of the city's middle class -- and the challenge the government faces in terms of reducing toxic air pollution.

"I am going to sell (one of my cars) and buy a new one," Mao, 26, told AFP. "I can't own too many at the same time. Isn't it bad for the environment?"

The number of registered vehicles in Beijing -- well known for its traffic jams and poor air quality -- topped four million this week, state Xinhua news agency reported late Friday, citing the municipal government.

The four million mark means a quarter of the 16 million permanent residents in the city has a car.

As a taxi driver for the past five years, Qiu Haitao is used to being stuck in traffic and doing battle with novice drivers.

"From Monday to Friday it is like this," Qiu told AFP, pointing at dozens of cars blocking a major intersection.

"There are more cars on the road and at the same time new drivers are increasing so there are more minor accidents."

And the congestion will only get worse, with around 2,000 new cars sold daily in the increasingly wealthy city.



A fender-bender slows traffic during the evening rush hour in Beijing on December 18 ahead of the weekend when officials expect a milestone to be set with the city's four millionth registered vehicle.

"Compared with other metropolises in the world, the growth in the number of vehicles in Beijing is dramatic," Guo Jifu, researcher with the Beijing Municipal Communication Research Centre, told Xinhua news agency.

It took Beijing 48 years for the number of vehicles on its streets to increase from 2,300 in 1949 to the first one million in 1997.

It took six and a half years to register the second million, Xinhua said, and the pace of growth has continued to accelerate.

Greenpeace China said the government needed to "urgently

develop a comprehensive vision for a sustainable transportation future".

"Cars are a dominant cause of the severe air pollution and traffic congestion in Beijing and other major cities in China," said Liu Shuang, the group's climate and energy campaigner.

Last year, government vehicles and all private automobiles were banned from Beijing's roads for one day each week, depending on their licence plate number, in measures aimed at easing congestion and curbing emissions.

But some drivers complain that the restrictions have only exacer-

bated the problem by encouraging people to buy another car.

"Many rich people are buying a second car because of the rule," one unnamed driver told state media last week.

"It is just very inconvenient not to drive on certain days of the week."

Beijing's air is among the most polluted in the world, and the problem is getting worse amid high demand for private vehicles from its increasingly affluent residents, who shun taking the underground rail and buses.

"It is more convenient than public transport and I can take my

family for excursions," said Mao, who has two children.

China's total car sales outstripped those of the United States for the first time in January to make the Asian giant the world's biggest auto market, helped by government efforts to stimulate domestic consumption.

While people living in Beijing's outer suburbs with limited public transport need a car, many others buy a vehicle simply to show off to their friends, said Qiu.

"Owning a car is a symbol of your social status," he said.

"I like cars. If I had the money I would buy one."