

## Kish to host hotel management confab

**Tehran Times Economic Desk**  
**TEHRAN** — Iran's first international conference titled "Hotel Management in the Third Millennium" will be held February 20-21, 2010 in the Kish Island.

Over 700 individuals including university professors, experts and people working in the field of hospitality have been invited to the conference.

Introducing the latest breakthroughs and offering cutting-edge information as well as scientific achievements in hotel management and tourism industry worldwide, defining the strategies to enhance standard levels and quality of services offered in Iran's accommodation centers, and comparative study of Iran's hotel management industry by using successful models at international levels are the prime goals of the conference.

The conference's secretariat director, Naser Andalib, said the conference has received 30 articles in Persian language and five papers in English covering five topics including hotel construction and commissioning, marketing and sales in hotels, human resources and services, modern technology in hotel industry and standardization language from Austria, Malaysia and Hong Kong have been received so far by the secretariat.

Statistics show that in 2008 there were 922 million tourists around the world spending \$944 billion of which 50 percent was the cost of lodging.

## Tehran hosting 4 intl. expos

**Tehran Times Economic Desk**  
**TEHRAN** — Four specialized international exhibitions kicked off on Tuesday at the Tehran Permanent International Fairgrounds.

The third bourse, bank, and privatization exhibition, the fifth consumer goods, equipment and services for chain stores exhibit, the 17th luster and decorative lights fair, as well as the 1st door, window, and related industries expo are open to the public, the Islamic Republic of Iran Broadcasting reported.

MAJOR CURRENCIES		
Currency	To U.S. Dollars	To IR. Rial
Euro	1.44	14,401
100 Japanese yen	1.08	10,859
British pound	1.60	16,071
Canadian dollar	0.96	9,606
Swiss franc	0.97	9,706
Australian dollar	0.91	9,110
Swedish krona	0.14	1,417
UAE dirham	0.27	2,717
Kuwait dinar	3.48	34,811
Saudi riyal	0.26	2,661
Chinese yuan	0.14	1,462
U.S. dollar	1	9,980

Source: cbi.ir & Source: xe.com

COMMODITIES	
Commodity	Price
Light crude	\$ 81.51 per bbl.
Gold	\$ 1119.50 per oz.
Silver	\$ 17.45 per oz.
Platinum	\$ 1,523.90 per oz.
Copper	\$ 3.40 per oz.

Source: cnnmoney.com

# Sumitomo Mitsui may sell 800b Yen of shares

Sumitomo Mitsui Financial Group Inc., Japan's second-largest bank by market value, may announce plans this week to raise about 800 billion yen (\$8.7 billion) in a share sale, two people familiar with the matter said.

The Tokyo-based company said in a statement released through the stock exchange today that it hasn't made a decision on raising capital, after Reuters reported the bank will hold a board meeting as soon as tomorrow to decide on the sale.

Sumitomo Mitsui President Teisuke Kitayama said last month he didn't want to be "slow off the block" with a share sale, as regulators demand banks hold more capital.

The company and rivals Mitsubishi UFJ Financial Group Inc. and Mizuho Financial Group Inc. have raised \$30 billion in common stock sales since December 2008 to replenish balance sheets that Standard & Poor's estimates are among the weakest of the world's biggest banks.

"The bank is in definite need of capital," said Winston Barnes, the head of Asian trading at Montrose Securities in San Francisco. "Their shares are considered relatively cheap and they should be able to raise the money easily."

The stock closed 1.5 percent higher at 2,653 yen at 03:00 P.M. in Tokyo, trimming an earlier gain of as much as 5.4 percent. The shares have slumped 36 percent in the last 12 months.

Sumitomo Mitsui trades at 0.7 times book value, compared with an average of 1.9 times for the 50 closest banks



Sumitomo Mitsui Banking Corporation

worldwide by market value, according to data compiled by Bloomberg.

The company had a core capital ratio, a key indicator of financial strength, of 5.9 percent on Sept. 30, even after raising 861 billion yen through July, according to by UBS AG.

Japan's three biggest lenders were ranked in the bottom five of 45 global banks in a study by S&P in November that examined risk-adjusted capital, a measure that adjusts for reporting differences. Sumitomo Mitsui was at 3.5 percent, compared with the global average of 6.7 percent and 9.2 percent for HSBC Holdings Plc, according to the ratings company.

"The market needs the banks to raise capital to eliminate share-sale concerns,"

said Hironari Nozaki, a Tokyo-based analyst at Citigroup Inc.

Sumitomo Mitsui was the most active stock by value on the Tokyo Stock Exchange's first section today, with 133 billion yen worth of shares changing hands.

Mitsubishi UFJ raised 1.03 trillion yen in a share sale in December. Sumitomo Mitsui was prevented from selling more stock until Dec. 19 under the terms of its share sale last year. Mizuho is barred from selling stock until Jan. 10.

"The problem is that these big banks have no real long-term strategy, no real focus," said Edwin Merner, president of Tokyo-based Atlantis Investment Research Corp., which manages about \$3 billion in assets.

(Source: Bloomberg)

## Iran exports to Pakistan up 73%

**Tehran Times Economic Desk**

**TEHRAN** — Iran exported some \$295 million worth of goods to Pakistan in the first 8 months of the current Iranian calendar year (started March 20, 2009).

The amount shows 73 percent increase in comparison to the previous year's figure of \$170 million, Moj News Agency reported.

Detergents, pistachio, dates, motorcycle, carpet, egg, animal skin, and engine oil were the major exported items to Pa-

kistan.

Pakistan was one of the 10 major export destinations for Iranian-made goods in the mentioned period, next to the countries such as Iraq, China, the United Arab Emirates, India, Afghanistan, South Korea and Belgium.

In the mentioned period Iran's exports to the Economic Cooperation Organization countries, Iraq, China, and Afghanistan also rose by 10, 58.2, 26.4 and 48 percent respectively.

## Iran's Esfandiar oilfield awaits finance approval

Iran's Esfandiar oilfield is to be developed as soon as talks over a finance investment in the oilfield with Qatar's National Bank (QNB) are finalized, Iranian official says.

"A Malaysian contractor is to take hold of the project" in the Persian Gulf, said the head of Iranian Offshore Oil Company (IOOC), Mahmoud Zirakchianzadeh, in an interview with Iran's ISNA news agency.

IOOC announced earlier in October that QNB is to invest €400 million to fi-

nance the development of Iran's Esfandiar oilfield.

"According to Iran's regulations related to finance contracts in the oil industry, 85 percent of primary investment in finance projects should be provided by the investors, but Qatar's National Bank is to provide 100% of the funding," the head of financial office of IOOC, Hossein Jafari said.

Esfandiar and Foruzan oilfields are shared by both Iran and Saudi Arabia and have so far been mainly exploited by

the Saudis.

Iranian former Oil Minister Gholam-Hossein Nozari said in June that total investment in Iran's oil projects has been \$66 billion in the past four years. "Many people, (in the beginning), did not believe this amount of investment could be made, but that investment has now turned into real operational projects."

In total, Iran's five-year energy sector investment plan requires investments totaling around \$30 billion per year.

(Source: Press TV)

## Emerging stocks lose 20% as Mobius sees IPO backfire

Emerging markets are attracting more money from initial public offerings than industrialized nations for the first time ever, a warning sign to Mark Mobius that the record rally in the shares may turn into a 20 percent decline.

Faster economic growth may help China, India and Brazil produce the biggest increases in IPOs and almost double sales to \$200 billion worldwide, according to Matthew Johnson, the New York-based head of the global-equities syndicate at Barclays Plc. Poland alone may offer more than \$10 billion of state-owned companies, according to estimates by UniCredit SpA.

Companies in the MSCI Emerging Markets Index trade at the highest levels relative to earnings since 2000 after the gauge surged 75 percent and IPOs in developing economies raised \$77 billion. The 2009 sales exceeded industrialized nations by 160 percent, the first time developed countries attracted less money, annual Bloomberg data starting in 2000 show.

"When you look at the size of some of these IPOs, they're pretty massive," Mobius, 73, who oversees \$34 billion of developing-nation assets at Templeton Asset Management Ltd., said in a telephone interview from Tokyo. "At the right price, the IPOs will be absorbed, but you're going to have some hiccups. It's too much supply coming out."

Investors snapped up new shares in developing nations as China led the recovery from the first global recession since World War II. The MSCI Emerging Markets Index of 22 countries rebounded from its worst annual performance to post the biggest gain since data began in 1988. The MSCI World Index of stocks in 23 industrialized economies climbed 27 percent in 2009.

The gauge for emerging-market equities advanced 1 percent to 1,014.4 at 7:57 a.m. in London, heading for the highest

close since Aug. 1, 2008.

Metallurgical Corp. of China, the Beijing-based company that helped build the Bird's Nest Olympic stadium, sold \$5.1 billion in Shanghai and Hong Kong in September. Banco Santander (Brasil) SA, the Sao Paulo unit of Santander, Spain-based Banco Santander SA, held Brazil's biggest initial offering ever in October. The bank raised a total of \$8 billion as underwriters exercised an option to buy more securities in November.

The average developing-nation offering beat the MSCI Emerging Markets Index by 39 percentage points in 2009, data compiled by Bloomberg show.

Shanghai Stock Exchange IPOs may more than double to 380 billion yuan (\$56 billion) this year and rise 96 percent to HK\$370 billion (\$48 billion) in Hong Kong, based on a Dec. 21 report from Ernst & Young LLP and data compiled by Bloomberg.

The combined value of China's sales would be more than twice the \$40 billion to \$50 billion in the U.S. forecast by London-based Barclays last month.

Agricultural Bank of China in Beijing may raise 200 billion yuan this year, Li Fuan, head of the China Banking Regulatory Commission's banking innovation department, said last month, the Securities Times in Shenzhen reported.

United Co. Rusal, the world's largest aluminum maker, will sell a 10.6 percent stake for as much as HK\$20.1 billion, a statement filed with the Hong Kong Stock Exchange said last week. The company controlled by billionaire Oleg Deripaska would be the first Russian stock sale in Hong Kong. Paulson & Co., the New York-based hedge fund run by John Paulson, and NR Investments Ltd., the firm of Nathaniel Rothschild, will buy shares, the prospectus showed.

(Source: Bloomberg)

## ING completes sale of U.S. reinsurance unit

**THE HAGUE (AFP)** — Dutch bank and insurance group ING said on Tuesday it had completed the sale of its U.S. reinsurance business to Reinsurance Group of America for an undisclosed amount.

The transaction was expected to free up some 100 million euros (144 million dollars) in capital in 2010 and improve ING Insurance's debt-to-equity ratio by about 60 basis points, it said in a statement.

"ING announced today that it has closed the transaction to transfer its U.S. group reinsurance business, ING Reinsurance U.S., to Reinsurance Group of America, Inc (RGA)," it said.

"ING did not disclose terms of the agreement, which was previously announced on 16 October 2009 and effectively closed on 1 January 2010."

## AIG is silent on offer to buy its aircraft leasing unit

The nation's biggest bailout recipient has not responded to Allied Aviation Services' \$12-billion-plus offer for International Lease Finance Corp.

A New York aviation services company has offered to buy International Lease Finance Corp. in Century City for more than \$12 billion in a deal that would sever the aircraft leasing firm's ties to the nation's biggest government bailout.

But ILFC parent company American International Group Inc., the insurance giant that received \$182.5 billion in bailout money from the federal government, has refused to respond to or even comment on the offer.

"We have support all over the country, but for some reason we can't get a response from AIG," said Robert Rose, president of Allied Aviation Services Inc., one of the nation's largest providers of fuel for commercial aircraft. The offer includes Allied's senior management working for no more than \$1 a year until the leasing company's debt is paid off.

Rose said he has written AIG and the Treasury Department looking to discuss a possible deal for more than a year, but he has been "stonewalled."

AIG also has refused requests for comment from The Times.

"From my standpoint, I'd like to see ILFC stay intact," Rose said. "The company is strong. It just needs to be cut loose from AIG. We will clean up the financials and give the company some breathing room."

In an unusual proposal, Allied wouldn't provide any money upfront, Rose said. Instead, Allied wants a three- to five-year government loan to cover the purchase price. During that time, Allied would assume ILFC's debt and restructure the company, he said.

(Source: Los Angeles Times)

## Asia stocks gain on Wall Street rally, Europe down

**HONG KONG (AP)** — Asian stock markets gained more ground Tuesday, following Wall Street's advance as an upbeat U.S. manufacturing report buoyed investor confidence in a global recovery. European shares slipped in early trade.

Most major Asian markets were higher for a second straight session, while the dollar fell against the yen and the euro. Crude oil prices closed in on \$82 a barrel.

Lifting sentiment across Asia was an overnight rise in U.S. markets. Wall Street opened 2010 with strong gains amid optimism about the country's economic recovery after a report showed demand at American factories was increasing. The Institute for Supply Management's index of manufacturing activity rose to 55.9 from 53.6 in November, a bigger improvement than analysts predicted.

The news combined with robust manufacturing figures in China and higher commodity prices in recent days to fuel hopes the pickup in global demand and economic activity was sustainable.

## Will 2010 bring much needed relief for beleaguered private equity?

The last 12 months have been the industry's annus horribilis with the credit crunch brutally exposing the cracks in the private equity model: from the reliance on cheap credit, to a "2/20" remuneration structure that now seems so obviously skewed in the industry's favor.

During the good times private equity firms gorged on "cheap money". Larger (and ever more ambitious) deals were the order of the day. The feeding frenzy culminated just weeks before the credit tap was turned off with Kohlberg Kravis Roberts' £12b takeover of Alliance Boots: a deal that will retain its title as Europe's largest ever leveraged buy-out for years (if not decades) to come.

(Source: Daily Telegraph)