

NEWS ALERT

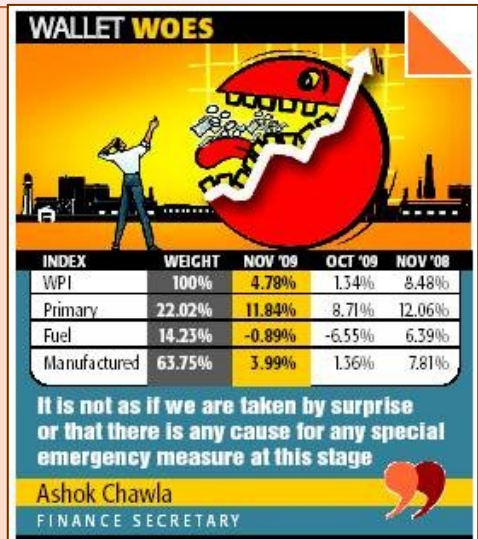
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EASY LOANS MAY BE OVER AS INFLATION HITS 4.78%

ANNUAL inflation climbed to a 10-month high fuelled by rising commodity prices, pulling shares off their highs on fears of a possible tightening of monetary policy, even as stocks across the globe rallied after Abu Dhabi agreed to fund Dubai to avert a debt crisis. Inflation, as measured by the Wholesale Price Index (WPI), rose to 4.78% in November from 1.34% in the previous month, government data showed.

The government and policymakers, who have been saying there would be no reversal of easy policies immediately and that stimulus measures will continue, reiterated the stand on Monday.



ABU DHABI GIVES DUBAI \$10 B TO COVER DEBT

The Dubai Government said on Monday that Abu Dhabi has agreed to give \$10 billion in emergency funds that will go toward paying debts owed by its Dubai World conglomerate.

It said \$4.1 billion will be used to pay off the debt from Dubai World's Nakheel property division. Announcing this, Sheikh Ahmad Bin Saeed Al Maktoum, Chairman of the Dubai Supreme Fiscal Committee, said the UAE central bank based in Abu Dhabi, is also prepared to support local banks.

He said the remaining funds would be used for interest payments and working capital of Dubai World through April 30, 2010, on condition that the company successfully negotiates a standstill agreement with creditors as earlier announced.

TRAI MOVES TO CURB TELECOM TARIFF WARS

Trai deciding to intervene in the market and end years of forbearance. Operators would then have to present a business case each time they come out with a tariff package. Only once the regulator is convinced the new tariffs are profitable would they be approved.

PAY PER DAY: NEW RENTAL PLAN FOR RETAILERS

While retailers are still working with the option of cutting costs and negotiating rentals to gear up for expansion, mall owners, who are vital for the organised retail sector, are experimenting with a new method — rent on a daily basis.

Atul Ruia-owned Phoenix Market City mall has already implemented the system at a few of its locations, while others such as Inorbit and Nirmal Lifestyle are considering it as an innovative option for their forthcoming malls. "We are receiving positive response and have planned to implement it (the daily rental model) across the country," said Atul Ruia, managing director of Phoenix Market City.

"It is a viable option in an industry that is just recovering from a period of uncertainty," added Mr Ruia. Under this plan, the retailer will have a joint account with the mall owner and at the end of each day, the share of mall owner is debited to his account.

