

Multiples Insights

Issue 6 · 11 May 2014

Multiples Insights on MENA region

This report is designed to give you a snapshot about the MENA region tackling multiple issues:

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Economic Outlook

- After the 30th of June, Gulf oil producers have given Egypt free fuel adding up to 6 BN USD in value to help hold off unrest on its streets in the summer when consumption soars, the head of its national oil company said. The head of Egyptian General Petroleum Corporation (EGPC) said that the aid consisted of "huge quantities" of benzene, diesel, heavy fuel oil mazut, butane and crude oil, since last July. The aid helped reduce the heavy costs of government fuel subsidies and the drain on foreign exchange reserves. It came after Saudi Arabia, the United Arab Emirates (UAE) and Kuwait promised Egypt more than 12 BN USD in loans and donations days after the offset of President Mohamed Mursi.
- Kuwait is considering reviewing government spending to avoid budget hole within a decade, Energy subsidies are draining Kuwait's public budget and

account for 6% of GDP. As the government carries out a spending review to help avoid a budget deficit as early as this decade. Subsidies in the major oil producer are expected to cost 18.2 BN USD next fiscal year to cover items like fuel and energy; however, they cannot rely on oil as cost of production rising.

- Since the property sector in Dubai has become one of the most organized and secure sectors in the world, three Gulf States seek Dubai's help to organize property sector: Saudi Arabia, Kuwait, and Bahrain taking measures in this respect with Dubai's help. Saudi Arabia and two other Gulf countries are seeking to copy Dubai's experience in organizing their real estate sector by creating a relevant body and taking other measures, the emirate is among a few countries to adopt governance in its real estate sector, adding that an organized property activity helps fight poverty and serve the domestic economy.
- In the Kingdom of Saudi Arabia, The volume of hidden ('underground') economy is dignified to grow to 534 BN SR in the current year and accounts for more than 18% of GDP. The experts attributed the growing trend of the hidden economy in the Kingdom to a number of reasons including the absence of strict regulations on how to tackle the issue and ineffectiveness of wage control programs, especially in small and medium enterprises (SMEs).
- UAE is the top country in Asia in non-essential travel as more well-off residents in the UAE than in other countries in Asia are likely to spend more on non-essentials including travel. Visa's Affluent Index 2014, which measures people's willingness to spend, showed that the UAE's affluent index score increased from 125 to 130, higher than Hong Kong, which earned a score of 122, and Singapore 118. A higher score means consumers are likely to spend more out of their pockets in the next year.

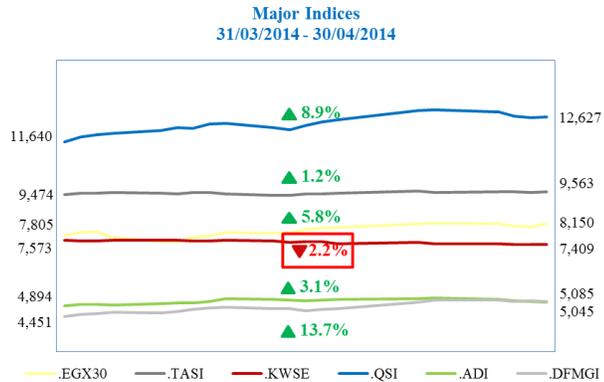
Political Events

- The Urgent Matters Court in Cairo banned leaders of the now-dissolved National Democratic Party (NDP) from running in the upcoming presidential, parliamentary and local councils' elections. The Supreme Administrative Court dissolved the NDP and ordered the liquidation of its assets in April 2011, shortly after former President Hosni Mubarak was offset.
- Saudi Arabia announced that it had uncovered an al Qaeda militant group with

links to "extremist elements" in Syria and Yemen that had been plotting to assassinate officials and attack government and foreign targets. The cell consists of 62 members, including 59 Saudi militants, a Yemeni, a Pakistani and a Palestinian.

Stock Markets

- Egypt's stock market indices win over 8.5 BN EGP in April as the presidential election approaches. The telecom sector led market gains as the dispute that lasted over 5 years between Global Telecom and the Algerian Government ended with the



former agreeing to sell its 51% stake of Orascom Telecom Algeria SpA, or Dj for \$ 2.64 bn to the Algerian National Investment Fund.

- Dubai's real estate index rises 22.4% as investors speculate on generous payouts; Emaar rises 9.54% and Arabtec rises 49.41%
- Qatar Exchange market capitalization increased by over 82 BN Riyals as the market's rank approaches emerging market rank.

Country	Index Watchlist		15 Days % Change		YTD% Change
Egypt	.EGX30	▲	5.8%	▲	21.7%
	Construction & Materials	▲	4.4%	▲	29.9%
	Telecommunication	▲	7.1%	▲	13.2%
	Banking	▲	4.8%	▲	13.5%
KSA	.TASI	▲	1.2%	▲	12.3%
	Petrochemicals	▼	-2.1%	▲	2.3%
	Banks & Financial Services	▼	-4.2%	▲	6.7%
	Telecommunication & Information	▲	1.4%	▲	13.7%
Kuwait	.KWSE	▼	-2.2%	▼	-1.9%
	Banking	▲	2.3%	▲	13.0%
	Telecommunication	▼	-2.9%	▲	3.4%
	Financial Services	▼	-0.6%	▲	7.7%
	Real Estate	▲	1.9%	▲	2.5%
	Industrials	▲	1.4%	▲	5.5%
Qatar	.QSI	▲	8.9%	▲	22.1%
	Banking & Financial Services	▲	8.2%	▲	26.4%
	Industrials	▲	3.8%	▲	22.4%
	Real Estate	▲	16.1%	▲	30.0%
	Telecommunication	▲	11.9%	▲	17.7%
UAE, Abu Dhabi	.ADI	▲	3.1%	▲	17.6%
	Banking	▲	3.2%	▲	20.0%
	Telecommunication	▼	-4.2%	▼	-1.7%
	Real Estate	▲	16.0%	▲	43.6%
UAE, Dubai	.DFMGI	▲	13.7%	▲	50.2%
	Banking	▲	9.6%	▲	34.2%
	Real Estate & Construction	▲	22.4%	▲	87.1%
	Investments & Financial Services	▲	11.5%	▲	65.8%
	Telecommunication	▼	-2.0%	▼	-10.3%

Major Companies Transactions

- **UAE: Dubai's government lists 750 MM USD issued Sukuk**

Dubai's Financial Market lists 750 MM USD issued Sukuk for the Government of Dubai to mature in 15 years. Though Dubai is currently the world's largest venue for Sukuk listing, the 750 MM USD listed Sukuk reinforces Dubai's

positioning as the capital of Islamic Economy and as a Global Sukuk centre increasing the value of listed Sukuk in Dubai's Financial Market to 20.38 BN USD.

- **KSA: Landline Etihad Atheeb firm seeks to sell a 20% stake**

The 20% stake is to be sold to Saudi Telco Mobily. Though both parties signed a memorandum of understanding last August, terms are still under discussion. Atheeb should cut its capital by cancelling some shares to allow the write off up to 100% of the accumulated loss totaling to 2,227.1 MM USD at the end of 2013. Atheeb would then launch a rights issue in which Mobily's subsidiary Bayanat would acquire a 20% stake in Atheeb.

- **Egypt: Cairo for Investment and Real Estate Development sells 50% of its stake**

Cairo for Investment and Real Estate Development sells 50% of its shares to Social Capital Impact LTD for 93 MM EGP offering a full buy out to some of the shareholders. This came after Cairo for Investment and Real Estate Development made net profits of 12.93 MM EGP in 2013 compared to 11.67 MM EGP in 2012.

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