



Activists of the All-India Democratic Women's Association protest in front of the Reserve Bank of India against microfinance institutions in Hyderabad on October 13.

AFP/FILE

Andhra Pradesh restricts micro lending

REUTERS, Mumbai

Shares of SKS Microfinance, India's largest and only publicly listed lender to the poor, fell by as much as 5 percent after lawmakers in the Indian state of Andhra Pradesh approved legislation to regulate the fast-growing sector.

The legislation, which had been expected to be approved, ratifies an earlier ordinance that has curbed operations by micro lenders in Andhra Pradesh, which had been their largest single market in India.

The move follows tight scrutiny of the fast-growing, largely

unregulated, small loans sector after fears of large-scale defaults due to high interest rates and reports of suicides due to mounting debt.

Microfinance lenders in India make loans averaging about \$140, mostly to women.

The bill will most likely be signed into law sometime this week, said Alok Prasad, chief executive of trade organisation Microfinance Institutions Network, or MFIN.

"This was a state level political action taken on account of local political considerations. It does not materially alter the position that existed for the past

two months or so," said Prasad, whose group has a petition pending with the state high court seeking changes in the law.

The tighter rules were enacted in October, when the assembly was not in session, in response to complaints over high interest rates, aggressive loan recovery practices and overextended borrowers, and have severely curtailed the activities of microfinance lenders in the state.

Shares in SKS Microfinance, based in the Andhra Pradesh capital of Hyderabad, have fallen by more than half since a late September peak. On

Wednesday shares were down 2.42 percent, underperforming the Mumbai blue-chip index.

SKS, backed by investor George Soros, among others, went public in a popular August initial public offering that raised \$358 million.

SKS declined to comment.

MFIN, which has as members about 50 for-profit microfinance institutions that account for more than 85 percent of all micro lending in India, has a legal action pending in the Andhra Pradesh High Court.

"We will be proceeding on that with full vigour," Prasad said.

The federal government in Delhi has pledged to regulate the sector, but is also worried about any significant crackdown on lending in the state could backfire.

The Congress party-led coalition government is already fighting a series of battles from corruption allegations to opposition to hiking fuel prices across India.

Andhra Pradesh provides the single largest block of lawmakers for the Congress party and it is already fighting a revolt there over the appointment of a chief minister. The party is also dealing with failing crops due to heavy unseasonal rains in the state.

Filipinos working abroad fuel real estate boom at home

AFP, Manila

The Philippines' famous diaspora of overseas workers is fuelling a boom in the real estate market back home as they snap up houses and apartments to safeguard their futures.

Property prices have recovered strongly since the global financial crisis of 2008, with investments from the nine million Filipinos toiling away in foreign lands a significant factor, industry figures say.

"Overseas workers are moving the market. Properties now are selling and when there is demand, prices go up," Emily Duterte, head of the Real Estate Brokers Association of the Philippines, told AFP.

Industry sales nationwide this year are estimated to hit 300 billion pesos (6.9 billion dollars) compared with about 100 billion each in 2009 and 2008, according to Claro Cordero from Jones Lang La Salle, a global real estate consultancy firm.

"Nobody thought there would be such a quick recovery from the slump that began in 2008," said Cordero, research head of the company's Philippines' branch.

Filipino workers abroad have a reputation for working as lower-paid employees, such as construction workers, maids, sailors and janitors.

But their sheer magnitude -- they account for about 10 percent of the Philippine population -- mean they have long been a major force in the economy.

In 2009, they sent home 17.3 billion dollars, making up more than 10 percent of the nation's gross domestic product, according to government data.

And Filipinos are increasingly moving into higher-paid sectors, such as medicine, engineering and the media.

Overseas workers usually opt for houses costing about two million pesos (45,000 dollars), humble by foreign standards but well in the middle-class bracket for Filipinos, according to Duterte from the brokers' association.

Fifty-year-old merchant seaman Rodolfo Oliverio has spent most of his working life outside of the Philippines but he is an active player in the domestic real estate market.

Oliverio has used his overseas earnings to buy two small houses in the heart of Manila for his wife and children to live in, and he is paying for a third he recently bought just outside the nation's capital.

"If you work here, nothing will happen. The salaries are too small. The only way to afford a house is to become an overseas worker," Oliverio told AFP while on his annual vacation in Manila.

"Naturally, among overseas workers, the most important thing is a house and lot."

Oliverio said that as a ship's bosun -- the crew's foreman -- for a foreign company, he earned about 82,800 pesos a month, roughly four times more than he could earn doing the same job with a local cargo line.

With his salary, he said he was confident he could afford the repayments on his third house, a middle-class 42-square-metre (452-square-feet) place south of Manila which cost a little over 1.5

Great Firewall no obstacle for China's Facebook game makers

AFP, Shanghai

China's Internet censors may have kept most of the nation's 420 million web users from accessing Facebook, but they have not stopped social game developers like Ellison Gao.

Five Minutes, a Shanghai-based studio co-founded by Gao, 27, launched its first social game two years ago and has attracted millions of dollars from investors, including US venture capital firm Draper Fisher Jurvetson.

"It is impossible for any Chinese developer to ignore the Facebook market, just as it is for all the other social game firms across the globe," Gao told AFP at an industry forum last week.

More than a million users play his studio's games each day on Facebook, the firm's biggest market, although it has also moved onto local platforms in Brazil, Japan, and South Korea, Gao said.

Social games, which are usually free to play, are one of Facebook's most popular features. Games such as Zynga's FarmVille, in which users interact as they manage virtual farms, have become global hits.

Developers and social networking websites share revenue they generate from selling virtual goods and in-game advertising.

Chinese company prospering on Facebook, which is blocked along with websites like YouTube and Twitter by China's vast system of Internet censorship, dubbed the "Great Firewall".

Beijing-based studio Happy Elements has an average of more than 2.2 million daily Facebook



A woman walks past a billboard showing characters of a Chinese-developed online multiplayer video game.

users while rival studio ELEX has about 1.3 million, according to tracking firm Inside Network.

Chinese game studios are swarming to Facebook, which collects a 30 percent share of revenues -- terms developers say are more favourable than those of domestic sites -- and offers an open platform with over 500 million users.

"It is not surprising that smaller companies are the ones taking the risks to develop for the Western market", said Andrew Mo, head of product management at the Beijing studio of London-based social network game maker Playfish.

Facebook has an estimated 14 million Chinese-language users,

mainly based in Taiwan, Singapore and Hong Kong. That number is expected to grow to 16 million by March, according to the Inside Network site that reports on Facebook.

The success of Chinese game studios on Facebook has also spurred Western social networking game developers like Zynga to set

up shop in China to tap a growing pool of talented programmers.

San Francisco-based Zynga established a Beijing studio in May by acquiring local firm XPD Media, while US videogame maker Electronics Arts last year bought Playfish, which has been in Beijing since 2007.

"As we combine the web and games, it makes sense to build up a studio here to develop for the global market," Andy Tian, head of Zynga's Beijing studio, told a packed hall at the forum.

Three months after announcing the acquisition of XPD Media, Zynga launched a Chinese version of "Texas Poker" -- Facebook's third-most popular game.

In contrast to independent studios, Chinese online game giants like Tencent and Shanda do not yet have a significant presence on Facebook, though many of its popular games have been cloned for their platforms.

Tencent, whose instant message service has more than 600 million accounts, has launched open.qq.com, its own platform for third-party developers to create games and other applications.

However, some argue conglomerates like Tencent lack the kind of fair playing field that Facebook offers because they are likely to promote their own game units.



Shoppers stand outside a luxury retail store in a shopping mall along Orchard road in Singapore. Strong currencies and a travel boom are fuelling a year-end shopping spree in Asia's retail capitals even though consumers remain wary of a new downturn, economists and retailers said yesterday.