



AsianBusiness

BUSINESS NEWS THAT MATTERS

Every week, gives you the latest news, whether it's about a country or a company. This is the place to find out what's happening with Asian-run businesses in the UK, developments in India, Pakistan, Bangladesh and Sri Lanka. Send your press releases and pictures to editor@easterneye.eu

Sterling-rupee rate benefits Indians

INDIAN families are sending more money back home than ever after the biggest foreign exchange rates since the financial crisis began.

The sterling-rupee rate reached a record ₹107 for £1 recently. As a result, Currencies Direct has seen a 77 per cent annual rise for the average transfer value when buying Indian rupees.

Amir Khan, rupee expert at Currencies Direct, said: "The Indian diaspora around the world has consistently been one of the biggest payers of remittance to their home country despite the tough economic climate.

"Now they are seeing the payback for their loyalty in foreign exchange terms, which we predict has resulted in even bigger fund flows from the UK to India."

India topped the global remittance list last year with nearly £43 billion of transfers.

SFO probes Serco and G4S deals

THE Serious Fraud Office (SFO) said on Monday (4) it had opened a criminal investigation into Serco's and G4S electronic monitoring contracts.

SFO investigators will now decide whether to prosecute the firms charging for tagging criminals under the contracts.

In July, the government placed all contracts held by Serco and G4S under review after an audit showed they charged for tagging criminals who were either dead, in prison or never tagged in the first place.

The government then asked the SFO to consider carrying out an investigation into G4S tagging contracts. It later referred Serco in September.

Both firms have said they would repay any amount and also pulled out of a retender for the contract, which analysts have estimated is worth up to £150 million.

G4S said on Monday (4) it would co-operate fully with the SFO investigation. Serco could not be reached for comment. Though G4S and Serco cannot sign new contracts, they can bid for future work.

Both are said to be interested in probation services contracts worth about £500m.

Full speed ahead for super-fast rail line

ENTREPRENEURS SUPPORT £42 BILLION LONDON TO NORTH OF BRITAIN PROJECT

by NADEEEM BADSHAH and IMRAN CHOUDHURY

ASIAN businessmen have backed plans for the £42 billion high speed rail line connecting London to the north of Britain.

The entrepreneurs told *EE* the HS2 rail line can revive the UK economy, slash journey times and create more jobs.

Funding for HS2 – which will link London to Birmingham, Manchester and Leeds – was approved by MPs last week.

Critics, however, claim that the cost for the plans has rocketed from £32.7bn to £42.6bn and the track work will wreck the environment.

Wakefield Council in Yorkshire was set to consider whether to support HS2 on Tuesday (5), as *EE* went to print.

Rami Ranger, founder of the Sun Mark food firm, told *EE* that progress should be embraced.

"Asian businesses are not just in London, but they are spread across the country, especially in the Midlands, Yorkshire and Lancashire," he said.

"Anything which can reduce journey time will be good for businesses across the board. Such big investment will generate employment and reduce unemployment and benefit pay-outs.

"More important, the technology to build such a state-of-the-art system can later be sold to other parts of the world for profit.

"The investment will be recouped in a few years as a recent KPMG report has indicated that the economy could benefit as much as £15bn a year."

The High Speed Rail Bill will now be looked at in the House of Lords.

If it gets approval, construction on the London-West Midlands phase is set to begin in 2017 and open in 2026.

Jitendra Mishra is restaurant manager at the Red Hot World Buffet in Manchester.

He said: "It will help the smaller Asian businesses in Manchester. A lot of people can come from London straight away to Manchester, so it's good for our business as well.



BUT NOT EVERYONE IS HAPPY: There are still some objections to the scheme

"(Journey time is down) From four hours to one hour travelling time, so I can travel more."

Alok Mathur from Soul Tree Wines, a Birmingham-based wine producer and marketer of Indian wines, said he travels extensively as a Midlands-based business, and would like to see a reversal of the construction phases.

"Travel times into the north of England are an obstacle at the moment, and building phase two before phase one is more likely to help businesses like ours expand within these regions.

"It is not the speed of HS2 alone that will help though, but the additional speed combined with increased capacity, and, most of all, the reduced reliance on an increasingly congested motorway network," he said.

However, Anita Champaneri, who runs communications company Delicious PR in Birmingham, said she believes HS2 may only benefit the elite and will never be used by families because of the cost.

"HS2 seems like a great idea. A futuristic modern way to travel in 20 years time – but I think the cost of it is far too prohibitive," she said. "I can see it being used by Asian business in the Midlands to travel to London or to the north – but I still think they will gravitate to a more value-for-money option.

"We have a very efficient service on Virgin Trains, expensive, but not exorbitantly so, and we can see that in times of austerity, people will still take the cheaper Chiltern service even if it doubles their journey time.

"I think the same will happen to HS2.

It will be just for the rich business class traveller or corporate client. It will never be used by families."

Sir Richard Leese, leader of Manchester City Council, said HS2 is fundamentally important to the future growth of Britain's economy as a whole and the benefits exceeded the costs.

He explained: "It also enables major cities such as Manchester and Birmingham and their surrounding regions to compete for trade, investment and jobs on a global stage.

"Our rail and road networks are already badly creaking and by the 2020s the need for extra capacity will be critical. The only cost-effective way of meeting this requirement is through a new network and it would be madness for that to be any other than high-speed."

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