

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 Market**
- **Major Companies Transactions**



Economic Outlook

- Jordan has exported 380 gigawatt (GW) hours of electricity to Egypt in 2014. Egypt and Jordan signed an agreement in 1998 to exchange the supply of electricity when needed. In 2015, Jordan supplied Egypt with 1 GW hour of electricity as Jordan has an electricity production surplus of 25% of the grid's total capacity which stands at 3,850 megawatts. On the other hand, Jordan sometimes imports electricity from Egypt as it's cheaper than the cost of producing it.
- Egypt has signed agreements with six new oil and gas exploration contracts worth hundreds of millions dollars with foreign and Egyptian companies. Egypt significantly suffers from high energy bills that are attributed to the large subsidies



provided on fuel for its population of 87 MM; consequently turning the country from a net energy exporter to a net importer over the last few years. The agreements provide for the drilling of some 41 discovery wells in the western desert and Gulf of Suez. The major companies selected are Shell, ENI, BP and Canada's TransGlobe Energy.

- Bahrain's Cabinet has decided to increase gradually and unify the prices of natural gas sold to companies starting from April 2015. The cost of natural gas that generates energy for industrial projects will also increase. On the other hand, low oil prices will threaten its budget as Bahrain's state finances are less than other Gulf oil exporters.
- Dubai Electricity and Water Authority (DEWA) is investing 37 MM AED to upgrade its infrastructure to enhance energy efficiency, save power and protect the environment. These developments will include a lighting retrofit project with Jebel Ali Power station and Al Awir Power station of 21 MM AED. The retrofit projects will be on 7 DEWA buildings and will cost 16 MM AED. Moreover, the two projects will be implemented by Philips Lighting, MAF Dalkia Middle East and monitored by Etihad Energy Service Company (ESCO). Through these projects, energy demand is expected to be reduced by 30% while carbon emissions to be reduced by 5 MM tones by 2030.
- Saudi Arabia and Jordan signed a memorandum of understanding on developing bilateral relations on labor affairs between the two countries. The agreement entails the collaboration in labor-related aspects such as unifying recruitment procedure, creating an electronic link, exchanging expertise, organizing training programs and resolving labor disputes. This assures mutual benefit of optimum labor force management for both countries.
- The construction costs in Qatar remain the highest in the Middle East, followed by UAE and Saudi Arabia. Construction costs in Gulf countries were minimally impacted by global currencies fluctuations and commodity prices, due to the Gulf intact currencies tracking the USD. Moreover, costs remained stable despite the high levels of investments in transport infrastructure such as 200 BN USD GCC rail network, and Qatar's World cup bid and Dubai's 2020 World Expo.
- National Bank of Oman (NBO) has reported a 21% growth in net profit for the year ended December 31, 2014. Net profit increased to 50.3 MM OMR in 2014 from 41.1 MM OMR in 2013. Moreover, the loan book increased by 12% as net loans, advances and financing activities reached 2.32 BN OMR in 2014 compared to 2.07 BN OMR in 2013, while customer deposits and unrestricted investment accounts remained unchanged at 2.18 BN OMR.
- The number of car sales in Lebanon increased by 4.5% to reach 40,135 in 2014 compared to 2013, despite the economic slowdown and political turbulence. The buyers are focusing on small fuel vehicles which represent 90% of the sales and their prices are less than 15,000 USD. On the other hand, luxury cars which worth more than 100,000 USD represent only 3.5% of sales. The Korean-made Kia cars topped the list with a 22.1% share of the total, followed by Hyundai 18.86%, Toyota 12.87%, Nissan 12.61% and Renault 3.47%.

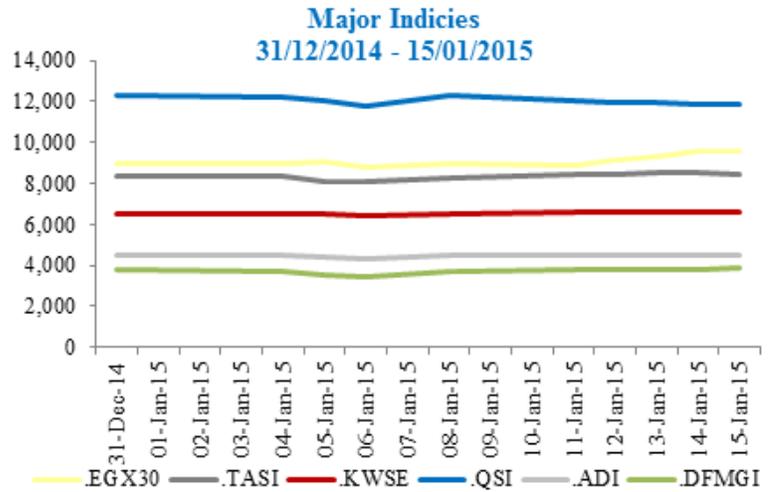
Political Events

- Qatar Charity (QC) is establishing a health building in Gaza that is the largest of its kind. The building area is 20,000 sqm, with a capacity of 432 beds; hosting internal medicine departments including kidney dialysis, an intensive care unit, general internal medicine, departments of neurology, endoscopy, heart, haematology, oncology, with the main facilities such as laboratory, pharmacy and other ancillary services. The project will be supported by local and international consultants at a cost of 582,000 QR.
- Cooperation between Iranian and Jordanian parliamentary energy commissions will pave the way for building strong ties that are mutually beneficial both economically and politically. The political benefit is sought in Iran's efforts towards Islamic unity through intimate ties between Sunni and Shia.



Stock Markets

- .DFMGI real estate sector witnessed a positive increase of 5.3%, led by Emaar. Moreover, the investment and financial services sector increased by 0.8% led by Gulf Finance House and Gulf General Investment.
- The board of Housing & Development Bank (HDBK) in Egypt approved the sale of 25% of its real estate stake in Sakan Real Estate Financing.
- .QSI banking sector declined led by Islamic Holding Group, and the industrial sector also declined led by Aamal.



Index Watchlist		15 Days % Change	YTD% Change
Egypt	.EGX30	 7.1%	 40.9%
	Construction & Materials	 -0.9%	 24.2%
	Telecommunication	 1.6%	 -2.1%
	Banking	 6.5%	 57.6%
KSA	.TASI	 1.5%	 -0.9%
	Petrochemicals	 -2.7%	 -24.0%
	Banks & Financial Services	 2.4%	 5.4%
	Telecommunication & Information	 10.1%	 -20.2%
Kuwait	.KWSE	 1.0%	 -12.6%
	Banking	 1.8%	 2.6%
	Telecommunication	 3.5%	 -14.7%
	Financial Services	 0.0%	 -6.2%
	Real Estate	 2.1%	 -6.2%
	Industrials	 1.0%	 0.5%
Qatar	.QSI	 -3.4%	 14.3%
	Banking & Financial Services	 -1.5%	 29.1%
	Industrials	 -7.3%	 6.9%
	Real Estate	 -2.1%	 9.7%
	Telecommunication	 -3.9%	 -4.7%
UAE, Abu Dhabi	.ADI	 -1.1%	 4.5%
	Banking	 -1.9%	 12.0%
	Telecommunication	 0.0%	 -6.4%
	Real Estate	 0.3%	 -9.7%
UAE, Dubai	.DFMGI	 1.8%	 14.1%
	Banking	 -2.8%	 28.7%
	Real Estate & Construction	 5.3%	 23.8%
	Investments & Financial Services	 0.8%	 -5.7%
	Telecommunication	 0.0%	 -24.3%

Major Companies Transactions

- **Telecom Egypt signs a 15 BN EGP agreement with Mobinil and Vodafone**

Telecom Egypt signed a commercial agreement with Mobinil and Vodafone to provide infrastructure and international services for both carriers. The agreement is expected to generate 3 BN EGP during the contracted 5 and 3 years for both companies respectively. The international calling services agreement is also renewed for 4 years for both companies.



- **Sale of Kuwait food company Americana is on hold**

The sale of Kuwaiti food company Americana is still on hold, which is supported by Kuwait's billionaire Al-Kharafi family that owns 66.8%. The sale is faltering as offers have so far failed to meet price expectations and buyers are struggling to reach agreement with the supporting family. On the top of interested buyers came the private equity funds KKR and CVC, and the Saudi food producer Savola Group.

- **Emirates Money and MetLife sign preferred partnership agreement**

Emirates Money, a subsidiary of Emirates NBD had a partnership agreement with MetLife, a global provider of insurance. Where MetLife provides Emirates Money with tailor-made insurance solutions, reaching out to Emirate Money's strong SME client base in the UAE.

- **SWCC signs deal to access advanced desalination technology**

Saline Water Conversion Corporation (SWCC) is the second largest electric power producer in Saudi that is responsible for desalinating sea water in order to augment supplies of potable water to coastal and inland cities in the Kingdom. SWCC has signed a memorandum of understanding (MoU) with Korean Global MVP (GMVP) to access the latest relevant technologies. GMVP is a government funded research program that manages the research and development of innovative desalination technologies with a purpose of decreasing the environmental impact. This agreement will help reduce the dependence on foreign partners and rely on national stakeholders, consequently supporting the rapid development of the Saudi companies.

- **HMC undergoes a deal to boost medical research capabilities**

Hamad Medical Corporation (HMC) has signed a memorandum of understanding (MoU) with Qatar Biomedical Research Institute (QBRI), to improve both parties' medical research capabilities. This agreement will increase the resources of existing research teams studying health problems diabetes, cancer, degenerative diseases and genetic disorders and pave the way for new studies. The agreement will also enhance both parties' workforce professional skills.

- **OOCEP opens 1.3 BN USD tight gas field processing plant**

Oman Oil Company Exploration and Production (OOCEP) has announced the commercial export of 27 MM standard cubic feet per day (MMscfd) of natural gas and 2,500 barrels per day (bpd) of condensates from its newly developed block 60 tight gas field in Abu Butabul, which is located around 500 kms away from Muscat in the western region of Central Oman. The investment in the project reached 1.3 BN USD by the end of 2014, and will reach 2.5 BN USD after accomplishing the developments of the current phase.

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