
Nakheel to pay 65% of cash to contractors

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Reuters reported that Nakheel is to offer consultants and contractors just 65% of the money it owes them.

Mr Nelson Ogunshakin CEO for Association for Consultancy and Engineering said that “One of the offers on the table is for firms to get 65% of their consultancy fees with the understanding that in doing so, they waive their legal rights.”

A company spokesperson said that “We do not disclose such confidential information.”

Nakheel said that earlier this week it is receiving funds from the Dubai government as it looks to complete projects and pay outstanding obligations.

Several Dubai based contractors have said that they are owed hundreds of millions of dirhams by state linked developers and some may face bankruptcy as credit dries up. As per report, analysts estimate that the developer owed consultants as much as 200 million pounds.

(Sourced from Reuters)

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