

The NMC Group of Companies has launched Dh150 million Lotus Hotel Apartments — the fourth hotel and apartments of the group in Dubai.

Emcredit Signs Deal with Abu Dhabi Islamic Bank

DUBAI — Emcredit, the UAE's first government-backed credit bureau, announced on Wednesday that it has signed an agreement with the Abu Dhabi Islamic Bank, or ADIB, to provide credit information services in supporting the bank's financing activities. ADIB is the first Abu Dhabi bank to become a full member of Emcredit, and among the leading Islamic banks in the country to invest in enhancing its risk

management practices. Under the terms of the agreement, ADIB will provide payment and repayment records of its customers to Emcredit's data pool. In turn, ADIB will benefit from Emcredit's comprehensive credit information reporting and risk assessment services, which are based on data compiled from a range of public and proprietary sources. "It is encouraging to see that leading Islamic banks in the UAE banking industry

are setting a fine example by making risk management a strategic priority," said Ali Ibrahim, MD, Emcredit. The global financial crisis has brought many issues to the forefront, of which, understanding customers' repayment behaviour is crucial. As a dynamic bank, blending modern vision with traditional principles of Shariah, ADIB will be able to make more informed decisions based on Emcredit's in-depth credit information services. — Staff Report

Gulf Finance House's CEO Quits

MANAMA — Bahrain's Gulf Finance House, or GFH, said on Wednesday Chief Executive Ahmed Fahour had quit after just five months, a setback for the loss-making bank's efforts to restructure and find new revenue streams. GFH said in a statement Fahour had been appointed by the Australian government as managing director at Australia Post and current Group Deputy Chief

Executive Ted Pretty had been appointed acting CEO. "It was a surprise, and sudden," Pretty told Reuters in a phone interview. Fahour was appointed chief executive in late July and oversaw a \$300 million rights issue in October, and GFH is now planning to build new revenue streams in asset management, investment and commercial banking. — Reuters

Eagle Electromechanical Co. Wins Award

ABU DHABI — The 2009 Frost & Sullivan Entrepreneurial Company of the Year Award for Middle East Water and Wastewater Treatment Market, was presented to Eagle Electromechanical Co. L.L.C. for the outstanding growth achieved by the company within a short span of time. Its strategic focus on being a turnkey solution provider and firm commitment to highest

quality standards have helped the company establish itself as a respected player within the industry. The Frost & Sullivan Award for Entrepreneurial Company of the Year is given to an emerging company with a vision that has enabled it to grow despite the significant obstacles of facing small companies. The recipient of this award is chosen after assessing the nominees

on the basis of predetermined criteria through extensive research. The research process involves collecting information through primary research with industry experts, market participants, end-users, and other value chain players, and supplementing that with reliable secondary information as well as our own proprietary industry research. — Staff Report

Dubai Equities Retreat; Track Regional Declines



Staff Report

DUBAI — Dubai shares retreated on Wednesday, tracking a regional decline that hit property and banking stocks, and as concerns persisted about the debt restructuring plan of Dubai World.

Dubai index mover Emaar Properties, the Gulf region's biggest property developer, dropped by 6 per cent to Dh5.95. Arabtec Holding, the country's biggest construction company, lost 5.2 per cent to Dh2.18. Stock market operator, Dubai Financial Market PJSC, fell by 4.8 per cent at Dh1.79. Emirates NBD, the UAE's largest lender by assets, gave up 4.9 per cent at Dh2.89, while the Dubai Islamic Bank, lost by 3.5 per cent at Dh2.23.

The main index of the Dubai Financial Market was unable to sustain early gains, slipping by 3.8 per cent at 1,735.70, its weakest finish since December 7, when the index closed at 1,744.83. The benchmark index of the Abu Dhabi Securities Exchange edged down by 1.9 per cent at 2,593.81.

"Investors typically want to cash positions before the Christmas holidays. The turnover is also low with most of the foreign funds out of the market, while those that want to offload stocks need to sell at lower prices," said Marwan Shurrah, vice president and chief trader at Gulfmena Alternative Investments. At the same time, investors opted to wait for the outcome of Dubai World's talks with its creditors for a debt standstill. The conglomerate said it would make a presentation to its creditors in early January on how it plans to restructure at least \$22 billion worth of liabilities.

UAE capital Abu Dhabi last week, pumped in \$10 billion to Dubai World, a move that prevented the emirate



A man tracks stock prices at the Dubai Financial Market. The main index of the DFM was unable to sustain early gains, slipping by 3.8 per cent at 1,735.70 points, its weakest finish since December 7. — AFP

from defaulting on its debts. Part of the amount provided was used to settle a \$4.1 billion Islamic bond by Dubai World property unit, Nakheel PJSC.

"The uncertainty surrounding Dubai's debts will always be an overhang in the market. Investors are not going to take positions until there is more clarity about how Dubai World will deal with its debts," said Shurrah.

Matthew Wakeman, managing director for cash-and-equity-linked trading at EFG-Hermes, said with Dubai falling for five straight sessions, the market is now at a level that better reflects the current environment, and "frees" up the market for those upward momentum from full year results.

"The Christmas period is always a volatile time for these markets due to the reduction in international flows. Smart money was buying into weakness today. Abu Dhabi has been more stable this week, and today's surprising weakness will please many investors who missed the recent uptick and are looking for an entry point."

Development fell by per cent at Dh0.57, after it was reported on Wednesday by a newspaper that it halted merger discussions with rival Union Properties. Speculation about a union of the two Dubai-listed companies started last year, with both denying they were in talks. Shares in Union Properties fell by 4.3 per cent at Dh0.66.

"A merger between Deyaar and Union Properties would not necessarily have been considered good news. Existing shareholders would fear an open-ended lock-up, similar to Amlak and Tamweel. As for the merger itself, I don't see the value in such a proposition. Besides Deyaar and Union Properties have always denied the talks," said Roy Cherry, VP for research at Shuaa Capital.

In Abu Dhabi, real estate stocks also paced losers. The emirate's biggest property developer Aldar Properties, shed 4.4 per cent at Dh5.02. Second ranked Sorouh Real Estate gave up 3.8 per cent at Dh2.52, while the smaller RAK Properties, lost by 3.4 per cent at Dh0.57. — roo@khaleefimes.com

Resilient GCC Firms Optimistic about 2010

Abdul Basit

DUBAI — Most of the Gulf businesses expect to meet their revenue targets for 2009, despite the tough economic situation due to the global economic downturn, a new study finds.

Mercer, the global HR consulting firm, revealed that corporate resilience throughout 2009 has set the scene for an aggressive economic rebound in the year ahead.

The survey shows that a clear majority, over 65 per cent of respondents, for 2009, despite the tough economic situation due to the global economic downturn, a new study finds.

"The predictions of a positive end to the year and an optimistic outlook for 2010 are backed up by what we heard during a mid-year business sentiment survey, and what we hear every day from our clients," said Bassam Gazal, head of Mercer's Information Products Solutions practice for the Middle East.

Companies' hiring intentions also appear positive, with a majority as a 56.4 per cent planning increases in

their workforce in the coming year. Of these, one in five firms indicated they would be lifting their workforce numbers by at least 20 per cent.

The survey also reveals that contrary to expectations, 40 per cent of firms did not reduce headcount at all during 2009. Of those that did, a substantial majority indicated the reduction was less than 10 per cent.

Most firms surveyed over 87 per cent, said they have no plans to reduce headcount in 2010.

Bucking the global trend, two-thirds of firms surveyed stated they had granted pay rises during the year.

On 2010 plans, nearly half the respondents indicated they would be providing base salary increases, while 45.6 per cent were still to decide.

Gazal said the fact that 65 per cent of firms said HR would play a more important business and strategic role in future was a sign of a significant trend in the GCC market.

"It's now abundantly clear that companies are becoming increasingly aware of the importance of the people side of their business, and the strategic role that HR can play in business planning," Gazal said. — abdulbasit@khaleefimes.com

Deyaar Says not in Merger Talks

DUBAI — Deyaar said it is not in merger talks, and said it remained focussed on exploring growth opportunities in the United Arab Emirates and other markets.

"The company's board is not currently engaged in any merger talks with any firm," it said in a statement on Wednesday, adding it has not provided any information to any entity regarding any potential merger.

Shares of both companies fell on Dubai's main index, amid a broad decline by UAE property stocks. "I don't think a merger would improve their financial positions," said Julian Bruce, EFG-Hermes director of institutional sales. Speculation about a possible merger

between Deyaar and Union Properties began last year, although both firms denied they were in talks.

In March, Deyaar said it would consider merging with another company but was not in any consolidation talks. Deyaar's shares closed five per cent lower, while Union Properties declined 4.4 per cent.

"There are still a lot of doubts about Union Properties, its short-term prospects," said Ghannem Fahmy, regional senior sales trader at Belton Finance.

"The stock has shown a lot of weakness. Investors generally stay away although there's been some pure speculation on the stock... the report could be an element." — Reuters

Najd Investments to Operate from DIFC

DUBAI — Najd Investments Ltd on Wednesday announced the opening of its Dubai office, following the award of a licence by the Dubai Financial Services Authority to operate from the Dubai International Financial Centre, or DIFC.

Najd Investments is a boutique advisory and arranging business, which specialises in advising enterprises based in the GCC and investors seeking regional ventures. Najd Investments' strategy is focused on offering investment banking services to the untapped and large sector of the small and medium enterprises in MENA, believe that the GCC region, SMEs account for over 80 per cent of businesses in the region yet they account for a tiny proportion of financial fee revenue. Setting up in

DIFC provides Najd Investments with an internationally-recognised regulatory framework that allows the firm to successfully link institutional investors with regional SMEs.

Ahmed Humaid Al Tayer, Governor of DIFC, said: "DIFC's legal and regulatory framework has been designed to provide financial institutions a stable and growth-oriented business environment to operate in. This environment gives companies across the industry spectrum the security and certainty necessary to establish financial and investment linkages. By virtue of its regulatory framework, DIFC provides Najd Investments with the ideal platform for linking institutional investors with regional SMEs." — Staff Report

UAE-Bahraini Joint Committee Meeting Concluded

MANAMA — The UAE-Bahrain joint committee's sixth meeting concluded here on Wednesday. UAE side was led by Foreign Minister Shaikh Abdullah bin Zayed Al Nahyan, while his Bahraini counterpart Shaikh Khalid bin Ahmed bin Mohammed Al Khalifa led his country's side.

In the meeting, Shaikh Abdullah affirmed the two countries' willingness to step up cooperation in all fields.

"The two countries took part in the GCC summit, held in Kuwait last week, and both had a positive role in tabling constructive proposals, enabling the summit to come up with important decisions and recommendations for the benefits of the peoples of GCC countries," he said.

Shaikh Abdullah indicated that the sixth meeting of the committee was held amid great interest in the two countries to take further steps towards strengthening economic and investment relations.

Shaikh Abdullah also revealed that the two-way trade between the UAE and Bahrain accounted for Dh9 billion in 2008. "We seek to increase volume of trade exchange in the years to come. The joint committee meetings represent a perfect platform to explore opportunities for joint investments, especially for the private sector institutions," he added.

Shaikh Abdullah expressed the hope

that the two countries will continue to hold such meetings to further strengthen their relations.

Shaikh Abdullah and Shaikh Khalid signed the meeting's minutes at the end of the session.

The two countries signed an MoU on mutual recognition of certificates from UAE's National Transport Authority and Bahrain's General Organisation of Sea Ports. Another MoU was signed on coordination in protection of environment, marine eco-systems and wildlife. In a joint statement, the two countries expressed satisfaction at the levels of cooperation achieved within the committee.

According to the statement, the two

MENA Relying More on Internet to do Business, Pursue Relationships: Study

Rocel Felix

DUBAI — More and more people in the Middle East and North Africa are becoming Internet savvy, with a growing base that is increasingly relying on online channels to conduct their business, as well as personal relationships.

Almost three quarters of 70 per cent of Internet users in MENA believe that online activity has disrupted normal social activity, to the extent that human relationships are now mostly 'virtual', according to a joint study by Bayt.com and research specialists YouGov Siraj.

In the broader Middle East region, those polled said that being online is now the main form of social activity, most notably in Oman, Egypt and Bahrain. Moreover, they agreed that that online forms of communication have replaced

traditional forms: an overwhelming 80 per cent agreed that instant messaging and email, among other online methods, are now used, instead of 'small mail' and telephone conversations.

"Everyone in the region from business leaders to social workers to housewives, are embracing the Internet whether for work, social or practical purposes," said Amer Zureikat, regional manager at Bayt.com.

"By conducting such a study, we can look at how people are using the internet and for what purpose, to give an indication as to where the region is in terms of internet maturity."

One major advantage of going online is that the Internet has greatly helped with social networking, 74 per cent said it helped them establish contacts which otherwise would not have been possible in the 'real world'. Attitudes regarding how easy it is to find data on the

Internet showed much more variation. At the regional level, 53 per cent agreed that it is difficult to find exactly what they are looking for on the Internet because of an information overload. This figure rose to 68 per cent in Algeria and 63 per cent in Morocco. Around the Gulf region, 43 per cent in Qatar, 48 per cent in Kuwait, 49 per cent in the UAE, 53 per cent in Saudi Arabia, and 59 per cent in Bahrain, said they faced some difficulty in finding required information. Lebanon had the least difficulty in locating the information they need, just 40 per cent of respondents said they encountered problems.

When asked to rate their own Internet capabilities, those in Lebanon came out as the most competent, with 40 per cent considering themselves to be experts — the highest figure among the surveyed countries. The regional average showed that 23 per cent consider

themselves to have an intermediate level of internet skills, 49 per cent said they are knowledgeable but need some help, and 24 per cent consider themselves as experts. Bahrain followed by the UAE, 36 per cent and 31 per cent, respectively, also topped the table in terms of respondents who consider themselves internet experts.

Those polled were also spending more time on the Internet, whether for work and leisure purposes, with 49 per cent saying they spend up to two hours per day to do their work, while 15 per cent said they use the Internet for three to four hours daily, while 25 per cent said they use the internet for more than five hours per day. When it came down to leisure use, the figure jumped up to 67 per cent using the Internet up to two hours a day.

An overwhelming 83 per cent said they use the Internet largely for

emailing friends, 78 per cent said they use it for reading news, at least once a month. Other popular online activities were job search, 77 per cent; visiting social networking sites and listening to music at 67 per cent, respectively.

The Internet is also now the main source of information, with the majority of respondents saying that it has overtaken traditional news mediums as their main source of political, business and lifestyle/leisure news.

Across the region, 87 per cent of respondents said the Internet has replaced print sources for political news to some extent. But despite using the Internet for everything from news to leisure and work, the region's respondents generally do not feel comfortable making payments online for personal matters. Only 45 per cent said they were comfortable making an online transaction. — rocel@khaleefimes.com



In the broader Middle East region, those polled said that being 'online' is now the main form of social activity.