

# AsianBusiness

## BUSINESS NEWS THAT MATTERS

Every week, **AsianBusiness** gives you the latest news, whether it's about a country or a company. We are 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](mailto:editor@easterneye.eu) if you want to tell us what's going on with your business.

### Tata Motors: Nano is safe

INDIAN car manufacturer Tata Motors has claimed that its new Nano car is "absolutely safe" after an expert probe into fires that gutted a couple of the new models found "no manufacturing defects".

The company said that a fire in March, which took place shortly after a customer took delivery of a car, may have been caused by a foreign object in the exhaust system.

It also concluded that a car which caught fire in April as it was being driven to the dealership could have had a ruptured fuel line.

Tata has offered to conduct pre-emptive checks on all Nanos on the road, which started on Monday (24), but clarified that this was not a recall.

The team of experts were drawn from across the Tata Motors group, including the Nano project team, passenger and commercial vehicles businesses.

### Blair called up for Valley job

FORMER British prime minister Tony Blair has been roped in as a senior advisor at Silicon Valley venture capital fund Khosla Ventures.

California-based Khosla Ventures was founded by Vinod Khosla, who made his name by co-founding computing major Sun Microsystems.

Blair said he met Khosla at an environmental conference in the Middle East. He hopes to use his international connections and geopolitical expertise to open doors for Khosla Ventures.

For his part, Khosla said he wanted to tap into Blair's expertise in policy matters in Europe: "In the Valley, we are techy nerds. We don't really understand government, policy and global geo politics."

"So this is very complimentary in getting some advice in areas we don't understand."

### Volvo on course for Asia boom

VOLVO says that robust demand in India and China will lead to Asia overtaking Europe as its largest market by 2015.

The second largest truck maker in the world, along with rivals Daimler AG and MAN, is increasingly turning to Asia for business opportunities as growth tapers off in mature markets in Europe and North America.

Chief executive Leif Johansson said: "If everything continues as I see them today, then you can see slow development in the US and Europe and very quick growth in India and China."

"The quickest growing markets are India and China. I would expect India and China to be 60 or 70 percent of our Asia sales by 2015," he added.

# EU rules hit Asians hard

## IMMIGRANTS SUFFER CAP WOE

by **SOFIA MITRA-THAKUR**

**ASIAN professionals and UK businesses are likely to suffer as the new coalition government imposes an annual cap on the number of non-European Union (EU) immigrants.**

Prime minister David Cameron unveiled the agreement between the Conservatives and Liberal Democrats last Thursday (20), which was also part of the Queen's Speech on Tuesday (25) and states that the government will introduce "new measures to minimise abuse of the immigration system, for example via student routes".

It adds: "We also recognise that to ensure cohesion and protect our public services, we need to introduce a cap on immigration and reduce the number of non-EU immigrants."

Businesses struggling to hire skilled employees are likely to oppose the cap, with campaign groups such as the Highly Skilled Migrants Forum announcing that they will oppose such limits.

Amit Kapadia, executive director of the HSMP forum, told *EE* that if the government employed 'drastic measures' it would have a detrimental effect on UK businesses.

"We don't think that any sort of cap would work out. It would be unworkable," he said.

"The Conservatives say they'll bring down immigration figures to the 1990s levels. In 1997, the total net immigration was around 77,000 and the estimated figure for 2009 was 150,000, so they are saying that they will bring down immigration to almost half of what it was."

"Most migrants on tier 1 and tier 2 status come to fill in posts that can't be filled by the UK population due to skills shortage, so taking such drastic measures will affect UK businesses and will affect the economy."

Kapadia added: "What we feel now is there shouldn't be any knee jerk reaction just to show that the government is tough on immigration."

"The government now needs to keep in mind the possible consequences which will be faced by employers due to such unfair measures."

"The effects remain to be seen, but if the government really tries to implement drastic measures it is going to cause a lot of unhappiness, especially among migrants who work hard and pay taxes."



**WORRIED:**  
Amit Kapadia

## BILLIONAIRE AMBANI BROTHERS END FEUD



**MAKING UP:** Mukesh (left) and Anil Ambani

INDIA'S billionaire Ambani brothers took a step towards reconciliation in their long-running feud last Sunday (23), ending 'non-compete agreements' in a move they hoped would lead to cooperation between their two groups.

Both said they aim to reach a conclusion soon for a gas supply agreement between Mukesh Ambani's Reliance Industries (RIL) and younger brother Anil's Reliance Natural Resources that had been at the heart of their dispute.

The brothers will now be free to compete on each other's turf, with the exception of gas-fired power plants, removing a source of friction between the two conglomerates and potentially giving a lift to shares in both groups.

"RIL and Reliance ADA Group are hopeful and confident that all these

steps will create an overall environment of harmony, co-operation and collaboration between the two groups," they both said.

The statement comes two weeks after the supreme court ruled in Mukesh Ambani's favour in a bitter public dispute over gas pricing that had riven India's richest family and raised questions about the role of big business in government policy.

Reliance Industries, India's largest listed firm, and Anil's Reliance ADA Group said they agreed to cancel all existing non-compete pacts the groups had signed in 2006 and entered into a new non-compete pact only for gas-based power generation.

The two brothers are estimated to be worth a combined \$43 billion (£30bn).

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