

Multiples Insights

Issue 15 · 2 October 2014

Multiples Insights on MENA region

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

- [Economic Outlook](#)
- [Political Events](#)
- [Stock Markets](#)
- [Major Companies Transactions](#)



Economic Outlook

- Leaders of GCC countries will be discussing how to best meet this gap between consumption and production at the upcoming Water world Middle East Conference and Exhibition, to be held in Abu Dhabi from 12th to 14th October. The total annual water consumption in the GCC is 26.5 billion cubic meters; yet total water production is only 7.1 billion meters per annum. With groundwater supplies almost exhausted in some countries, there is an urgent need for new water supply projects to come online to meet the 19.4 billion cubic meter water deficit.
- Qatar is the second most attractive market in the world for investment in infrastructure, according to EC Harris. The country ranked second globally and first regionally for its strong business environment, healthy pipeline of development work and growing economy, making it an attractive country for investors including pension funds and banks. The most dynamic infrastructure investment markets in the Middle East are located in the Gulf with Qatar, the UAE and Saudi Arabia all scoring in the top third of the index. These cash rich, economic powerhouses have some of the highest investment profiles of anywhere in the globe with average growth in construction services reaching double digits.
- Oman's new long-term tourism strategy (2015-2045) is expected to be unveiled around the end of the year. The new strategy, which is designed to add value to the Sultanate's tourism industry, includes an action plan to achieve its goals. The strategy, which will take at least three years for its complete implementation, seeks to attract four million tourists annually by 2020. The next phase is data analysis to find out the strengths of the country, which will take about three months. One of the goals of the new strategy is to focus on increasing the contribution of tourism industry to Oman's GDP, which was 6.6 per cent in 2012.
- Dubai construction company Arabtec announced that it is close to completing the planning and design stage of its 40 BN USD deal to build one million homes in Egypt. Arabtec originally announced in March that it had agreed with the Egyptian army to build the homes at 13 locations around the country on land



provided free by the armed forces. Construction was to start in the third quarter of this year, with the first homes to be delivered in early 2017 and the whole project to be completed before 2020. The project would not only mark a huge expansion of Arabtec's business but also boost Egypt's struggling economy and help to resolve a housing shortage that has become a major source of political discontent, yet question marks and rumors still surround the project.

- The UAE has been chosen to be the regional hub of pharmaceutical companies that will positively impact supply, distribution, and pricing of drugs to make them more favorable to patients. The Ministry of Health recently met about 100 directors of international drug companies, representatives of local factories and authorized drug agents in the UAE to discuss international cooperation on medicinal sales. The ministry has managed to achieve price cuts for 7,504 innovative and resembled drugs in four initiatives from 2011 until 2013. Price reductions ranged from one to 60 per cent. This mutual cooperation has benefited all patients, especially those suffering from chronic, viral and neurological and cardiovascular diseases, and cancer.
- Oman Air has embarked on a major journey with a detailed road map for expansion. The company's key objectives are based on the principles of safety and punctuality, being the airline of first choice, to make money and profits and to cater for growth of the country. In the next 12 months, the airline will add 16 aircrafts to its fleet and aims to increase its fleet from the present 31 aircraft to 55 by 2017 along with new destinations under a ten-year plan. On fleet expansion, Oman Air is negotiating with the vendors Airbus and Boeing over the choice of aircraft. They will receive two Boeing 787-8 Dreamliner's by the end of 2015.
- A new visa policy in Bahrain that allows nationals from over 100 countries to obtain a visa either online ahead of travel, or on arrival, will start to be implemented from October 1st 2014. The new visa policy is an important development that places Bahrain among the countries with the most flexible visa policies in the region. The new policy will also be accompanied by improvements to the individual screening process, ensuring faster and more effective processing of applications. It will further enable expatriates who do business in Bahrain, to easily travel in and out of the Kingdom, as well as boosting the tourism industry. Under the new policy, visitors from 66 countries will be able to receive visas upon arrival in Bahrain. These visitors will also be eligible to apply for their visas electronically ahead of their arrival in the Kingdom, further easing their travel experience.

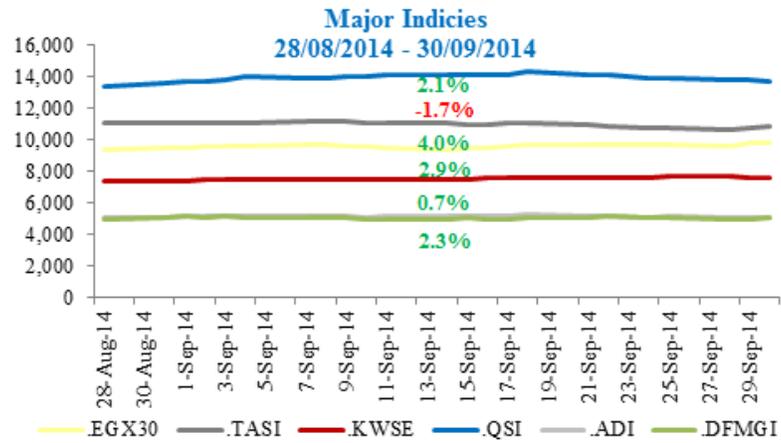
Political Events

- The United States and its Arab allies bombed militant groups in Syria for the first time this month, killing scores of Islamic State fighters, members of a separate al Qaeda-linked group and opening a new front amid shifting Middle East alliances. The attacks faced no objection from President Bashar al-Assad's Syrian government. Saudi Arabia, Qatar, Jordan, Bahrain and the United Arab Emirates participated in and supported the strikes against Islamic State targets, according to media sources.
- Secretary General of the Arab League Nabil El-Araby expressed regret over Turkish President Recep Tayyip Erdogan's recent comments on Egypt. El-Araby said that he views the recently elected president's comments as interference of internal Arab affairs. Erdogan questioned the legitimacy of Egyptian President Abdel Fattah Al-Sisi during his address at the UN General Assembly while Al-Sisi addressed the assembly himself earlier in the same session, amid rising tensions between Egypt and Turkey after the outset of ex-President Morsi in 3rd of July 2013.



Stock Markets

- Abu Dhabi Securities Exchange (ADX) is in discussions with four companies



about listing on the index, with two potentially taking place before the end of the year. New flotations on the bourse had been held back by low investor confidence after the index slumped in the wake of the global financial crisis.

Index Watchlist		15 Days % Change	YTD % Change
Egypt	.EGX30	▲	4.0%
	Construction & Materials	▼	-0.4%
	Telecommunication	▼	-1.2%
	Banking	▲	8.5%
KSA	.TASI	▼	-1.7%
	Petrochemicals	▲	5.3%
	Banks & Financial Services	▲	8.6%
	Telecommunication & Information	▲	1.9%
Kuwait	.KWSE	▲	2.9%
	Banking	▲	0.3%
	Telecommunication	▲	0.7%
	Financial Services	▲	3.7%
	Real Estate	▲	3.1%
	Industrials	▲	1.4%
Qatar	.QSI	▲	2.1%
	Banking & Financial Services	▲	3.8%
	Industrials	▲	2.2%
	Real Estate	▼	-2.4%
	Telecommunication	▲	4.2%
UAE, Abu Dhabi	.ADI	▲	0.7%
	Banking	▼	-1.3%
	Telecommunication	▲	2.2%
	Real Estate	▲	7.1%
UAE, Dubai	.DFMGI	▲	2.3%
	Banking	▲	-0.5%
	Real Estate & Construction	▲	4.7%
	Investments & Financial Services	▲	4.3%
	Telecommunication	▲	1.8%

Major Companies Transactions

- **Gulf electricity-sharing grid looks at growing larger by 2019**

A unified Gulf Arab electricity grid created to share capacity in emergencies is set for expansion by 2019 with an estimated investment of up to 420 MM USD due to rising consumption. The grid has



been working since 2009 with trading touching the equivalent of 800,000 megawatts (MW) hour of energy annually. The cost of expansion could be about 20 or 30 percent of initial cost, he said. That works out at up to 420 MM USD. The current total capacity of the Gulf Cooperation Council (GCC) grid is up to 1200 MW, the maximum power that can be transferred to any country at any time. The grid was built at a cost of 1.4 BN USD shared by the six states based on the benefits they would accrue from it.

- **UAE's Dana Gas wins gas exploration deals in Egypt**

United Arab Emirates energy firm Dana Gas said that it has been awarded exploration deals for two onshore gas blocks in Egypt. The company will operate the North El Salhiya onshore concession area, known as Block 1 and will partner with British company BP to explore El Matariya, Block 3, on a 50:50 ownership basis. Under the terms of the agreement, British Petroleum (BP) will fund all of the cost, including Dana Gas's share, of one exploration well up to an agreed maximum limit. If the well proves commercial, BP will have the option to buy up to 50% stakes in Dana Gas' adjacent development leases.

- **PepsiCo opens food & beverage innovation facility in Mideast**

PEPSICO, one of the leading global food and beverage companies, opened its first innovation facility in the Middle East. The facility, will serve as a hub of new products and flavors innovations for PepsiCo's businesses across the region. It is equipped with an advanced culinary center and test laboratories focused on developing and tailoring PepsiCo food and beverage brands for distinct, locally relevant taste preferences throughout the region. The new facility will allow researchers to quickly test new product ideas and support efforts to significantly accelerate the pace of PepsiCo's innovation across the region.

- **Vodafone Egypt Seeks Loan worth 4 BN EGP from 7 Banks**

Vodafone Egypt is seeking to sign a loan worth 4 BN EGP with 7 banks in banking sector before the end of the current year. The banks are now in the final approvals stage and the preparation of contracts to sign loans before the end of the current year so as to cover all the financial needs of Vodafone. Banque Misr will seize 900 MM EGP from the loan and CIB and Bank of Alexandria will participate with 650 MM EGP each, HSBC takes part with 600 MM EGP and 400 MM EGP for each of Barclays, Emirates NBD and QNB.

- **Qatari Diar Real Estate Investment Company is embarking on a brand-new seaside residential project in Istanbul, Turkey**

Overlooking the Sea of Marmara, the newest Qatari Diar project in Ataköy is situated in one of the most sought after residential zones in Turkey. The development will be comprised of 1,474 luxurious apartment units and a deluxe five-star hotel with high-end boutiques featuring global brands and lavish restaurants. Plotted on an impressive 128 thousand square meters of land and a beautiful shoreline, this unique development will be established in a bustling central location near other hotels, shopping malls, schools, and hospitals, and will be five minutes away from Atatürk Airport, Ataköy Marina, and the ferry terminal.

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