

Dubai will fulfill its commitments

By

Staff Writer on Tuesday, December 08, 2009

The Government of Dubai is capable of honouring and meeting its commitments internally and externally, a senior Dubai Government official affirmed yesterday.

Abdul Rahman Al Saleh, Director-General of Dubai Finance Department, termed the Dubai World restructuring as a natural procedure that can happen in many countries and companies.

In an interview with the television channel Al Jazeera, Al Saleh said: "Articles of association of Dubai World stipulate that the emirate's government shall not guarantee its debts," he said, noting that a distinction should be made between the Government of Dubai and the group which is made up of several companies – including Nakheel and Limitless World – operating in various sectors.

"The media has blown the issue of restructuring part of the group's debts including the delay of repaying Nakheel's debts out of proportion," he said, affirming that restructuring of companies is a frequent practice worldwide.

"The aim of restructuring is to allow the group to steam ahead with a new shape and keep abreast of changes."

Asked about the possibility of putting off projects being undertaken by the group, Al Saleh said: "It is better and wise to delay projects that have not been executed yet." He did not rule out selling of some assets in Dubai or abroad, saying: "Selling of some assets is a natural act in order to bolster the financial situation of the group in such circumstances."

He added Dubai World is active in many sectors but it was only the real estate sector that was impacted by the international financial crisis.

According to agency reports, Dubai World was to meet its main creditors yesterday to discuss its request to delay repayment of \$26 billion (Dh95bn) debt, bankers said.

The bankers, who declined to be identified as the talks are private, said the meeting would take place in the afternoon without being more specific. A Dubai World spokesman declined to comment. (*Wam with inputs from agencies*)