

International Business News

Dubai World opens talks with small creditors

REUTERS, Dubai

Troubled conglomerate Dubai World has begun talks with small creditors, not included in the coordination committee of banks on its restructuring plan, to avoid any lawsuits, a UAE newspaper said on Sunday.

The company, which has \$14.4 billion in outstanding bank debt that it said it will be able to repay, has started negotiations with the smaller group after lending banks approved its restructuring plan, Arabic daily Al Ittihad said, citing banking sources familiar with the matter.

Dubai World is prepared to sell prized assets, including ports firm DP World, in a bid to raise as much as \$19.4 billion to repay creditors, a document obtained by Reuters showed on Wednesday.



Mini cooper cars go on parade during an auto gathering in Beijing on Saturday. China's auto sales are going to roar ahead for the foreseeable future despite signs of cooling demand in the world's largest car market, experts say, after 2009's breakneck growth in sales, consumers are holding back as the world's third-largest economy slows down and massive government stimulus measures including car-buying incentives are scaled back.

Japan PM orders plan to boost domestic investment

AFP, Tokyo

Japan's premier has ordered his industry minister to draw up a plan to boost domestic investment and keep jobs at home as a strong yen pressures Japanese firms to move factories abroad, reports said Sunday.

Prime Minister Naoto Kan has instructed Economy, Trade and Industry Minister Masayuki Naoshima to compile "a programme to promote domestic investment" by October.

Kan plans to incorporate part of the blueprint into a fresh stimulus he will outline on Tuesday, the Yomiuri Shimbun and other media reported.

"In order to fix the economy, the first to do is (create) jobs, the second to do is jobs," Kan told reporters Saturday, the Yomiuri said.

The main feature of the plan would be measures to promote domestic investment from some 200 trillion yen (2.36 trillion dollars) of cash and deposits kept by Japanese companies, the reports said.

Kan renewed pressure on the central bank to take additional monetary easing measures, reportedly saying: "I'd like to see the Bank of Japan governor as soon as he returns (from a trip to the United States) and mention what we expect them to do."

Emirati investor eyes stake in Kuwait's NBK

REUTERS, Kuwait

An Emirati investor is interested in buying a 10 percent stake in National Bank of Kuwait (NBK), the country's biggest lender, a local newspaper reported on Sunday.

"It has been said that an Emirati investor wants to buy (the stake)," Kuwaiti daily al-Qabas said citing sources.

Earlier in August the newspaper reported that at least two shareholders of NBK received offers to sell a 10 percent stake in the bank.

A spokesman for the bank said then that NBK had not been reached or contacted by any party.

"Companies who have enough amounts of shares, are being polled to know their readiness to give up these shares, prior to getting into any agreements or official procedures," the report said on Sunday.

In March, NBK's shareholders approved a 10 percent capital increase through a rights issue to fund expansion.

SKorea announces policies to boost housing market

AFP, Seoul

South Korea's government Sunday announced measures to ease curbs on mortgage lending to counteract a slump in the housing market.

Under the plan, jointly announced by several agencies including the land and finance ministries, the government will temporarily roll back some restrictions introduced in the mid-2000s to curb soaring prices.

Limits for some borrowers will be lifted until next March, giving banks the power to decide how much they can lend to homebuyers.

Previously, borrowers were banned from taking loans with an annual repayment worth more than 40 to 60 percent of their income, depending on the location and price of a property.

The restriction will be lifted for those with no homes or single-house owners who buy properties worth less than 900 million won (752,193 dollars) in all areas except a few districts notorious for speculation, the land ministry said in a statement.

"Those with no homes or single-home owners account for more than 91 percent of all households, so all of them will potentially benefit from the change," Vice Land Minister Jung Chang-Soo told reporters.

COLUMN

One step ahead

SARWAR AHMED

As you step out of the lift at the entrance of an outstandingly modern, crisp and clean office, you see an oil painting of a lion and a lamb lazing together. If the painting is a paradox, so is the story of Imdad Haque, a 55-year-old Bangladeshi who locked horns with his future. He has offices sprawling from New York to Moscow, Hamburg, Vienna, Ankara, Dubai, Singapore and recently in Dhaka.

Since early in life, Imdad was a go-getter, a value instilled in him by his late father. His father was an army personnel, and Imdad helping, were the first to train the youth of Pirojpur where the family comes from, to use firearms as Mukti Bahini in 1971. His father also made it a point that Imdad learn English and encouraged him to listen to English news broadcasts, bought English books to read and got him to learn shorthand and typing. After the Liberation War, these skills and his English helped him to work part-time, contributing to the family of ten siblings and his parents. Imdad recalls his fantastic teachers of Pirojpur Government High School, which he says is the best institution that helped shape his life values.

Imdad went on to BM College in Barisal to complete his HSC. Staying with a family where he had to teach seven children for his bread and board, he attended college and worked part-time, taking dictation, typing our letters, circulars. The executive engineer of Bangladesh Agricultural Development Corporation was kind enough to arrange a flexible time schedule. Imdad was one of the two students who passed with a first division in 1974 from BM College. Dhaka beckoned him for his graduation, and again, his skills helped him to work for UNDP and ILO to pay for his livelihood. A scholarship to the UK fell through as he could not muster

the funds required for the travel.

With an indomitable spirit, a small bag with meager belongings and fifty dollars in his pocket he trekked off to Iran. Again his English and typing skills got him various back office jobs. After the tumultuous 1979 revolution in Iran, Imdad left for Vienna, Austria and then on to New York. Completing his graduation in computer science from City University of New York in 1984, he thereafter completed his MBA.

The year 1984 saw the advent of his business, a computer consultancy firm. The first personal computers had just arrived and all around offices needed networks to be established. As his business picked up, he travelled to Poland in 1987 to attend an IT seminar. There he met participants from Kazakhstan who showed interest in his skills of establishing wide area networks. They kept in touch and asked him to participate in a bid for a WAN project for the oil industry in 1989. Bagging the \$4 million contract, he completed the project by 1990, linking nineteen oil production region offices.

During his travels to Kazakhstan, Imdad had stopovers in Moscow. He sensed the market for personal computers in 1991 and set up an assembly unit with 114 engineers. Like a bread factory, customers were literally lining up outside the door. Business was brisk as the PCs sold like hot cakes. Imdad was the first to set up a hyper-market in Moscow in 1999, the American model of 24 hours all year round open market, a unique concept in Russia. He gradually increased his footprint with 14 such outlets. As big players like Migros, Carrefour began to come in Russia, nimble footed, he sold off his business in 2007, staying one step ahead before being crushed by the heavy weights.

As part of his business diversification, the next stop was Dubai and Dhaka. He has mixed feelings of investing in Dubai, more so because of the recent property value crash.



Imdad Haque says how he manages his business: "Hire the best of the best. Inculcate a corporate culture of being a family, deal with your associates with respect and never take advantage of your position."

The power crisis in Bangladesh will take several years to come to a semblance of normality. That is why he has invested in a joint venture with a Turkish company in Bangladesh. Living up to customer commitments, his gensets (fossil-fuel powered generators) are already making their presence felt in a competitive market.

With his supply chain knowledge and links, Imdad bought off a fish processing plant in Rupsa, Khulna. Tearing it apart, he is investing in the best possible equipment and processes to meet international standards to serve European and Russian markets for fish and shrimps.

The purchase of the plant gave him another bonanza, land. Imdad is now investing in what he expects to be one of the largest garment manufacturing units in Bangladesh. With four floors, each with 60,000 square feet, Imdad

believes in the best of technologies as he puts in state of the art equipment to produce 100,000 pieces per day. Why Khulna? You are away from the flashpoint of devastating turmoil of Savar and Ashulia, and the nightmarish traffic of Dhaka. There are certainly trained workers of nearby districts who will appreciate to work nearer their homes. And Mongla Port is only half an hour from the site.

What about the recent wage issue? Imdad says our economy is dependent on garments export; we need to be careful of how Bangladesh is being projected in its major markets, the EU and USA. Consumers are questioning about fair play practices. When news about our garment workers being paid 19 euros a month flash, brand buyers are being put in the defensive, as consumers ask if their production sources are using slave labour in sweatshops.

If we do not humanise the workplace and pay decent wages, labour unrest will remain a festering sore and can damage Bangladesh's long-term image.

How does he manage his business? It is quite simple, he says, hire the best of the best. Inculcate a corporate culture of being a family, deal with your associates with respect and never take advantage of your position.

Married to a Russian, they have three children, born in Russia, Finland and Switzerland. Imdad is proud to be a Bangladeshi who loves our luxuriant rural green. He has the satisfaction of having the vision to provide livelihood to thousands and enjoy the challenge of setting up and having fun in running a business in his native Bangladesh.

The writer is the managing director of Syngenta Bangladesh Ltd.

TECHNOLOGY

Indian users hold breath on BlackBerry

AFP, New Delhi

India's BlackBerry users are holding their breath as they wait to see if the government carries out a threat this week to ban encrypted messages sent on the phones due to fears of misuse by militants.

The government, worried that militants could use BlackBerry's heavily encrypted services to plan attacks, warned earlier this month it would start blocking emails and instant messages sent on the smartphones unless the company comes up with a way for security agencies to decode the traffic by August 31.

There were indications late last week the deadline might be pushed back beyond Tuesday's deadline as BlackBerry's Canadian makers, Research in Motion (RIM), scrambled to satisfy the authorities.

Minister of state for communications Sachin Pilot said he was "hopeful" a plan could be worked out with RIM.

The government -- keen to project India as a fast-growing, investor-friendly economy -- is "not in the business of shutting down services", Pilot said, but stressed New Delhi was also not ready to sacrifice its security interests.

"These concerns have been addressed in other parts of the world. I see no reason why the government and (security) agencies should take any risk at all as far as technology (is concerned)."

Analysts have noted other security-conscious nations such as China and Russia appear to be satisfied over their intelligence agencies' level of access to BlackBerry communications.

GK Pillai, the top bureaucrat in the home ministry, was due to hold a department meeting Monday to take a call on India's next step. Officials have suggested RIM might be given a one or two-month extension of the deadline.

BlackBerry users said they hoped a shutdown could be averted.



An Indian technician repairs BlackBerry phones inside a BlackBerry store in Mumbai.

"It's as essential as food, water and shelter. A BlackBerry is a necessity for all the corporate guys, and the government can't afford to do that (a ban), that's for sure," said marketing manager Amit Deshmukh.

But the government has already told cellular operators to be prepared to shut off BlackBerry's corporate messaging services. Non-corporate emails are less heavily encrypted and can already be accessed by Indian security agencies.

For RIM, whose shares closed at a 52-week low on Friday of 45.99 dollars in New York, striking a deal with India is crucial and would help ensure the company is not

shut out of the world's fastest-growing cellular market.

India, which has 1.1 million BlackBerry users, would be the first country to curb its services. But RIM is also facing a threatened ban by the United Arab Emirates and is negotiating with Saudi Arabia on security issues.

In a bid to head off a showdown, RIM offered Thursday to set up an "industry forum" to look at how to prevent misuse of the encrypted service while safeguarding corporate privacy.

RIM and analysts insist the company is unable to comply with demands to hand over codes allowing interception by security

agencies. RIM says it has no "master key" to unlock encryption codes of clients which are set at the user level and argues the issue is an industry-wide concern.

"The industry forum would work closely with the Indian government and focus on developing recommendations for policies and processes aimed at preventing the misuse of strong encryption technologies," RIM said.

"Banning one solution, such as the BlackBerry solution, would be ineffective" and also "severely limit the effectiveness and productivity of India's corporations," RIM added.

"They are essentially trying to educate the government so it can

stay ahead of the technology -- militants are not going to be going around using corporate emails, there are more sophisticated methods," Kunal Bajaj, director India of telecom consulting firm Analysys Mason, told AFP.

"I honestly do not think India will shut BlackBerry services down, it's just taking a bit of time to see what are the options and how to get what they're looking for," he added.

Nareshchandra Singh, principal research analyst at Gartner global consultancy, said there "could be some extension, but ultimately if the government doesn't get what it wants it could come to a ban."