

NEWS ALERT

The Dubai Debt Crisis



HOME FROM DUBAI FOR EID, WORKERS AXED OVER SMS

Sajid and dozens of other workers from Meerut who were employed in various tile production units in Dubai, have been informed through SMSes that they were being sacked. "It was early morning when I received a text message from my office, Al-Hamid, telling me that I need not bother returning to Dubai. My contract has been discontinued and my work permit stands terminated. It said my dues will be sent through post and my belongings will be duly returned," said Sajid.

The workers say at least 64 of them, all working in meltdown-hit Dubai, have been received pink slips through text messages. Most of them live in areas like Shalimar Garden, Gokulpur, Shahpeer Gate and Zaida Farms in the city, and worked in tile-making units of various construction companies.

The workers say the text messages received by workers in several other UP towns, including Bulandshahr, as well were all the more shocking as they came after several Indian ministers including the finance minister claimed that the financial meltdown in Dubai would not affect Indian workers too much. "The ministers have been only talking about those from south India working in Dubai. A good 30% of the young workforce in our localities has gone to the Middle-East in the past two years. Many of my friends are still stuck in Dubai. We do not know whether they will even be paid. Our government must intervene and bring them back," said Asif from Zaidi Farms.

Oil and Natural Gas Corp has found traces of a new oil reserve in Gujarat that could raise its on-shore oil production by 20 per cent the Business Standard reported on Monday, citing anonymous company sources.

The new hydrocarbon structure is likely to produce at least 1 million tonnes per annum (mmtpa) of oil, the paper said. This is just under half the oil production of 2.2 mmtpa from the company's existing field located in the same area, it said.

The CAT on the keyboard made computers crash across exam centres for the second consecutive day on Sunday, forcing the directors of the Indian Institutes of Management into a huddle and the company entrusted with carrying out the online test scramble for resources. Around 5,000 students will now have to take the Common Admissions Test afresh at new dates throwing the original 10-day schedule into disarray. Technical experts blamed US-based Prometric – the agency entrusted with carrying out the first online version of CAT – for underestimating the magnitude of the task. Prometric said it has quarantined 50 labs across 14 centres on Sunday, and blamed the fiasco on a virus attack that went undetected.

INDIAN IT COS. INSULATED FROM DUBAI WORLD CRISIS

The Indian IT services and outsourcing industry is expected to remain insulated from the ongoing debt crisis in Dubai World, with firms having minimal exposure to the region. Industry insiders fear a long-term impact coming from banks and financial institutions that had lent to the Dubai World. These institutions could account for about 30% of the revenues of Indian IT companies.

Companies like Wipro Infotech, Infosys Technologies, TCS and Mahindra Satyam do not have many clients based out of the Middle East. The business they have there is marginal in terms of size of the contracts.

