



Beyond the Crunch

LEARN FROM HISTORY AND
SURVIVE THE SQUEEZE

LONDON 2012 GAMES – OPPORTUNITIES TO ENGAGE

WHY ASIANS ARE SEEKING AN INDEPENDENT ROUTE TO PARLIAMENT

HOW TO BETTER ENGAGE IN POLITICS AND PUBLIC SERVICE

EMBG WORKING WITH THE UNIVERSITY OF HERTFORDSHIRE

STARTING A NEW BUSINESS – WHAT YOU NEED TO KNOW

USING TECHNOLOGY IN A RECESSION



London 2012 Games – SME's lose out

Edited by: Caroline Mitra



Left to Right:
Alok Mitra (at the podium), Mike Mulvey, Richard Sumray, Richard Barnes, Neil walker and Dr Rami Ranger

■ Our May event at London City Hall was a great success with over 150 businesses and VIPs attending. They came to share their experiences, network and find out how businesses can get their slice of the £9.3bn Olympic Games budget. This was a high profile important event for the Hindu Community in London and was well attended by the wider community as well.

The event was organized by the Ethnic Minority Business Group (EMBG) for the Hindu Council UK (HCUK) and hosted by the Greater London Authority (GLA) with participation from London Organising Committee of the 2012 Olympic and Paralympic Games (LOCOG). It was chaired by the Deputy Mayor of London, Richard Barnes.

Alok Mitra, Chair of EMBG said "Our research showed that the knowledge amongst the Asian businesses was patchy, especially regarding where to get government help to bring their businesses to a point where they can meet acceptable procurement standards and become 'fit to supply'. This event was put together to bring them up to speed."

It was highlighted that the potential legacy of the e-procurement process could be that around £35bn of contracts annually will be up for grabs as local authorities and government departments use the system going forward. As around £6bn of the

contracts has been allocated there is a great danger that Asian businesses will miss out on the remaining £3.3bn unless they proactively take action now. LOCOG representative, Neil Walker, introduced the games while his colleague Kristina Richmond presented the opportunities for communities to take part in cultural events. The CEO of the London Business Network, Mike Mulvey, explained how to register and use the 'CompeteFor' site to gain contracts.

The formal session was followed by Alok Mitra highlighting the barriers small and medium sized enterprises (SME's) face in accessing contracts. These included:

- that many SME's do not have the resources, technical skills nor the time to register, track down contracts on the 'CompeteFor' site and go through the onerous bidding process.
- that the requirement for 3 years plus audited accounts and trade references are discriminatory to SME's, especially young businesses.
- the lack of feedback and ineffective support from Business Link is unhelpful.
- many SME's believe that CompeteFor system does not validate the data thus making it easy for unscrupulous businesses to gain an advantage imputing false data.
- there is a perception that buyers deal with their favoured contacts and only use the system so that they are seen to be complying with the process.

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Working with the University of Hertfordshire

■ Since July 2008, EMBG has been working with the University of Hertfordshire to help them to get greater access to Asian businesses, raise awareness of the business facing work they do, put them in touch with members to support the University's scholarship programme and help them with some of their business initiatives they have been running. One such programme was the university's Positive Action event held in April 09 in which EMBG took part.

Beat the recession. Take positive action – Event 2/4/09

Around 200 people attended the University of Hertfordshire's Positive Action event, which offered advice and guidance about how businesses can combat the recession.

The university had a number of its business partners with exhibition stands including Business Link, the Federation of Small Businesses, Herts Chamber of Commerce, SA Law, Clydesdale Bank, Ethnic Minority Business Group and Jobcentre Plus.

During the event a number of workshop sessions were run with topics ranging from 'Keeping and managing your customers' to 'Turnaround Management.' The largest audience was for the 'Start your own business' workshop session.

The event featured a Keynote speech from Sahar Hashemi, co-founder of the

Coffee Republic and a question and answer panel with business leaders.

During the panel session a wide range of questions were asked by the audience, some of which related to the personal business experience of the panellists. Other questions ranged from "Is a recession a good time to start a business?" to "Should we raise finance from business angels"

The opinions of the attendees were encapsulated by Sarah White who said "The event was extremely interesting and I've come away with lots of actions to take. Sahar's talk and the Q&A session were particularly fascinating".

The University is planning future business events that will cover topics such as training and re-training and how people can start their own businesses.

Panel members

Left to right:

Tim Hutchings
Vanessa James
Matt Saunders
Sahar Hashemi
Roger Lewin
Alok Mitra





Helping hand

Starting a new business? What you need to know

by Jenny Mitra MA(Oxon), ACA, CTA
Partner of A Mitra & Co, Chartered Accountant

■ The question we are most frequently asked by potential start ups is "What do I need to do in order to comply with the requirements of the Taxman and Companies House in regards to running a Limited Company". To help answer this question we have summarized below the key points from an article on our website. Visit: <http://www.amitra.co.uk/FAQ> for more detailed explanations.

The main legal requirements are shown below. Please note this is not a comprehensive list and should be used as a guide only to comply with the minimum requirements. You therefore should not rely on this as meeting your specific requirements without seeking further advice.

continued on page 4

2009 Budget what it means for you

■ Given the current size of the government's funding gap tax rises are inevitable and now those earning over £100,000 will pay over 60% in tax and national insurance contributions on part of their income. Some of the highlights are given below. A more detailed analysis of the budget and a free PDF download of the budget proposals and tax tables are available from our website at <http://www.amitra.co.uk/budget.html>

Budget Highlights

Losses made by businesses can be carried back for three years instead of only 12 months, but only until November 2010. This covers the accounting periods from 24 November 2008 to 23 November 2010 for companies and the two tax

years 2008/9 and 2009/10 for unincorporated businesses. The extended carry back is restricted to £50,000.

Businesses currently have a 100% annual capital allowance rate for expenditure up to £50,000 per year. Expenditure above this will enjoy a 40% (up from 20%) first year allowance if incurred in the year to 31 March 2010 for companies or 5 April 2010 for unincorporated businesses.

The Business Payment Support Service, will negotiate "time to pay" arrangements for businesses which are temporarily unable to pay their corporation tax, income tax or VAT. As long as the schedule of payments is agreed before the date on which the liability would have been due and is then adhered to, no default surcharges on VAT or surcharges on income tax will apply, although interest will accrue.

From 1 May 2009 the registration threshold for VAT increased to £68k.

The VAT rate was reduced from 17.5% to 15% from 1 December 2008 to 31 December 2009. The taxman intends to revert the standard rate back to 17.5% from 1 January 2010.

Income tax rates to rise to 50% for high earners (those earning over £150,000) in 2010/11.

For those earning over £100,000 the personal allowances will be restricted. At present the personal allowance is relieved at the marginal rate, so it is worth 40% of £6,475, i.e. £2,590. The amount of the allowance will be reduced by £1 for every £2 of income above £100,000 until it falls to zero. The effect of this will be a marginal rate of income tax of 60% in the band of approximately £100,000 – £113,000. With effect from 6 April 2011 tax relief on pension contributions will be restricted for those with taxable income of over £150,000. If you need further information visit our website on www.amitra.co.uk or contact us on 01923 212687.

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Companies House

1. File your annual Return (each year on the anniversary of the incorporation of your company)
2. File company accounts (currently must be filed within 9 months from your accounting reference date (year end)). There are automatic fines if you file late. The fines have risen significantly this year.
3. Submit forms for certain changes e.g. registered office, directors, share issue etc.

Taxman – HMRC

1. You need to file your Corporation tax return and accounts within 12 months of your year end (automatic penalties will apply if you are late).
2. You need to pay your corporation tax liability within 9 months of your year end (interest on overdue tax is payable if paid late).
3. If you pay yourself a salary then you need to pay over to HMRC the PAYE and NI.
4. You will need to register for VAT once your turnover reaches £68K (from 1/5/2009) – this changes each year). You can register voluntarily, but seek advice on the pros and cons of this and consider which VAT scheme is best for you.
5. Once you are registered for VAT you need to submit regular VAT returns.

Bookkeeping

1. Your books should explain the financial position at any given point in time. At the very minimum you should keep:
 - a. A record of all your sales, backed up by valid invoices or similar.
 - b. A record of all your expenditure (preferably analysed by expense type) backed up by receipts.
 - c. A record of payroll for employees including yourself.

You can use an accounting package to keep your books or an Excel spreadsheet. Books can also be kept in a manual format. If you need further information visit our website on www.amitra.co.uk or contact us on 01923 212687.

Sunmark Ltd receives the Queen's Award for Enterprise: International Trade 2009



THE QUEEN'S AWARDS
FOR ENTERPRISE:
INTERNATIONAL TRADE
2009



The Ethnic Minority Business Group (EMBG) congratulates Dr Rami Ranger MBE, FRSA, Managing Director of Sun Mark Ltd and a Patron of EMBG for his stunning achievement in winning the coveted Queen's Award for Enterprise. This is one of the most prestigious forms of recognition for UK companies. 10 years ago Rami's other company, Sea Air & Land Forwarding Limited won the Queen's Award for Export.

Sun Mark Ltd specializes in marketing products in some of the most difficult territories of the world, such as Africa, the Middle East and the Caribbean. It operates in markets where multinationals find it difficult to penetrate. In these markets Sun Mark Ltd distributes its own label products as well as global leading brands including Unilever, Cadbury, Nestle, Premier Foods, Twining, Weetabix and Princes.

Dr Ranger explained that the company specializes in marketing FMCG (fast moving consumer goods) products worldwide. The company sustains hundreds of British jobs with its activities. This recognition is a feather in the cap for all the staff who go the extra mile for the success of their company and recognizes the company's tremendous growth over the past 3 years. The company continues to grow in spite of the global economic downturn with turnover now approaching £60m.

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■ **Assess your needs**

Assess what your business needs are and the extent to which your current IT infrastructure meets them. Build in some spare capacity for growth and plan for disaster recovery.

■ **Upgrade, maintain or replace?**

Hardware can consume the lion's share of an IT budget. Consequently, it is often replaced in a patchwork manner as required. However, due to the long term support costs of maintaining non uniform hardware, it can be more expensive than making a blanket hardware replacement every 3-4 years. The other approach would be to consider upgrading the existing hardware which could be cheaper.

■ **Make the best of what's free!**

Software licensing can often comprise a significant portion of any IT budget, whilst specific elements of your business may require expensive software. The software development community has a solution 'Open Source'. This is free and provided by developers for the good of the community and to oppose the predatory stranglehold of the multinational software vendors. It is completely legal. Recently the UK government has given its support for open source software and has committed to championing it's use wherever possible to drive down costs and deliver best value to the public.

While support for open source applications can be patchy and sometimes more expensive to support than traditional solutions, it may offer businesses the flexibility and agility to meet their requirements without the huge financial outlay required by traditionally licensed software vendors.

■ **Consolidate your hardware**

Traditional ideas of banks of servers and rows of blinking lights are rapidly becoming a thing of the past. Virtualisation technology can capitalise use of existing hardware by consolidating several physical servers into a smaller number of 'virtual' servers. Virtualisation technology can have a significant initial capital outlay but offers huge cost reductions and

communications you can reduce travel and expense costs considerably. Using VPN (Virtual Private Networks) key staff can securely use company resources from afar, reducing the need to travel to an office to use the company network. The equipment required to deploy private networks is comparatively low cost, is simple to deploy and will pay for itself quickly, not to mention the productivity benefits

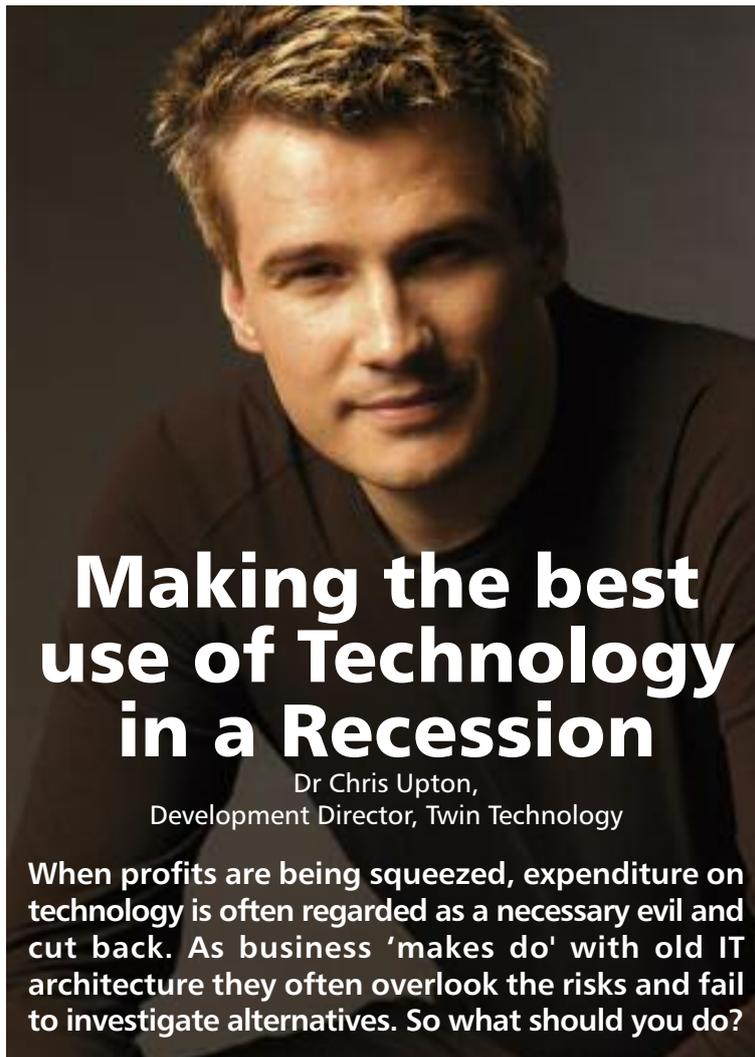
of making your business available to employees 24 hours a day.

■ **Make it someone else's problem!**

Managing your own IT infrastructure can be a painfully expensive problem, when IT infrastructure fails it costs you in both time and money. Having a permanent IT presence within your organisation can be a total loss unless completely utilised. You can alleviate these issues and drive down support costs by outsourcing your IT support on a contractual basis. Most organisations can now be supported using Internet based remote support tools, reducing the cost further, as engineers do not have to travel to a customer's site to perform support and maintenance tasks. Utilising remote support can be up to 50% cheaper than conventional support in most cases.

■ **Have you protected yourself?**

Many organisations do not truly understand the value of backup until it is too late. A small loss of data can lead to large financial loss. Use an off site backup service to protect your data. You should also have contingency plans in place for recovering from a disaster such as a fire or hacker attack which makes your IT systems unusable.



Dr Chris Upton,
Development Director, Twin Technology

When profits are being squeezed, expenditure on technology is often regarded as a necessary evil and cut back. As business 'makes do' with old IT architecture they often overlook the risks and fail to investigate alternatives. So what should you do?

significant operational benefits when provisioning future server requirements. Using virtualisation deploying a new server can be as simple as the click of a mouse cutting out the need for hours of configuration and hardware deployment labour.

■ **Drive costs down - telecommute!**

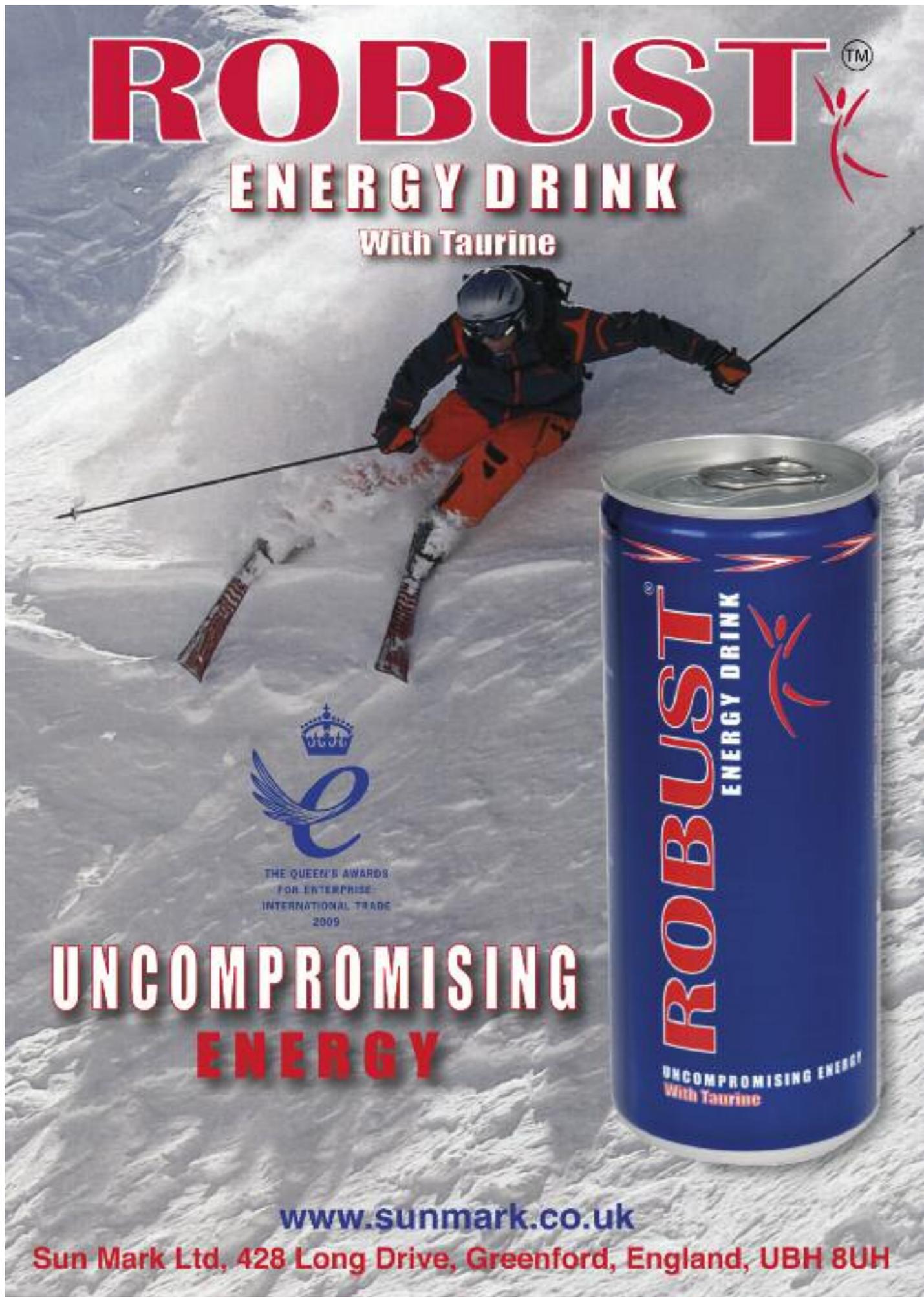
One of the largest operational costs businesses meet today is travel, by leveraging the use of data

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Beyond the Crunch.

LEARN FROM HISTORY AND SURVIVE THE SQUEEZE

by Alok Mitra
MD of CJM Consultants Ltd
and the chairman EMBG



In our last newsletter we published the article "The credit crunch – Making sense of it" which explained the background to the credit crunch and some of the likely economic consequences. A lot has happened since then and this article now picks up from where we left off.

We have gone from the deepest recession in history to the start of the recovery in a few short weeks

A few months ago it was all doom and gloom and politicians, media and economic pundits were all queuing up to tell us how bad the economy was.

Ed Balls, one of the architects of new Labour's economic policy and one of Gordon Brown's closest allies and confidants, said in February 2009, "The reality is that this is becoming the most serious global recession for, I'm sure, over 100 years, as it will turn out" and this is a typical comment of that time.

I am sure that this and other comments made by Ed Balls did not go down well with the Government as they have been busy giving us all the impression that the plethora of initiatives they have taken will save the UK and the world's financial system. Indeed, now spring is here and judging from the headlines

we could be forgiven for believing life is fast returning to normal.

Many newspaper headlines regularly state or at least imply that "green shoots of recovery" are appearing and the stock markets worldwide have rallied from their lows in March. The FTSE 100 is up by over 20% with other markets up even higher. Stock market pundits are calling this the bottom of the stock markets. According to figures published with the late Spring Budget, many city economists and our Government are predicting that our economic recovery will start later this year, gain momentum in 2010 and recover strongly in 2011. Can they be right?

It may be a depression but not as we know it

If we are in the depths of a deep recession with unemployment in the UK

at over two million (6.7% of the labour force), our gross domestic product (GDP) forecast to fall by 3.5%, corporate bankruptcies up by almost 60% to over 6,700 in the first three months of 2009, why is retail spending now rising?

Between February and March of 2009, total sales volume rose by 0.3% and even house prices and share prices are rising, although the data on house prices is mixed. Given that both retail spending and stock prices are leading indicators (in other words these figures tend to rise and fall first with changing economic direction), it is understandable why headlines of "green shoots" are everywhere. Yet these mixed messages can be deceptive – Why? Although we may be in a depression it is not as we have known it in the past. Today people are a lot wealthier than in the 1930's during the great depression. There is now unemployment benefit and other social

security benefits and a lot more Government intervention in the early stages of a recession. Consequently, many people have a lot more money even in such difficult times.

The base rate now at an historic low of 0.5% will add a big boost to people's disposable income each month for those with variable mortgages. Over time more will benefit as they come to the end of their fixed rate term and can get cheaper mortgage deals. All this in the short term can boost confidence and lead to an upturn.

However, without a change in the fundamental causes that brought about the recession the current Government initiatives are unlikely to work. Indeed, it is likely that it will prolong the recession, because sooner or later the root causes that remain unresolved are likely to reassert themselves bringing about an even sharper down turn.

Lessons from history

If we compare and contrast our current recession which started in earnest last year to the 1930s, we are still effectively in 1929 when Wall Street crashed and the great depression started.

Then as now, well respected investors thought that their comments and actions could influence markets; sadly they did not. In 1929 Richard Whitney, Vice President of the New York Stock Exchange, acting on behalf a group of leading Wall Street bankers amassed their financial resources to buy US steel and other "blue chip" stocks at well over the then market price.

It helped boost the stock market for about a day before selling began followed by panic selling on Tuesday, which turned out to be known as "Black Tuesday" when the Dow Jones index fell by 13%. This event came to mind in September 2008 when I heard reports that the legendary investor Warren Buffet was investing US\$10bn into Goldman Sachs and that this was to be seen as a major vote of confidence in the US banks by him.

Warren Buffet also said that US stocks were a good buy and he bought a lot through his company Berkshire Hathaway. As news broke of these events The Dow Jones Index promptly rose but soon fell back. Berkshire Hathaway recently reported a 62% fall in profits and its share price has fallen by over 30%, the worst performance in 44 years. In his letter to shareholders Mr. Buffet said "During 2008, I did some dumb things". At least he is big enough to admit his mistakes!

By 1930 people believed that they saw the equivalent of "green shoots of recovery" as the US markets began to rebound. They bought stocks, hoping to recover what they had lost – only to get hit again even harder. The bottom didn't come until 8 July, 1932, when the Dow hit 41. The real news stories about the depression only started to appear in the mid 1930's.

Both President Hoover and Roosevelt had not succeeded in bringing about a quick recovery. Even Roosevelt's new deal, (the basis of the Obama current recovery plan) did not lift the US out of the recession. That happened only once the US entered the Second World War.

The key message from history is that until the fundamentals which caused our current recession are resolved, no amount of tinkering at the edges and throwing money at the problem will make much difference; in the long term nature and market forces will take their natural course.

For many today, it still does not feel like a recession and as confidence returns and spending picks up it may seem business as usual, but it would be wise to remember the lessons from history.

Fundamentals have not changed

We need to remind ourselves of the basic problems that started the credit crunch. This was too many people borrowing too much money and living well beyond their means.

The banks then fuelled this demand by

creating vast amounts of unregulated and unknown quantities of paper assets against which they borrowed more money to lend. Governments aided this process with low interest rates. With the banking system awash with money, a lot of imprudent lending took place to people who could not afford to pay them back – "sub-prime borrowers". Meanwhile the easy money and loose lending policy created the credit and property bubbles.

By the time the central Governments realised that this was unsustainable and tried to rein it in by tightening monetary policy and raising interest rates, the sub-prime borrowers were already defaulting on their loans in large numbers. This then set off a chain reaction whereby, as the value of the paper assets that institutions put up to borrow money on the money markets fell and also become harder to value, the lenders to the institution caught fright and stopped lending.

One of the high profile casualties was Bear Stearns which at one point was a solid investment bank being Wall Street's preeminent bond shop, taking on large volumes of sub-prime loans which were very profitable and seemed resilient enough to survive the crunch.

The next moment, clients were pulling out their money and other firms stopped trading with them. Bear Stearns needed to borrow around US\$75bn each day to fund its requirements and as the hedge funds that lent it money then stopped, they knew that Bear could not survive. To profit from this they took out a bet that Bear would fail, which in turn accelerated Bear's demise and within days the Federal Reserve had to step in and save Bear Stearns. The fall of Bear, the subsequent failure of Lehman Brothers (another blue chip US investment bank which this time was not rescued by the Fed) and the rescue of AIG (the largest insurance company in the world that had also underwritten much of the toxic debts) by the Fed set in motion more worries about the value of the assets in banks balance sheets and the insurance companies that

insured some of their risks.

The institution lenders feared that if they lent money to a failing bank they could lose their money as the value of the assets they were being offered could not be correctly valued. This situation has not materially changed even though trillions of US dollars have been globally pumped into the banking systems by the central banks.

Easing the credit flow is the route to recovery, but this is unlikely to happen until the toxic debts are quantified and dealt with.

Despite the recent G20 meeting in London and announcements made to support the economy during the credit crunch, no one seems to effectively be addressing the root problem of the credit crunch, that of quantifying and dealing with the so called "toxic debts" (potential bad loans).

The problem is that they are very difficult to value as there is no open market for valuing much of this paper and also it is not known who holds them nor how much they hold.

The US Fed and UK's FSA are currently attempting to check the health of the balance sheets of the banks through a number of "stress tests". However, as these are the same regulators who failed to spot and act to stop the toxic debts developing, one has to ask how much confidence there will be in whatever they say or do.

There are no reliable estimates of how much potential liability there is in the global banks balance sheet but best guesses are in the tens to around 200 trillion.

However, it is known that the balance sheets of the main UK high street banks are several times the size of the UK economy and even if a modest amount of those assets turn bad, the UK Government are unlikely to have the money to bail out these banks. But as many of our high street banks are now effectively nationalised, this now poses

a significant risk to our economy as the tax payer is now liable for future bad debts of the nationalised bank.

Given that a large proportion of these bank's assets are denominated in foreign currency, the UK government cannot print money to get out of trouble. There is also no guarantee that these banks could start to lend at the level which the Government is expecting unless the money markets ease. The outcome will depend on whether lenders have faith in the Bank's balance sheet.

There is a real danger of this downturn getting worse before it gets better

In this article we do not have the space to develop the arguments as to why things could get worse but nevertheless here are a few pointers.

There are a number of Eastern European countries that are on their second and third IMF bailout and if these countries go bust and default on their loans this would put further pressure on the international banking system.

This time it will be the European banks such as Sweden and Germany who would suffer early on but we in the UK would not be immune.

Our Government's plan to borrow more, raise taxes, print money and spend to save our economy is unlikely to succeed if history is any guide. If excess borrowing and living beyond our means got us into this mess how can doing more of the same get us out? This defies logic and commonsense.

Most of the tools used by our Government including reducing interest rates to almost zero and printing money were tried recently by the Japanese and it DID NOT WORK! Governments have a very poor record of spending large amounts of cash quickly in an efficient manner.

The US lost billions of dollars which

went missing in Iraq when it tried to stimulate their economy through spending on infrastructure. Even now Obama's plan to put \$billions into the US economy is being held up because the money is not getting through to where it's needed fast enough due to the bureaucratic process required to ensure money is not wasted. In the UK we are not much better, the Government's flagship proposal announced in September 2008 to allocate £285m to help vulnerable people keep their home, "the mortgage protection scheme" has so far helped just one family across the whole of the UK some six months later.

The net national debt at the end of March 2009 was £743.6bn, the equivalent of more than half of the UK's GDP, and this does not take into account all the off balance sheet finance for which the Government is also responsible.

Despite this the Government is planning to borrow more over the next few years than all successive UK Governments have borrowed in the past. This is likely to leave a legacy of debt for over a generation and interest payments which will require high taxation and public sectors cuts to fund. Against this background it is hard to see a quick economic recovery.

We need to cut public expenditure and lower taxes

The next government will have little choice but to cut public sector expenditure as the current trend is unsustainable.

They also need to reduce borrowing and lower taxes. High taxes actually reduce the overall tax revenue as people take action to avoid it, typically by clever tax planning, not working as hard or even emigrating. We should also revisit our support for the banks and industries. Whilst politically this may be challenging, commercially it may ultimately be better to allow badly run or old industries fail so that new ones grow stronger in their place than

to support lame ducks. This was the failed policies of the 1970's.

If done properly, letting banks and other weak companies fail need not mean economic meltdown. It will mean hardship for some who lose their jobs and savings but this is happening now anyway with the bail outs, therefore prolonging it for a longer period is likely to make matters worse. That is again a lesson from history!

Being unprepared for what follows could be costly but being prepared could be rewarding

No one can accurately predict what will happen in the future. All we can do is to assume what should happen from the analysis of events and the lessons from history. On this basis some of the likely events in the absence of a change in Government policy are:

- The stock markets may fall much further and could take several decades to get back to their peak of 1999. Nevertheless there should be considerable volatility allowing traders to make good profits.
- House prices may fall even further, but this will create opportunities for those trading up or entering the market for the first time.
- The pound should remain under pressure and is likely to fall even further as switching to the Euro and Dollar accelerates. This may benefit exports but other countries may try to take action to prevent the UK benefiting from this through an effective devaluation of sterling.
- Both corporate and personal insolvencies could rise as a result of increased company failures and rising unemployment. The recent "Debt Relief Order" is likely to encourage many individuals to use this route to free themselves from debt burden.
- Although not an imminent danger, excessive printing of money is likely to lead to inflation in the future.
- Fraud and other financial crimes are likely to rise.
- Cash rich companies are likely to buy up distressed corporate debts and then use their powers to force the companies to shed assets, liquidate or restructure to repay their debts – this is called a "Vulture Fund". This is likely to lead to more unemployment and destruction of capital if allowed to proceed unchecked.

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Engagement in Politics and Public Service matters, *“let’s do it better”*

by Alok Mitra Chairman of EMBG



■ Lethargy is no strategy

We are rapidly approaching the local County and European parliament elections and will be facing a general election by the middle of 2010. These elections matter, especially in the current economic climate when competence and good governance are vital. For these reasons it is very important for all of us to take part. The way to influence change is by taking part in the political process and use the power of our vote. Apathy and lethargy is no strategy.

■ Community support is the key to achieving more

Many of our regular readers will know that Dilip Joshi MBE (Executive Officer – Equality and Stakeholder Relationship for the Hindu Council UK) supported by myself and others have been diligently working towards getting greater diversity and wider representation in public services so that they are more representative of the population as a whole. Over the last 2 years our focus has been directed towards the Hindu community and to date we have had some success through working with the support of those people whose interest we are trying to promote. Hopefully, as the community recognises the value of working in partnership with us, to promote their interest, our support will grow and we can achieve much more.

■ The Jewish Community shows what can be achieved

Through our interaction with other communities, it is apparent that with the Obama presidency came increased

awareness and a bigger drive by all ethnic groups to get more involved in politics, especially from the African Caribbean community. In the UK my impression is that in terms of political engagement it is the African Caribbean and Muslim communities who are currently taking the initiative.

The Jewish community is already well established within British public life and their influence extends well beyond their numbers in our country. This is largely due to the fact that they are well organised and united in the pursuit of their cause, and of course they have been active in the UK for hundreds of years.

The Indian/Hindu community on the other hand is not yet very well represented. From my observations I feel that there are a number of reasons for this, including the fact that too many of us are busy pursuing our own personal success to pay attention to the wider community. It seems that some people who are successful and have the resources and influences to help, often do not do so unless they can see an immediate benefit to them. However, thankfully, there are still many within our communities who are doing a very good job in serving the communities often in difficult circumstances. They need more support and greater involvement from the rest of us.

■ The Indian/Hindu community needs to do more to support their communities

In my opinion, our current economic



Alok Mitra



Dilip Joshi MBE

plight will take more than a decade to stabilise and there will have to be a lot of adjustment to behaviour and living standards. Along the way some of this change may give rise to social unrest and the rise of the far right parties in politics. To minimise the adverse impact of this for Indians/Hindus and the moderate members of our country, we need to vote and where possible to take part in public service. I would urge you all to do your bit to help to promote those from your community who you can trust to do their bit for the community once they are in office.

I would also urge you to encourage others you know to do the same. Unfortunately in the past some of those (but thankfully not all) of Indian origin who have reached a position in public life where they can help the community choose instead to distance themselves from the very people who helped to put them there.

Hopefully in the future, by getting the right people in office in the first place, we can redress the balance and with greater numbers it will become easier to influence decision making on behalf of the community without feeling isolated or pressurised to take the soft option.

Above all what gives me confidence for the future is our youth. Many have been born in this country; they are well educated, articulate and have the confidence and self belief to do the right thing. We should give them our maximum support and guidance.

A personal message to the South Asian Diaspora from Anant M Vyas, an Independent Candidate for the European Parliament for South East England

“Be the change you want to see in the world.”

Mahatma Gandhi

As I begin to consider influencing and persuading the South Asian Diaspora within the UK to further increase their electoral and civic engagement and participation in the eventual hope of making our local and central government representative of the very diversity that elects them, India, the largest, the oldest and the most diverse democracy in the World, has just announced the dates of the General Election 2009 with an estimated 714 million eligible electorate. Staggering.

Ramachandra Guha, the author of *India after Gandhi: The History of the World's Largest Democracy* writes *“Like the 14 others that preceded them, the Indian elections of 2009 will be marked by colour, intensity and a mass involvement of individuals in democracy un-matched elsewhere in the world. But unless governance itself becomes more transparent and accountable, India will continue to be plagued by corruption and inefficiency of a scale unacceptable in a modern state presuming to speak for and serve the people.”*

continued overleaf

“Be the change you want to see in the world” continued

He could easily be also describing the state of affairs in the British democracy given the illegal Iraq Assault, ‘cash for honours’ during the Tony Blair – Lord Levy term and the current epitome of blight on the House of Lords by Labour Peers ‘seeking cash for legislative favours’.

Having said that, the Conservatives have not exactly been free of sleaze either. As for the Lib Dems – I am not certain whether they mean what they say about proportional representation or they intend to perpetually “Shadow Box” behind the shadowing party. Whatever the political pundits predict, I am writing as an Independent with the intention of gradually altering the political landscape befitting the diversity that comprises the multi-ethnic Britain today. The reason is that diversity is in a state of unsettled flux because of current political manipulations especially through the most needed resource – funding. Communities receiving ‘obscene generosity’ are as embarrassed as those, which despite representations and lobbying have received a two-fingered response. This inequality is causing the very community tensions that the Department for Communities and Local Government (DCLG) wants addressed via its vaunted COIC (Commission on Integration & Cohesion). “A nice little earner” as Delboy would say – keeping the Labour Govt in business in perpetuity addressing ‘terrorism’. Does the ‘divide and rule policy’ create an unmistakable feeling of Déjà vu?



This is a wake up call. Ask yourself why Britain has found that religion has displaced race as the most divisive issue facing the nation (LONDON, UK, January 20, 2008: A government-sponsored opinion poll). The survey, conducted by the respected Ipsos MORI research organization for the government’s Equalities and Human Rights Commission, says 60 percent of respondents believe religious intolerance has become a bigger headache than racial tensions among Britons. Ten years ago, government policymakers had targeted improving race relations as the No. 1 demand on their social agenda?” Ask yourself – who is responsible for this?

This is also having a political chutzpah to hold the current government accountable and at the same time holding a mirror to all the major Political Parties to discharge their obligations towards the BBAME [British Black, Asian & Minority Ethnic] electorate and civic participants per the IDeA [Improvement & Development Agency] findings. The main point is to get a diverse set of councillors and for that you need to start with a

diverse set of candidates. In this respect England is a long way behind America. A survey of candidates commissioned by the IDeA last year found that nine out of 10 candidates describe themselves as white British or Irish. Asian British candidates comprised 0.7 per cent, while no other ethnic group exceeded 0.2 per cent.

Three-quarters of candidates agreed that political parties should be responsible for recruiting candidates. Professor Michael Thrasher, Co-director of the Local Government Chronicle (LGC) Elections Centre at the University of Plymouth, who carried out the research, said: “This year’s survey again emphasises that we need to look closely at the process of candidate recruitment. But responsibility for any change largely lies with the local political parties and their methods for finding new recruits – they need to look beyond their own networks and engage with the wider social community.” The councillor census showed that people from BAME backgrounds were less likely than white people to have been asked to stand for election.

I stood as an Independent Parliamentary Candidate in Milton Keynes North East Constituency on 05/05/05 because in my experience the successive governments have failed the BBAME electorate.

My election strap line was: ***“Be the change you want to see in the world.”*** Mahatma Gandhi.

Democracy works best when political institutions – parties, parliaments, and local government – are close to voters. This requires that voters are able to make their needs understood; elected representatives explain what they are doing to meet those needs; and mechanisms are in place to make this communication possible.

Amongst the BBAME electorate the South Asians must begin to value public life as equally rewarding as business or personal progression. More and more South Asians ought to ‘begin to live for others’ and stand as Councillors in Parish and local Councils and also for the Parliament as I did for all three.

Whilst we hanker about equal playing fields – we had better ensure that some of us are primed and ready, with our feet firmly spiked against the starting boxes to explode at the first bang of the starter’s gun. Tunnel vision, positive mental attitude, stamina and competence are essential attributes as is the ability to be attuned to and serve the public.

Editors comments



Asians disillusioned with party politics seek independent route to Parliament

by: Alok Mitra,
Chairman of the
Ethnic Minority Business Group
(EMBG)

■ In recent years it would seem that the global opinion of politics has shifted, with growing doubt regarding MPs that prioritise 'party politics' over beneficial actions toward their electorate. This has led to the disillusionment of large numbers of people from politics, and despite the efforts of politicians to stimulate the masses of potential voters, this zeitgeist of political cynicism has resulted in a vast reduction in the number of willing voters.

There is now a growing global outcry for change, but one has to ask; are the politicians listening? In the UK, one could be forgiven for believing otherwise. The shirking their responsibility regarding our economic climate, attempting to cover up routinely publicised mistakes with cloak-and-dagger spin, avoiding giving straight answers to legitimate questions, an eagerness to claim undeserved credit when things go well and the furore over expense claims all undermines our confidence in politics. It convinces much of the general public that MPs are only in it for themselves.

There is now a growing movement to promote more independent MPs and put an end to party politics by organisations such as the Jury Team. This organisation, according to their website, was launched in March 2009 and "founded for those people who believe in democracy, but who have observed how the current party political system has turned the United Kingdom's Parliament and Government into the creatures of a small and increasingly distant group of oligarchical politicians."

Our current party system has provided effective stable governments, but for democracy to function properly, the electorate needs to engage in the political process in an informed way. A prerequisite for this is trustworthy information, open government, politicians acting for the benefit of their electorate and elected MPs reflecting the diversity of their constituencies.

Until this self-indulgent 'party politics' system changes and becomes appealing to the electorate, more people are likely to take the independent route, vote for fringe parties or disengage entirely. There is a growing movement amongst South Asians to stand as independents, as they feel that they are unlikely to be selected by the major parties as a Prospective Parliamentary Candidate. This view was recently encapsulated by Anant Vyas (Independent Candidate for the European Parliament for SE England representing the Jury Team) who explained to EMBG that he is standing as an independent candidate because in his personal experience the successive Governments have failed the Black Asian and Minority Ethnic (BAME) electorate by not addressing the gross under-representation of BAME MPs in the House of Commons.

The problem of under-representation of ethnic minorities is well recognised by all the major parties. Harriet Harman, Leader of the House of Commons and Minister for Women and Equality, opened a debate in parliament in November 2008 to establish a Speaker's Conference that would consider and make recommendations

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Editors comments cont'd from p14

for improving the representation of minority groups in the House of Commons.

At this debate Ms. Harman said "This country is ethnically diverse now – indeed, it has been for many decades – but of (the) 646 (Parliamentary) Members, only 15 are Black or Asian. To be representative of our population, we should have more than four times that number. "However, while politicians debate the under-representation continues. In this area the Conservatives especially have some work to do to convince the electorate that they are serious about embracing change.

Their current party structure and selection process for candidates tends to work against the selection of ethnic minorities. This needs to be reviewed and modernised so that the party can more reflect today's diverse society. Labour on the other hand, whilst giving the impression of doing better, also need to do more if they wish to justify their claim as being the natural party of the ethnic people.

Obama being elected as the first Black president of the United States has inspired ethnic groups to engage in politics. Obama's campaign helped spread awareness of how 'new media' such as the internet can be harnessed to help individuals stand as independent candidates; raising funds and reaching the masses. Obama's campaign model proved that the ethnic electorate has the power to change the rules of the game with the right technology and organisation. The challenge now is for the independent candidates to demonstrate that they can win seats and be an effective force in the UK. If they achieve this then we may see our future politics change effectively beyond all recognition. At that point the established parties should start to listen and accelerate the rate of their party's change to once again reconnect with the electorate. To ignore this may well otherwise result in their facing a longer than intended term in the political wilderness.

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In the Q&A session Mike Mulvey explained that the CompeteFor system was robust, easy to use and anonymous to the supplier at the initial selection stage. He also said that over 71,000 businesses have registered and urged all to register. In reaction to Baroness Verma's comment that "large scale public sector contracts were still not accessible to most Asian businesses" Mike said that they can't do anything about the public sector procurement rules as they are set by the government but that he was doing everything to persuade the buyers to ease their rules. Unfortunately, the time allocated to the Q&A proved too short and many did not get a chance to ask their questions.

Mike's responses could not deal adequately with delegates questions because he is responsible for the CompeteFor site which is the front end tool within the overall process; as the critical barriers to obtaining contracts lay with the government procurement process that is outside his remit.

It was regrettable that the most senior of the LOGOC panel were unable to stay for the presentation from the business leaders and some expressed their disappointment feeling that "they have come here to teach us and not

listen to us" and felt frustrated. Those who have experience of the tendering process felt especially aggrieved that the procurement process itself is the problem and that this is not being adequately dealt with. Our analysis of the feedback during and after the event showed that the LOGOC presentation concentrating on the CompeteFor site as the route to gaining contracts raises expectations which are then later dashed by the burdensome procurement rules at the second stage of the process (post registration). Without addressing the root causes SME's are going to lose out. Clearly there is a flaw in the way the information is being disseminated to businesses.

EMBG and HCUK received many calls and emails from the attendees to congratulate them for arranging such an important and informative event and said that it was a great service to the community. EMBG received valuable constructive feedback and were urged by delegates to continue to represent their cause. In response, EMBG will consult its members and affiliates to see how best to help ease some of the barriers SMEs face.

There is further coverage of this event on our website www.embg.co.uk

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Asian Achievers Awards

■ The eighth Asian Voice and Gujarat Samachar Asian Achievers Awards were held in December 2008 at the Radisson Portman Hotel in London.

The chief guest for the awards ceremony was Rt Hon Ed Balls MP and was attended by peers, members of parliament, business owners and senior professionals.

The theme of this year's Asian Achievers Awards was "Pillars of Asian Success: Dedication, Education and Family Values." The theme was chosen to reflect the huge strides made by the Asian community in various fields.

The winners of the Asian Achievers Awards were: Yogesh Mehta, Managing Director of Amertrans Shipping – Business person of the year, Nishma Gosrani Management Consultant – Professional of the year, Dr Dak Patel, Principal and founder, London School of Accountancy and

Management – Achievement in Healthcare & Education, Kuljinder Singh Bahia, Managing Director of Southall Travel-Young Entrepreneur of the year, Dr Rami Ranger, MBE, FRSA, Chairman of Pakistan, India & UK Friendship Forum – Achievement in Community Services, Maiyuran Ratneshwaran, British representative for Junior Commonwealth games – Sports personality of the year, Ravi Sharma, RJ Sunrise Radio – Achievement in Media, Art & Culture, Kamel Hothi, Head of Asian Markets and Events Lloyds TSB – Woman of the year, PC Mahmood Ahmed, Chair of Lancashire Black Police Association – Uniformed and Civil services. The Editor's choice award was given to Ms Reeta Chakrabarti, Political Correspondent from the BBC.

Asian Achievers Awards are unique in that readers and members of the public nominate candidates and an independent panel of judges selects the winner after much deliberation. This

year a record number of nominations were received and the calibre of the candidates was most impressive.

As this event was held in the aftermath of the terrorist attack in Mumbai a minute's silence was observed and a prayer was said at the beginning of the ceremony in remembrance of the victims and survivors.

Sir Gulam Noon, who was caught up in the Mumbai attacks gave a moving account of what it was like being barricaded inside his room at the Taj Mahal while two terrorists wielding AK-47s rampaged through the corridor outside. He also explained that he had a business meeting and that they were due to dine in the restaurant but because he was unwell he ordered room service and they had the meeting in his room. This may have saved his life. He was finally rescued when commandos blow out the windows and took him out that way.



On behalf of the community Anjana Patal (Conservative Councillor for Harrow) receiving a recognition from Mei Sim Lai for her contribution to the community.

Back row from Left : Dhruv Patel (Chairman – City Hindu network), Krishan Ralleigh (editor – India Link International), Alok Mitra (Chairman – Ethnic Minority Business Group and MD of CJM Consultants Ltd), Venilal Vaghela (Acting Treasurer – Hindu Council UK)

Front Row from Left: Rami Ranger (MD of SunMark Ltd), Mei Sim Lai (Partner of LaiPeters, Anjana Patel (Conservative Councillor for Harrow)

Anjana Patel, Dilip Joshi, Alok Mitra and a number of other speakers explained that it is important for the Asian communities to play an active part in politics and public service. Rami Ranger said that the ethos of public service was in keeping with the values of the Shaheed Nanak Singh Foundation and pledged his support help and promote South Asians to enter both politics and non executive directorships. Mei Sim shared her experiences of working as a non executive director of Boards.

Networking Event – Theme: Serving as non executive directors

■ This event was sponsored by the Shaheed Nanak Singh Foundation and supported by The Ethnic Minority Business Group (EMBG). The seminar attracted those who are already successful and have a track record of achievement in their chosen field. They were now looking to give something back to the community, building up a portfolio career or simply thinking that being a non exec Director could be something that interested them. Our speakers covered why the ethnic community should consider the role of non executive director on a public body, what the selection criteria are, the commitment required and the remuneration and other benefits that can be expected. This seminar was attended by business and community leaders and politicians. The formal session was followed by a buffet meal and networking with likeminded people.



Mei Sim Lai OBE DL FCA FCCA
Partner of LaiPeters & Co, Deputy Lieutenant of Greater London being presented with "Don't Break Up India" by Dr Rami Ranger MBE, FRSA, Managing Director of SunMark Ltd. The book is principally about the heroic efforts made by Nanak Singh to spread peace, harmony and tolerance amongst the religious groups in India.



Steven Pound MP, Labour MP for Ealing North
PPS (Rt Hon Stephen Timms, Financial Secretary), expressed his support for the work of the Foundation and its objectives of getting greater representation for the Asian community.

Focus on people

Anant Vyas

■ **Anant has championed equality, diversity, social inclusion and integration in all spheres of life and improving public services for almost three decades. Starting in the 1980s he served as a Chair of School Governors and later became the Deputy Chair of Milton Keynes Primary Care Trust and Public & Patient's Involvement in Health Forum. He had to resign before standing as an Independent Parliamentary Candidate in 2005.**

Anant is now standing for the European Parliament for the South East as an independent candidate after signing up for the Jury Team and being amongst those who won the most text votes cast by the public in a competitive open primary. Anant argues that this confers upon him greater legitimacy than all the other candidates from the other parties.

Anant has many achievements to his name including being awarded in 2004 & 2006 Honorary Milton Keynes Community Ambassadors' Leadership Medal jointly by the MK Council, the Home Office and MK Racial Equality Council. In 1989 he helped bring the first International Hindu Mela (Virāt Hindu Summellan) to Milton Keynes Bowl attracting over 80,000 Hindus from all over the World. He also helped run the Ramayana & Hindu Information Stall in the first and the largest festival of its kind, besides the Kumbha Mela of India, held outside India.

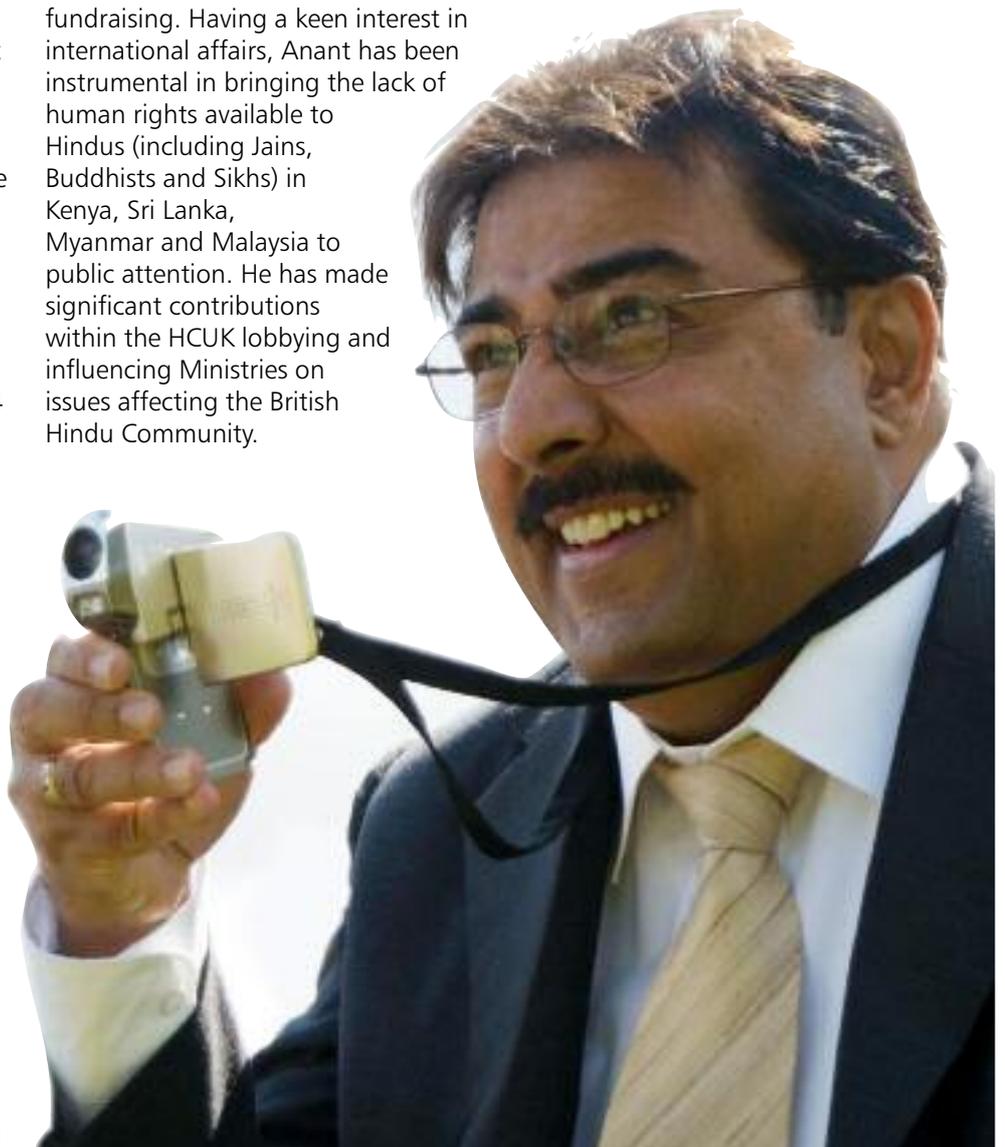
Anant submitted a visionary paper to John Prescott (then Deputy Prime Minister) in Dec 2004 about the Government's Community Plan suggesting amongst other things introducing healthy cooking lessons in schools, nutrition, science applied to health, compulsory games, inter-school

athletics and modular expandable homes-for-life which are now being designed by Lord Roger and built in The Oxley Park, Oakgrove Millennium Community, Tattenhoe Park, Milton Keynes & Basingstoke, Hampshire.

Anant is a member of the Hindu Council UK and helps to run campaigns on numerous projects affecting the British Hindu community in the areas of politics, community cohesion, health, equality, inclusion and diversity, education and also in relation to fundraising. Having a keen interest in international affairs, Anant has been instrumental in bringing the lack of human rights available to Hindus (including Jains, Buddhists and Sikhs) in Kenya, Sri Lanka, Myanmar and Malaysia to public attention. He has made significant contributions within the HCUK lobbying and influencing Ministries on issues affecting the British Hindu Community.

For 32 years Anant has worked as housing officer in Camden Council, which is now regarded as the best performing council in the UK. Here too he has numerous service improving innovations to his credit.

Follow Anant's campaign at <http://vyas7.spaces.live.com/> and <http://www.facebook.com/home.php#/profile.php?id=527424044>





Left to right: Larry Rach – MD Twin Technology, Dilip Joshi, Executive Officer – Equality and Representation Hindu Council UK, Stephen Timms MP – Labour MP for East Ham and Financial Secretary, HM Treasury, Dr Rami Ranger – MD Sunmark Ltd, Alok Mitra MD of CJM Consultants Ltd and Chairman of EMBG

“Don’t Break up India”, a book on the life of Shaheed Nanak Singh is being presented by Mr. Dilip Joshi, to The Rt. Hon. Stephen Timms MP. The EMBG newsletter is also on the table which Stephen read with interest and commented that the lead story on the credit crunch was a very good and informative article.

Meeting with Stephen Timms at the Treasury

■ Our meeting with Rt. Hon. Stephen Timms MP related to Community Cohesion, wealth creation and support for SMEs. This meeting took place in early December 2008 when we were in the middle of the credit crunch and after the government had pumped £37bn into rescuing RBS, HBOS and Lloyds TSB. In the lead up to the meeting we consulted a number of SMEs and banks to get the issues and some solutions to present to Stephen Timms.

During the meeting we had wide ranging discussions on the economy and the problems facing small businesses. The top issues raised by businesses were that banks were unwilling to lend and we explained that they still appeared to be under capitalised. Banks were also charging a lot for loans and renegotiating existing arrangements putting further pressure on businesses.

Other issues raised included problems with the Small Firms Loan Guarantee scheme, getting help from the Inland Revenue for businesses with cash flow problems and difficulties in obtaining credit insurance. Stephen acknowledged that issues exist and said that the government was working on them and consulting widely on these matters. He also outlined the business payment support scheme (see article on page 3) that the Inland Revenue had introduced to help businesses. Our discussions with him will continue.

Since December EMBG has also had a similar meeting with the Conservative party and we are now working with George Osborne’s office to highlight the issues and suggest solutions.

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