

## WTO Rejects US Appeal in Japan Case

REUTERS

GENEVA - The World Trade Organization's top appellate panel rejected a US appeal of a ruling against US efforts to limit Japanese steel imports, clearing the way for Japan to seek trade sanctions against Washington.

The final ruling by the WTO's appellate body in the case, launched by Japan in 2004, was the latest setback for US methods of dealing with imports it considers unfairly priced.

But it also highlighted a broader sensitivity about "antidumping" measures, which impose extra duties on imports that are allegedly sold for less than they cost at home.

"The appellate body has upheld our position," a Japanese diplomat said. "Basically, I think we won."

Japan had been seeking permission to impose as much as \$248.5 million in annual trade sanctions against the US in the case, which originally turned on US duties imposed on Japanese ball-bearings. The US objected to that amount, and the question went to arbitration. But both sides later asked for arbitration to be suspended while the WTO examined whether or not the US had complied with the original ruling.

Tuesday's 114-page decision by the appellate body, ruling against the US on every count, upheld a ruling in April that the US had failed to comply.

Once the WTO adopts the appellate body findings and April's ruling, moves expected at the next meeting of its dispute settlement body on Aug 31, the arbitration process on the size of Japan's retaliation can resume.

The case turned on the US practice of "zeroing," which aims to calculate duties on goods that Washington considers dumped. Many US trading partners consider the method a violation of international trade rules.

The US had also argued it could continue to levy duties on goods that had entered the country before a WTO ruling finding such duties illegal—a stance rejected by the court.

## UBS To Give Up Over 4,000 Names to US

BY LYNNLEY BROWNING  
THE NEW YORK TIMES

GENEVA - The Swiss banking giant UBS on Wednesday reached a final deal with the US Justice Department and the Internal Revenue Service in which it will ultimately disclose names and account details for more than 4,450 wealthy US citizens suspected of tax evasion.

Details of the settlement were unveiled Wednesday by the IRS commissioner, Douglas Shulman.

The agreement, he said, also allows the Swiss government to work with other Swiss financial institutions to disclose the identities of other Americans who have hidden money offshore.

UBS will notify the clients whose names are to be disclosed in coming weeks, Shulman said. Clients still have time to reveal themselves before a voluntary disclosure program ends Sept 23, he said.

Scores of Americans have come

forward in recent months to disclose their secret accounts to the IRS. That group of people, along with the "thousands" of names Shulman said that UBS would disclose, brings the total of UBS-related names to be disclosed to the IRS to "more than 10,000," he said. The accounts at one point held over \$18 billion, he said.

"These are the accounts we most wanted," Shulman said. But he said the US government retained the right to resume its legal efforts to force banks to turn over names.

The settlement marks a turning point in a closely watched battle between UBS, the world's largest private bank, and federal prosecutors and tax investigators who suspect it of selling tax evasion services to tens of thousands of wealthy US citizens.

The landmark settlement peels back layers of Swiss banking secrecy,

and is expected to provide a road map for the authorities as they try to crack down on tax evasion by US citizens who, through private banks and other Swiss-based financial intermediaries, use offshore accounts that go undeclared to the IRS.

The agreement "will result in us receiving what we wanted all along," Shulman said. He said the IRS would receive "a unprecedented amount of information on taxpayers" who evade taxes by hiding money offshore through UBS.

"There is no mere keyhole into the world of bank secrecy," he said, but instead represents "a major step forward in piercing the veil of bank secrecy."

Eveline Widmer-Schlumpf, head of the Swiss federal justice department and police, said at a press conference in Bern on Wednesday that Switzerland was "happy" and "relieved" about the outcome of the two months of negotiations.

## Expatriate Rentals Build the Walls of Business Success

BY SIMON MARKS  
THE CAMBODIA DAILY

At the age of four, Rory Hunter discovered his entrepreneurial skills when he set up a stall and sold farm produce outside his parents' house near Sydney.

Today, at the age of 34, he is putting his talent to work in the Cambodian property market where, as CEO of Brocon Group, Mr Hunter began business by buying properties in Phnom Penh, renovating them to what one might call international, Western standards and styles and then renting them out to Cambodia's expat community.

In early 2006, the company purchased the first property, a two-bedroom apartment on Phnom Penh's street 136. Nearly four years later Brocon Group has a total of 30 renovated apartments scattered throughout Phnom Penh's Daun Penh district.

But this, Mr Hunter says, is just the foundation of what he describes as Brocon Group's "second phase."

In early 2007 Brocon Group managed to acquire support from the government to develop two islands off the coast of Sihanoukville in Cambodia's Koh Rong Archipelago. Brocon so far has plans to develop only one island, which will be known as Song Saa Island resort.

In an interview at the company's headquarters on Phnom Penh's street 19, Mr Hunter said that his company spent almost a year carrying out research on Cambodia's property market in order to devise an assured business model, before diving in.

"We arrived as Cambodia was reaching its tipping point in its political and economic development. In 2005 you could see that places were growing, you could see that the price of land was increasing, you could see that the political situation was becoming more stable, and we had always planned to get into property development."

"One of the ways we came up with was in apartment rentals for expats," he said. "We just worked out what expats want[ed], where they want to live, how much they are prepared to spend," he said.

"The apartment renovations were a fantastic way to start a company but not a good way to [make it] grow," he said. "That phase in our development has ended and Song Saa is our next phase."

Still, getting to this stage has not been an easy ride.

When the economic crisis hit Asia in the second quarter of 2008, Brocon Group's ability to acquire credit to fund the Song Saa Island Resort vanished. So the project went back to the drawing board,

only to be launched again in June of this year.

Cheaper, locally produced raw materials were used for construction and plans to outsource the company's design operations were withdrawn.

For Sung Bonna, CEO of Bonna Realty Group, a privately owned real estate company based in Phnom Penh, Brocon Group's success has been down to its ability to sniff out and understand a niche in the market before making large-scale investments.

Born in 1975 in Sydney, Australia, Mr Hunter's career path has meandered its way across three continents and dealt with a range of different activities. At 19, still in Sydney, he started up his own beer import company with business partners in Canada, a firm he later sold for lack of additional investment. Afterward, while studying economics at The University of Sydney, he founded an accountancy firm that allowed him to pay for his studies.

Then came the development of an online marketing company during the dot-com boom in 2000 followed by a stint with advertising giant Saatchi & Saatchi in New Zealand and New York. He later accepted a job with Bates Cambodia, the first advertising agency

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# Rentals...

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to open here, but then spotted a demand in the property market.

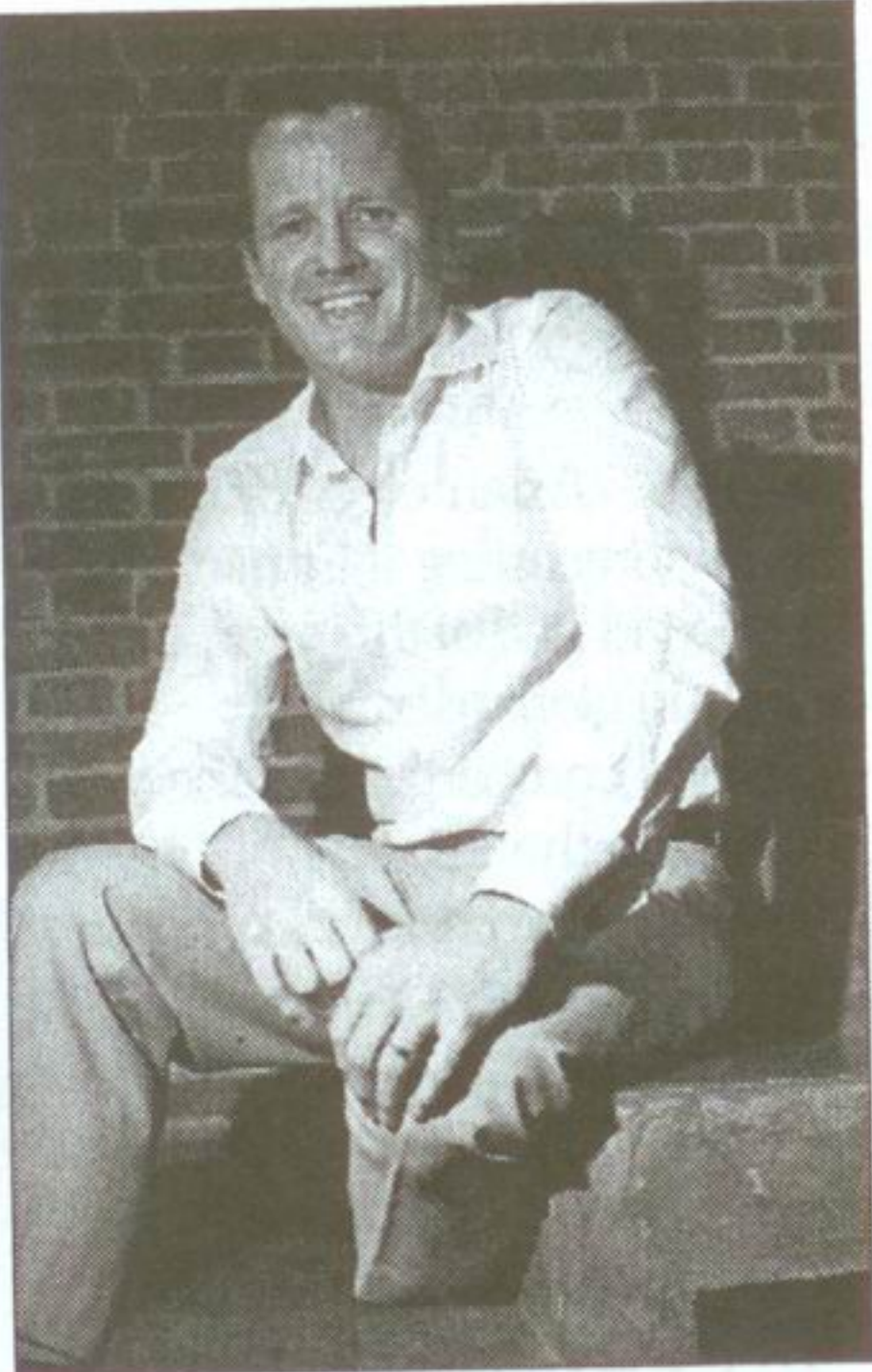
"Cambodia...provided us with a low capital entry. It allowed us to have a point of difference and it allowed us to compete without having a lot of experience," he said, adding that what had initially been a 12-month adventure soon turned into a permanent reality, where he now lives with his wife and adopted 10-month old Cambodian son Naryth.

When Brocon entered Cambodia the property markets worldwide were booming, creating an influx of potential buyers.

But when the subprime mortgage crisis engulfed the world's financial markets, many prospect clients suddenly disappeared.

Nonetheless, Brocon Group looks set to ride out the storm of the financial crisis with a 100 percent occupancy rate in its 30 rental apartments. On its Song Saa Island Resort, three out of the five villas up for sale have already been sold. The resort is scheduled to be completed in around 18 months.

"The key thing now is getting through the financial crisis. Be-



Charles Fox/The Cambodia Daily  
**Rory Hunter, CEO of Brocon Group, at his office in Phnom Penh.**

cause at the other end there is not going to be that many people standing and those who are left will have all the opportunities available," Mr Hunt said.

But, he says, Brocon group is not in Cambodia with a simple "get in and get out strategy."

"Making money in the short term for a start up I don't think is the right strategy," he said.

"I would prefer to invest in my people and the organization than deliver shareholder return."