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September 2008 Issue 118

ISLAMIC FINANCE

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When you're finished with MONEY*works*, please recycle it.

This month, **MONEY*works*** completes 10 years of financial publishing in the GCC. It is a milestone year for us, and we are celebrating it by inviting leading speakers to our own special event. There'll be more about the event in next month's edition.

In the last 10 years, the GCC has seen some major developments, like the creation of domestic and international markets; economic, financial and social reforms; the opening up of property markets and the creation of a modern regulatory framework, among many other achievements. **MONEY*works*** has been in the thick of these developments and will continue to be in the years to come.

One of the major developments last month was the UAE's fight against corruption once again coming to the limelight. Both Abu Dhabi and Dubai have now sent out clear messages that the federation will no longer tolerate corruption. Arrests and the investigation of high profile corporate executives and public servants in past months have brought to the fore the country's quest for a corruption-free regime. It does bode well for any society when the leadership not only shows its keenness, but also acts decisively against corruption.

Needless to say, such an approach will ensure the progress and prosperity of a country in the long term. It will also enhance investors' confidence in the country and in the region. In fact, the new leadership in the GCC has demonstrated its growing intolerance against corruption in the past – something that has not gone unnoticed among international investors.

In the regional markets, Saudi Arabia's move to allow foreign investors access its stock market indirectly is a welcome move in further opening up the Kingdom. The announcement to that effect by the Capital Market Authority boosted equities in the Kingdom late last month.

Globally, the most important development last month was the brake in the commodity rally. Both oil and gold have suffered; in fact, the drop in the price of oil brought some relief to the markets. The strengthening of the US dollar also fuelled hopes that inflation in the GCC would finally start to ease. However, there has been some weakness in the greenback again; consequently, the oil price is back on the rise. And with bad news in the US showing no sign of abatement, it doesn't look like we'll be able to have our cake and eat it too – in other words, have the upside of the oil revenue without having to worry about inflation in a few months time.

Before I sign off, I want to take this opportunity to wish all our readers Ramadan Karim.

Utpal Bhattacharya
Editor

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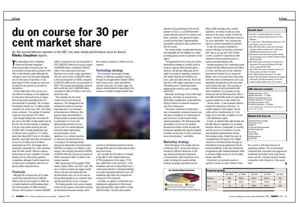

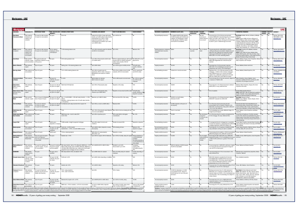

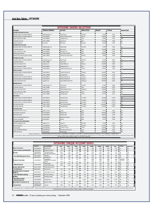

To know more about the Gulf region's first personal finance and investment magazines, log on to www.moneyworks.ae **Since 1998**

Nicholas Lehmann

Reem exploring entering mezzanine funding

Reem Finance is one of a number of finance companies that have recently received licences from the UAE Central Bank. MONEY*works* spoke to the company's management to find out more.

Abu Dhabi's real estate and development drive has set into motion market dynamics bringing new financial service companies to support the next wave of investments in the UAE. Nicholas Lehmann, CEO of Reem Finance, says that Abu Dhabi's property development represents a response to the strong innate demand in the emirate, whereas Dubai's boom has been primarily supply driven.

"The Dubai property market has continued to surprise on the upside, but how much demand is end-user and how much is speculative is not known. The Abu Dhabi situation is different, as there is a strong real demand for space, both commercial and residential," Lehmann maintains.

Reem Finance, which was set up with a capital of AED400 million, received its financial licence from the UAE Central Bank in December 2007 and became operational last February. At present, the company has one branch in Abu Dhabi. It has also applied to the UAE Central Bank for a licence to operate a branch in Dubai. The company's product range is diverse, but the two major pillars of its business are asset-based finance and specialist property finance and services.

Lehmann says that most of Reem's commercial asset financing is currently sourced in Dubai. In the not-too-distant future, though, as the pace of property development increases in Abu Dhabi, companies like Reem will increasingly do more business in the capital city.

According to Lehmann, Reem Finance will look to build a book of AED1 billion in commercial asset financing over the next few years.

"One of the leading Islamic banks in the country alone is writing AED250 million in asset financing every month, and that should give you an idea of the size of the market," he says. "At Reem Finance, we understand what business is suitable to support and do not have any problem in financing used assets. In fact, it is preferred in some ways if properly-valued used assets depreciate slower than new assets."

"One of the leading Islamic banks in the country alone is writing AED250 million in asset financing every month, and that should give you an idea of the size of the market." *Nicholas Lehmann*

Reem Finance, which also has an Islamic window, has already written business of AED140 million this year, mainly financing assets. The CEO feels confident that the company will be in a position to write AED600 million of new business next year. He also points out that the company has been lending at an impressive average yield of over 12.5 per cent that flowed through to the bottom line, as being cash rich, there was no need to borrow. He notes, however, that raising debt at a wholesale rate is a key component of the business model.

"Even when we hit the debt market, we will probably not gear up our balance sheet more than three times, and I am confident that we will be able to operate with net spreads of six to seven per cent on an asset-secured basis," says Lehmann.

The company also plans to enter the business of leasing equipment for property developers primarily in Abu Dhabi. "We are still researching the leasing business, but we see an opportunity in offering a true operating lease, particularly to overseas contractors in Abu Dhabi," states Lehmann.

In addition to asset-based finance, Reem Finance currently provides property financing for wholesale buyers, mainly those that purchase whole floors of buildings, especially in Abu Dhabi.

"We have unique advantages in the property sector in Abu Dhabi; not as an investor or lender, but as an advisor and facilitator with a clear understanding of developer, financier, investor and even future regulatory requirements. Many of Reem Finance's shareholders are heavily into the property investment sector. We do not want to double up their exposure, but seek to augment and complement their activities," says Lehmann.

To this end, the company has formed a subsidiary, Reem Properties, to enter the property services business and provide ancillary and advisory services to both investors and developers in structuring financing and associated underwriting for real estate projects. Reem Finance is working with international property majors like Knight Frank to bring professional services to the UAE property market for both inwards and outwards investment.

Lehmann says that Reem Finance is also exploring the possibility of entering the mezzanine funding space. "On plain vanilla lending, it is difficult to compete against commercial banks. However, one of the advantages of being a finance company is the ability to make investments and offer mezzanine financing. This business requires short decision cycles and, without the sophisticated legal structures available in other jurisdictions, one has to look carefully at supporting security and the risk-reward ratio," he adds.

GCC banks hindered by lack of focus on customer service

Despite record profits this year, the GCC's banking sector is losing hundreds of millions of dollars in potential revenue due to a lack of focus on customer service, according to a study by global strategic management firm A.T. Kearney.

The study points out that challenges such as too few skilled resources, lack of product transparency, limited responsiveness and follow-up on customer requests and poor multichannel offerings – especially online and with phone banking – are resulting in customers who are more likely to move banks.

A recent survey in Dubai found that half of all UAE nationals consider their customer service experience neutral or negative; that figure was 90 per cent or higher for western expatriates. In the US market, only 24 per cent of consumers are negative or neutral about customer service, while 76 per cent are satisfied.

"GCC banking executives would do well to remember that a happy customer increases a bank's profits," says Dr. Dirk Buchta, managing director of A.T. Kearney Middle East. "Banks in America generate an additional US$1 billion in deposits if they can make just five per cent of their customers highly satisfied. These clients make larger deposits and recommend the bank and its services to friends and family."

The study maintains that a five per cent increase in customer retention increases product profitability by 20-80 per cent. To increase customer service and profitability, adds the firm, GCC banks should look to proven, pioneering customer service practices that match their marketing promises with practical action. By identifying the most critical issues for customers and taking corrective steps, banks can build more confidence among their clients.

Dr. Dirk Buchta

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Credit Suisse to pay GBP5.6 million over mispricing issue

Credit Suisse has agreed upon a settlement with the UK's Financial Services Authority (UK FSA) in relation to the mispricing of certain asset-backed securities.

Under the agreement, Credit Suisse will pay a fine of GBP5.6 million. Credit Suisse previously proclaimed the mispricing on February 19 and the results of its internal review and remediation programme on March 20.

As the UK FSA acknowledged in its statement, Credit Suisse detected the mispricing and identified the need to revalue its positions, ensured prompt disclosure to the market, commissioned an expedited and detailed review of the causes of the mispricing and accepted its findings, disciplined certain individuals and committed to a comprehensive remedial program.

"This incident was unacceptable to me and the executive board," said Brady W. Dougan, CEO of the Credit Suisse Group. "It does not represent the high ethical standards of Credit Suisse. Our overall control framework remains sound and we have taken actions to implement a remediation programme to address the findings of our internal review."

Noor Islamic Bank (NIB) has entered into a membership agreement with Emcredit. NIB will gain access to detailed and comprehensive credit information and cheque-honouring reports. The tie-up will enable the bank to make informed lending decisions and customise products and services based on customers' credit history.

GE and Mubadala to establish global business partnership

Public joint stock company Mubadala and technology, media and financial services company GE have formed a global partnership encompassing initiatives including commercial finance, clean energy research and development, aviation, industry and corporate learning.

Over the next 12 months, the two companies will establish a jointly-owned global commercial financial services business headquartered in Abu Dhabi. The two companies will each allocate US$4 billion in equity for the venture over a three-year period.

The new business will initially focus on investment opportunities generated through GE's existing origination and servicing capacity, with targeted assets in excess of US$40 billion.

The companies also plan to establish a clean energy technology centre located in Abu Dhabi. The centre will house up to 100 technologists developing new sustainable energy, water and other environmental technologies.

Mubadala said that it eventually plans to become a long-term GE shareholder.

Khaldoon Al Mubarak, CEO of Mubadala, and Jeff Immelt, CEO of GE

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Arcapita acquires European warehouse logistics operator

Bahrain-based Arcapita Bank and its affiliates have signed a definitive purchase agreement to acquire Compagnie Européenne de Prestations Logistiques (CEPL), a European warehouse logistics service provider, from French private equity firm Sagard.

Terms of the transaction were not disclosed, but the deal ranks as the largest leveraged buyout (LBO) in France this year.

CEPL, headquartered in Béville le Comte, France, operates across 23 sites in France and Germany and has approximately 2,200 employees. Founded in 1998, the company provides clients with a managed central location from which it prepares detailed orders for individual retail outlets on a national, pan-European or global basis.

Atif A. Abdulmalik, Arcapita's CEO, said: "This is one of the few transactions of this size in Europe to have secured LBO financing in these tough market conditions, which attests to the quality of the business, as well as the strong reputation that Arcapita has built within Europe."

Dubai Islamic Bank concluded last month the seventh edition of its annual summer training programme that aims to provide development and training opportunities for young UAE nationals. The programme enables students or graduates in banking and finance to obtain hands-on training in the bank's day-to-day operations and introduces them to career options within the banking industry.

Mashreq and WestLB arrange AED3 billion loan to finance du's expansion

Mashreq and WestLB AG acted as mandated lead arrangers and book runners last month to close an AED3 billion syndicated term loan facility for Emirates Integrated Telecommunications Company (du).

The deal represents the debut debt offering for the UAE's second telecommunications operator – a three-year facility that will help finance du's mobile and fixed network expansion.

"With the global credit markets all experiencing significant pressure, we are especially pleased to see the level of international and regional participation in this syndication, which shows the confidence that has been placed by the financial community in our company," said Osman Sultan, du's CEO.

Osman Sultan (centre) with Mashreq and WestLB directors

For more on this, go to www.moneyworks.ae and search keyword 'WestLB'

ADCB Visa cardholders strike gold

Visa, in partnership with Abu Dhabi Commercial Bank (ADCB), last month presented 10 ADCB Visa cardholders with a trip to the Beijing 2008 Olympic Games in Beijing.

By using their Visa credit cards or by acquiring a new ADCB Visa card during the summer promotion, ADCB Visa cardholders were automatically entered into a draw for a chance to win a Beijing 2008 Olympic Games package. The prize included flights, five-star accommodation and tickets to Beijing 2008 Olympic Games events.

Mohammad A. won AED1 million in the latest RAKBANK MasterCard draw, which took place on July 7. The 39-year-old UAE national, an engineer who works for a private company in Dubai, is the father of two children.

"I was totally shocked because I have never won anything in my entire life!" he said. "I will use part of the money to help the poor and to pay off my debts. I will also allocate some of the money for my children's future, in addition to buying a car for the family and maybe a house."

Mohammad A.

Financial results

Gulf Finance House posted profits of US$220 million for the first half of 2008, up 51 per cent from the same time last year.

Emirates NBD's net profit for the second quarter of 2008 totalled AED1.473 billion, up 45 per cent over the second quarter of 2007.

al khaliji reported a net income of QAR12.7 million for the first six months of 2008, as well as shareholders' equity of QAR4.6 billion.

National Bank of Abu Dhabi reported net profits of AED1,876 million for the first half of 2008, a 58 per cent increase over the first half of 2007.

Bahrain-based **United Gulf Bank** reported a net profit of US$71.5 million for the first half of 2008, an increase of 10.3 per cent over the normalised net income of US$64.8 million for the same period in 2007.

Mashreq Group reported a profit of AED1.17 billion for the first half of 2008, a growth of 22.6 per cent compared to AED955.9 million for the same period last year.

Global Investment House reported a net income of US$310.1 million for the first half of 2008, an increase of 76 per cent against the first-half 2007 net income of US$176 million.

National Bank of Fujairah recorded a profit of AED153.5 million for the first half of 2008. The half-year result was AED0.9 million above the corresponding half-year profit in 2007.

Bahrain-based **Securities & Investment Company** recorded a net profit of BHD5.758 million for the first half of 2008, an increase of 61 per cent compared to 2007's second quarter profits of BHD3.581 million.

Bahrain-based **Arab Banking Corporation** reported that the solid underlying performance from core business activities generated total income for the second quarter of US$192 million, an increase of 15 per cent over US$167 million for the same period last year.

ABC Islamic Bank's net profit for the first half of 2008 totalled US$15.7 million, an increase of 72.8 per cent over the net profit for the comparable period last year.

Standard Chartered reported an operating profit before tax of US$2.59 billion for the first half of 2008, a growth of 31 per cent over the first half of 2007.

Gold trade through Dubai rises 48 per cent to US$13.07 billion

Gold trade through Dubai reached US$13.07 billion in the first half of 2008, an increase of 48 per cent from US$8.84 billion during the same period in 2007.

The Dubai Multi Commodities Centre (DMCC) said that 265 tonnes of gold were imported into Dubai during the first six months of 2008.

During the same period, gold exports from Dubai reached 179 tonnes, an increase of 26 per cent from 142 tonnes in 2007. The gold price averaged US$910 per ounce during the first half of 2008, up from US$650 per ounce during the same period in 2007.

In the second quarter of 2008, gold trade grew by 26 per cent to reach US$6.01 billion from US$4.764 billion in the same period in 2007. In the second quarter of 2008, Dubai imported 143 tonnes and exported 64 tonnes of gold.

In terms of trading partners, India, Switzerland and Canada were top importers from Dubai, while India, Malaysia and Switzerland were top exporters to Dubai.

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Middle East IPOs remain resilient to global uncertainty

Capital raised in Middle East IPOs remains resilient to global economic uncertainty for now, according to Ernst & Young.

The Middle East markets raised US$4.72 billion from 13 IPOs in the second quarter of 2008, compared to US$3.9 billion in the same period of 2007. The capital raised was 20 per cent higher than the capital raised during the first quarter of 2008.

Saudi Arabia's Al Inma Bank, the largest IPO in the Middle East in the second quarter of 2008, raised US$2.8 billion. Other large IPOs in the region included Mohammad Al Mojil Group with US$559.94 million, the UAE's DEPA United Group with US$432.3 million and Egypt-based Palm Hills Developments with US$348.22 million.

Says Azhar Zafar, head of mergers and acquisitions at Ernst & Young Middle East: "There were 52 IPOs during 2007 and in the first half of 2008 there have been 26. The total capital raised in the first half of 2008 amounted to US$8.69 billion, compared to US$4.83 billion from 33 IPOs during the same period last year. The trend in the market is fewer but larger IPOs."

IPOs continue to be oversubscribed in most instances, which reflects the continued appetite for IPOs in the market, he adds.

Globally, the size of IPOs taken for two quarters on aggregate was roughly half as much as 2007, while more IPOs have been postponed or withdrawn in the first six months of 2008 (177) than in all of 2007 (169). In the second quarter of 2008, a total of 258 IPOs worldwide raised US$37.4 billion in capital compared to 247 IPOs worth US$41.2 billion during the previous quarter.

On August 20, Saudi Arabia's Capital Market Authority (CMA) gave foreign investors indirect access to Saudi stocks by allowing them to buy local shares through Saudi partners. According to the CMA's website, "authorised persons" include units of Credit Suisse Group, HSBC Holdings and Morgan Stanley. Last September, the Saudi government allowed citizens of the other five GCC countries to trade on the Tadawul All Share Index.

BSE demonstrates substantial growth

The Bahrain Stock Exchange (BSE) experienced significant growth in the first half of 2008, posting an increase of 348 per cent in the total volume of shares traded.

The BSE also saw an increase of 33.83 per cent in market capitalisation. According to the exchange, this growth was predominantly led by Bahrain's strong financial services sector, which contributes to over 84 per cent of the BSE's current market cap.

"The success of these most recent listings is a clear indication of rising investor confidence in Bahrain's capital markets," said Shaikh Mohammed bin Essa Al-Khalifa, chief executive of the Bahrain Economic Development Board. "Bahrain has a thriving funds industry, with assets under management by Bahrain's mutual funds industry surging in 2007 by nearly 73 per cent to over US$15 billion."

Dubai Mercantile Exchange concludes sale of equity stakes


Ahmad Sharaf

The Dubai Mercantile Exchange Limited (DME) said that it concluded the sale of equity stakes in the exchange to a number of global financial institutions and energy trading firms. The move came after approval from the DME's board of directors for the release of an indirect equity stake of up to 20 per cent in the exchange.

Established as a joint venture between the New York Mercantile Exchange, Tatweer and the Oman Investment Fund, the DME's new shareholding structure will include Goldman Sachs, Morgan Stanley, Vitol, Concord Energy, Casa Energy Trading and a Shell company.

Vinson & Elkins LLP acted as legal advisors to the DME on the transaction. The terms of the equity participation between the parties have not been disclosed.

"We are delighted to welcome our new stakeholders into the DME," said Ahmad Sharaf, chairman of the DME. "They rank among the world's most successful and sophisticated financial institutions and energy trading firms, and their vote of confidence in the exchange is indicative of the success the DME has achieved to date, as well as the strategic positioning of Dubai as a financial hub bridging the time zones of Europe, Asia and the US."

For more on this, go to www.moneyworks.ae and search key phrase 'DME concludes sale'

Dubai rough diamond trade swells

Dubai's total trade of rough diamonds increased by 36 per cent to reach US$3.03 billion at the end of the first six months of 2008, said the Dubai Diamond Exchange.

During the first six months of 2008, rough diamond imports to the emirate grew by 23 per cent to reach US$1.15 billion from US$937 million during the same period in 2007. This growth was mainly driven by high volumes imported from Angola (75 per cent) and a 138 per cent rise in imports from China.

Exports in the first half of 2008 rose by 44 per cent to reach a total of US$1.88 billion from US$1.3 billion during the same period of 2007. Over 87 per cent of Dubai's rough diamond exports were to the countries of the European Commission and India, while Dubai's exports to China increased by 950 per cent.

Angola, India, the European Commission and China were the top diamond trade partners for Dubai, jointly accounting for around 85 per cent of total trade volumes.

Kuwait Finance & Investment Company (KFIC) listed its shares on the Dubai Financial Market last month. Company shares began trading on August 3 under the trading symbol "KFIC".

The company's authorised capital and paid-up capital is KWD41,930,970. The company has issued 419,309,704 shares, with each share valued at a par value of 100 Kuwaiti fils.

KFIC is a Kuwaiti shareholding company with a licence to conduct business in the financial and investment sectors. KFIC has been listed on the Kuwaiti Stock Exchange since July 28, 2003.

Pictured are Nasser Al Shaali, board member of the Dubai Financial Market, and Sana Juma, CEO of KFIC, along with other officials.

Euro/US dollar most traded currency pair

Middle Eastern foreign currency traders traded heavily in the euro/US dollar currency pair during the first two quarters of 2008, according to figures from Deutsche Bank's online FX trading platform, dbFX.

The euro/US dollar currency pair accounted for nearly 37 per cent of all FX volumes traded through dbFX in the first quarter of the year. It dipped slightly to 34 per cent of all FX volumes in the second quarter. These figures compare to a global volume figure from across all regions of 36 per cent for the first two quarters for the euro/US dollar currency pair.

Middle Eastern FX traders' second most popular currency pair during the first quarter of 2008 was the US dollar/Japanese yen, accounting for 24 per cent of all regional volumes. The second quarter was marked by traders buying into the sterling/US dollar pair with 28 per cent of the quarter's volumes, having only accounted for seven per cent of trading volumes during the first quarter.

The sterling/Japanese yen currency pair placed third during the first quarter for the Middle East, with 17 per cent of all volumes. It moved to fourth place during the second quarter of the year, with FX traders placing the US dollar/Japanese yen currency pairing in third place with 28 per cent of volumes for the quarter.

DED and RERA to enhance services offered to real estate investors

The Dubai Department of Economic Development (DED) and Dubai's Real Estate Regulatory Authority (RERA) signed a partnership agreement last month to enhance the quality of support services offered to real estate investors and customers.

As per the agreement, the RERA will use the licence and business registration system applied by the DED for issuing licences related to real estate activities. It is hoped that this move will ease licensing procedures related to real estate activities and enhance the overall performance of Dubai's real estate sector.

"Investors can now set up businesses with the minimum of procedures and paperwork, and the DED will assist them by coordinating with other government departments and authorities," said Khalid Al Kassim, deputy director general for planning and development at the DED.

Marwan Bin Ghalaita, CEO of the RERA, added: "Business owners with old licences can correct their status according to the new laws. The RERA is keen to launch new real estate activities that comply with international real estate licensing criteria."

The real estate activities include real estate development, consultations, brokerage in buying, selling and renting, rental services, buying land and real estate, organising public auctions, timeshare residential units rental services, timeshare residential units rental brokerage, real estate pricing services and all related future real estate activities.

Marwan Bin Ghalaita and Khalid Al Kassim

For more on this, go to www.moneyworks.ae and search key phrase 'DED and RERA'

Dubai has registered the greatest improvement in real estate transparency globally over the last two years and is also the region's most transparent market, says real estate investment and advisory firm Jones Lang LaSalle.

According to the firm's Real Estate Transparency Report 2008 for the MENA region, Dubai is ahead of other emerging economies such as the BRIC markets (Brazil, Russia, India and China).

"Transparency in real estate markets matter," states Blair Hagkull, managing director of Jones Lang LaSalle MENA. "It matters to investors, as it provides the basis for their investment strategies and then informs decision making. It matters to occupiers and tenants because it provides certainty and reduces risk. It is no coincidence that the most valuable real estate assets in the world are located in some of the world's most transparent markets such as the UK, the US, Canada, Australia and France."

Typically, more transparent markets are characterised as being less risky, having more sales activity and occupier demand, having greater foreign investment and having less volatility.

Morgan Stanley bullish on MENA property

Morgan Stanley has identified Emaar, ALDAR, Qatar Real Estate and Palm Hills as the top picks for investors looking to benefit from the MENA region's thriving real estate sector.

In her report "Winners and Losers in MENA Property", Morgan Stanley analyst Mai Attia is bullish on the MENA property market and expects growth to be driven by Qatar and Abu Dhabi, which she says will remain undersupplied through to 2012.

In Dubai, Morgan Stanley expects the supply-demand gap to widen in 2010. Over the long term, the firm sees room for possible industry consolidation, potentially driven by the "big three" master developers that have sound financial positions.

In Abu Dhabi, Morgan Stanley sees an undersupplied market until 2012, with the gap being narrowed only in 2012. Property prices are expected to continue increasing over the coming two to three years, until major supply comes to the market. The firm assumes a three per cent growth per annum for nationals and a nine per cent growth per annum for expatriates.

According to Morgan Stanley, Qatar's market will be undersupplied until 2012. Property prices will continue to rise for the next two to three years, until significant supply comes to the market.

First Dubai profits surge by 493 per cent

First Dubai Real Estate Development reported a profit of AED207.66 million for the first half of 2008, a growth of 493 per cent compared to the corresponding period last year. Profits for the second quarter of 2008 totalled AED155.1 million, up 678 per cent from the AED19.94 million figure reported in the second quarter of 2007.

Chapal Flora Residences, a Chapal development in Ajman, sold 262 villas on its first sales day, reporting a profit of AED400 million. This sales record is the highest ever in Ajman's property commerce. The project comprises 1,762 two-, three-, four- and five-bedroom duplex villas and townhouses.

Dubai First adds corporate solutions package to card portfolio

Dubai First has introduced the Dubai First MasterCard Corporate Card, a corporate solutions package for medium to large companies in the UAE.

Aimed at companies that deal with a variety of corporate expenses by employees, the card offers a solution to manage and streamline expenses, analyse spending patterns and allocate budget for future spending.

"Coming at a time when businesses are required to make judicious use of their resources, this card will be seen as an invaluable and indispensible tool in fiscal planning, since it conveniently allows both the employer and the staff member to keep a close and responsible tab on expenditure," said Ibrahim Al Ansari, CEO of Dubai First.

The reconciliation statement at the corporate and individual level brings transparency to a company's financial and operational expenditures, enabling a company to manage and control overall business expenses. The card also allows the employer the flexibility to set or modify an employee's credit line for business purposes.

The Dubai First MasterCard Corporate Card is free for life and is equipped with an account manager, insurance benefits such as travel insurance, special discounts and offers with business-to-business vendors.

For more on this story, go to www.moneyworks.ae and search 'Corporate card'

UAE-based real estate finance provider Tamweel PJSC has commenced its Egypt operations.

Operating under Tamweel International, the Egyptian company, Tamweel Emirates, is a fully-owned subsidiary of Tamweel PJSC. It has been set up with an authorised capital of AED333.4 million and a paid-up capital of AED66.7 million.

"As the Arab world's most populous nation, with the economy growing at around seven per cent annually, there is tremendous potential for real estate financing in Egypt," said Ahmad Abouzeid, CEO of Tamweel Emirates. "This demand has been further accelerated by the introduction of the Mortgage Law of 2001 and several government-led economic reforms."

Tamweel Emirates plans to introduce Tamweel's Shari'ah-compliant real estate finance solutions, as well as new ones designed to meet the needs of the Egyptian market.

First Gulf Bank has opened a new branch in Deira. The branch is located on Abu Bakr Al Siddique Road and provides a full range of retail banking products and services.

DIFX to institute major operating changes

The Dubai International Financial Exchange (DIFX) is planning to introduce UAE-dirham-denominated listing and trading of securities on the exchange, subject to approval from the Dubai Financial Services Authority, according to Jeffrey H. Singer, the newly-appointed CEO of the DIFX.

The DIFX currently trades in international-currency-denominated securities. Though the actual timing of the introduction of the policy change has not yet been decided, the DIFX authorities feel that this move is likely to increase liquidity in the market.

In the next few months, the DIFX also plans to institute some major changes in the way it operates to bring more efficiency to the exchange, says Singer. One of the major goals is to increase primary and secondary listing. At present, listing in the DIFX constitutes only 10 per cent, while trading is 85 per cent and information is five per cent. Compared to this ratio, Nasdaq is one-third in each segment.

Singer has also taken the mandate to ensure faster local and regional trading, along with reducing the real and perceived barriers to trading, extending trading hours and introducing a six-day week instead of the current five. Last but not the least, there is an aim to introduce vibrant derivative trading.

Plans for Global Dow already underway

Dow Jones Indexes said last month that it will launch The Global Dow, an index whose components are selected by the editors of The Wall Street Journal.

The Global Dow will track the share prices of existing and future global leaders in every industry. Vigorous companies from emerging economies will be included, along with companies from emerging sectors such as alternative energy.

"We have seen a reweighting of risk around the world, but the world itself is being economically re-rated, so we need an index that allows investors to take advantage of these changes," said Rupert Murdoch, chairman and chief executive of News Corporation in Mumbai, India. "Indian companies will obviously have a place in The Global Dow, as will companies from other emerging countries where we have seen an unprecedented economic emancipation over the past two decades."

Dow Jones Indexes is a business unit of Dow Jones & Company, a News Corporation company.

MasterCard and Marhaba to offer cardholders lounge access

MasterCard Worldwide and Marhaba, the lounge provider service for passengers travelling through Dubai International Airport, have formed a strategic marketing alliance giving all MasterCard premium cardholders complimentary, unlimited access to the Marhaba lounge.

All cardholders holding valid premium cards such as the Titanium MasterCard, the Platinum MasterCard, the World MasterCard and the business payment card are now entitled to access the Marhaba lounges at Dubai International Airport.

MasterCard cardholders can present their MasterCard premium cards along with their flight boarding passes at the lounge entrance in order to enter the lounge. The offer is also open to up to two children below 12 years of age when they are accompanied by a MasterCard premium cardholder.

For more on this story, go to www.moneyworks.ae and search 'Marhaba'

Global Investment House has launched Mushaa Real Estate Company with a capital of KWD30 million. The company will present real estate to the GCC markets utilising the concept of Hisas Al-Mushaa.

The Hisas Al-Mushaa system is a timeshare system that is Shari'ah compliant and allows the partial ownership of real estate property for 20-50 years.

Mushaa's strategic plan for the first five years targets ownership and development of five to seven five-star equivalent real estate properties in the GCC.

According to Omar El-Quqa, executive vice president at Global, timeshare is a highly profitable industry for developers of timeshare properties, since their revenue base is derived from a variety of sources including selling the timeshare units, consumer financing and unit rentals. Once the timeshare contracts have expired, the developers can realise the appreciation in their property values.

Bank Sarasin has been granted a licence to provide advisory services in private banking in Oman. Oman-incorporated Sarasin-Alpen LLC (Oman) is the first Swiss origin private banking presence and activity in Oman.

With offices in Muscat, Sarasin-Alpen will start business operations immediately. The newly-granted licence will allow Sarasin-Alpen LLC (Oman) to provide advisory services to individuals and institutions in the country.

NIB to establish Maldives' first Islamic bank

Noor Islamic Bank (NIB) has entered into a joint venture to establish the first Islamic bank in the Republic of Maldives.

The new entity, to be named Noor Maldives Islamic Bank, will be a joint venture between NIB, the ministry of finance and the treasury of the Republic of Maldives and the Investment Corporation for Development of the Private Sector, an affiliate of the Islamic Development Bank.

Noor Maldives Islamic Bank will initially focus on consumer and corporate banking, as well as on business solutions for small and medium enterprises. The bank is expected to be operational by the end of 2008 and will be headquartered in the capital, Malé.

The new bank will have an authorised capital of US$100 million and a paid-up capital of US$10 million.

"With its largely Muslim domestic population, the Maldives provides attractive growth opportunities for Islamic banking and for Noor," commented Hussain Al Qemzi, CEO of NIB.

BisB introduces new Islamic credit card

Bahrain Islamic Bank (BisB) has unveiled a new Islamic Visa credit card that will be offered in the classic, gold and platinum categories.

According to Mohammed Ebrahim Mohammed, chief executive of BisB, the new card is the result of strong demand from customers who wanted a credit card that was fully compliant with the rules of the Islamic Shari'ah.

"The Islamic Visa credit card is certainly the best credit card available in the market and the most secure, as it contains an intelligent electronic chip that prevents unauthorised use whether in the case of theft or loss," he said.

Mohammed Ebrahim Mohammed

The card is set to offer cardholders discounts on purchases at a number of merchants in Bahrain and will enable a one per cent refund of purchases to the card account until the end of this year. Cardholders may also obtain Gulf Air miles, depending on the type of card they have acquired.

Interdealer broker Tradition has launched an Islamic and capital markets desk in Dubai and London. The desk is a joint venture between Tradition in London and Asia.

The new desk is licensed by the Dubai Financial Services Authority. It will offer broker services for trading of sukuks (Islamic equivalent of bonds), inter-bank money market transactions by murabaha (commodity-based Islamic finance), credit default swaps and global currency products such as foreign exchange and forward swaps.

Although Tradition has been brokering sukuk bonds out of its offices in London and Hong Kong, it is now expanding into Dubai as part of its global expansion strategy.

Lionhart (Middle East) Limited has gained regulatory approval from the Dubai Financial Services Authority to open an office in the Dubai International Financial Centre.

Lionhart Investments is a global multi-strategy hedge fund with a strong track record in capital preservation. Established in 1993, Lionhart manages assets of approximately US$800 million globally across several strategies and funds.

Mashreq launches new Makaseb fund

Mashreq has launched the Makaseb Arab Tigers Fund (MATF), which offers net asset value at the end of each business day. MATF is Makaseb's second fund to offer daily dealing.

MATF is an open-ended investment fund denominated in US dollars. The fund seeks to achieve long-term capital appreciation by investing in the securities of blue chip companies listed on the stock exchanges of the Middle East and North Africa region.

The MATF portfolio is constructed after careful evaluation of various factors, including the liquidity of the stock, company fundamentals, profitability and overall portfolio risk considerations.

The fund requires a minimum investment of US$10,000. Subscriptions and redemptions take place on each business day.

In other news, Mashreq has also introduced a package created to help people who have just arrived in the UAE get settled as soon as they land. The package offers an account with a debit card, one month's salary in advance, a gold credit card, furniture, rent advance loans and an easy-saver account.

After their visa is stamped and submitted to the bank, customers are given a cheque book, enhanced limits on all lending products, a pre-approved auto loan and a pre-approved mortgage.

Barclays offers mortgages in Abu Dhabi

ALDAR Properties has tied up with Barclays Bank UAE to provide mortgage solutions for ALDAR's Al Raha Beach projects.

This is the first deal for ALDAR involving a foreign bank, and Barclays is the first foreign bank to offer mortgage solutions to the Abu Dhabi market through its branch offices in the UAE. Barclays will offer mortgage solutions to ALDAR's developments on Al Raha Beach consisting of eleven precincts, each with its own character. It will house up to 120,000 residents and will span over 11 kilometres of natural beach front.

Appointments - August 2008


Rafi Ahmed and Anand Krishnamurthy

HSBC has appointed **Rafi Ahmed** and **Anand Krishnamurthy** as co-heads of global markets for the Middle East and North Africa. Rajiv Shukla has also been appointed head of debt capital markets for the Middle East & North Africa.


John Gilchrist

John Gilchrist has been appointed head of the newly-formed communications, marketing and research department at the **Abu Dhabi Securities Exchange**.


Farrukh Abbas

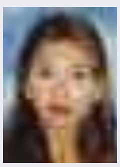
Abraaj Capital has appointed **Farrukh Abbas** to head up its operations in Pakistan.

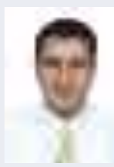
Morgan Stanley has named **Habib Achkar** CEO of Morgan Stanley Saudi Arabia.

Farhang Mehregani, presently head of trading risk for Citi's global equities business, will relocate to Dubai to head the company's Central & Eastern Europe, Middle East and Africa business.

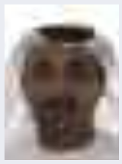

Raj Sinha

Raj Sinha has joined **HSBC Global Banking and Markets** as head of equity research – Saudi Arabia.

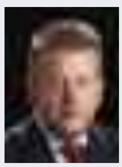

Dina El Yacoubi


Ashish Anand

SG Private Banking has appointed **Dina El Yacoubi** as senior vice president and head of the newly-created women's desk for the Middle East. **Ashish Anand** has also been named executive director of wealth planning and fiduciary services.


Ashraf Al Sawalhi

Standard Chartered has appointed **Ashraf Al Sawalhi** as head of global markets for the UAE.


Phil Evans

Al-Futtaim Group Real Estate has named **Phil Evans** its new leasing director.

Deyaar Development has appointed **Markus Giebel** as its new CEO.


Markus Giebel

Trevor Matthews has joined **Friends Provident** as the company's new CEO. Charles Bellringer will also join the board as interim CFO.

Friends Provident International has appointed **Peter Drummond** as international strategic business development & global account manager.

Too GCC or not too GCC

The macroeconomic fundamentals of the GCC countries are at one of their all time best, except for inflation. **Utpal Bhattacharya** finds out from experts what they think about remaining invested in the region's two major asset classes: equity and property.

These are difficult times for those who still have some disposable surplus after accounting for rising inflation and the depleted purchasing power of the GCC currencies. The question these individuals often ask is what they should be doing with the local currency funds accumulating in their current accounts. Global equities aren't promising and emerging markets look volatile. Regional equities seem to be losing steam, if there is any steam left in them at all, and some say that GCC property has already built up a bubble. The circumstances seem to be compelling small investors to remain in cash in the near term.

Investment objectives

For many investors, hearing a financial advisor say that any investment strategy must be based on investment objectives is just another cliché. Such a statement dictates that for a long-term objective, the strategy has to be built around certain lines and expectations, while for a short-term profit hunt, the risk appetite and reward expectations have to be worked out accordingly.

For those of us who have invested in the regional markets and have burnt our fingers while making windfall profits when the going was good, now is probably the time for introspection. In other words, it may be time to analyse what has been in the past and where the GCC economies are headed, and then come up with new objectives accordingly.

Frankly, the past few months have not brought much luck to regional investors. Kuwait and the Muscat Securities Market were an exception last month, while Saudi Arabia benefited from an annoucement allowing non-GCC investors indirect access to the Kingdom's listed shares. The Dubai Financial Market (DFM) has continued to suffer losses. Foreign investor flows into the GCC, mainly into the UAE and Qatar, have also been negative in recent months. This circumstance has affected hedge funds, too, which have been driving substantial liquidity into these markets – especially into the DFM.

The negative inflows from foreign investors are a bit of a concern for those investing in GCC markets, but it is also essential to keep in mind that the outflows have been driven mostly by exogenous factors, as Fahd Iqbal, vice president at EFG-Hermes Research, points out.

Fedra Dell'Aquila, the Singapore-based investment director at Prudential Asset Management, agrees. According to Dell'Aquila, there is nothing wrong with the fundamentals of the GCC stock markets; rather, weak global cues are taking their toll on these markets. She notes that the GCC, excluding Saudi Arabia, is currently trading at about a 15 per cent premium to the global emerging markets (GEMS), but with an average return on equity at a premium of more than 20 per cent to the GEM average.

Dell'Aquila adds that the second quarter earnings growth throughout most of the GCC markets was strong and is expected to remain solid this year. Like Iqbal, though, she maintains that the directions of some of these markets are driven by foreign investors who are more concerned about global issues and are thus exiting illiquid markets.

"I believe that local institutional investors will become more important for these markets going forward. One of the triggers for these markets in the future will be when they migrate from frontier status to emerging status in the MSCI Index," says Dell'Aquila, who is also responsible for Prudential Asset Management's emerging market portfolio.

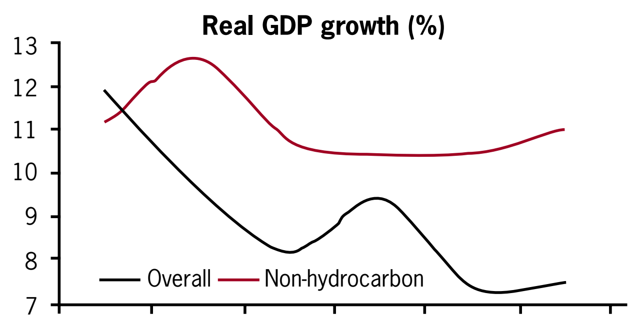
Regional equity markets

Even during the bear run of the global markets, GCC markets have done well for themselves. After having rallied 40 per cent last year, some of these markets have continued to offer good year-to-date performance led by Oman (up 20 per cent), Abu Dhabi (up six per cent) and Kuwait (up five per cent). These results are favourable compared to minus 20 per cent year-to-date and about minus 40 per cent for world equity markets from their peak in the middle of last year.

Dr. Giyas Gokkent, head of research and chief economist at National Bank of Abu Dhabi, says that index PEs in the region are in the 12-13 range, except for Qatar and Saudi Arabia, while earnings growth is double digit and upside surprises are common. But while the GCC markets look selectively attractive, some of the other markets in the wider region also look cheap. Dr. Gokkent feels that there is the possibility of a fourth quarter rally in the regional markets.

While it is true that there has been a slowdown in international investors' interest in the region, regional equity funds are still fending for themselves.

"I believe that local institutional investors will become more important for these markets going forward. One of the triggers for these markets in the future will be when they migrate from frontier status to emerging status in the MSCI Index." Fedra Dell'Aquila



Estimated forecast
Sources: Central Bank of the UAE, SG

Estimates of GCC countries' net foreign assets (US$ bn)

	2004	2005	2006	2007
Bahrain	9	10	12	15
Kuwait	126	151	181	218
Oman	2	5	17	54
Qatar	62	70	78	88
Saudi Arabia	160	245	376	576
UAE	221	275	341	423
Total	579	756	1,006	1,374

Source: SG Economic Research, based on lane P. and G.M. Mile-si-Ferretti (2007), The External Wealth of Nations, Journal of International Economics 73 (2), November

"There are at least three elements that need to come together to start a correction in the property market: a tilt towards oversupply of units, greater degree of leverage and a negative catalyst, which could be rising interest rates after 2009." Dr. Giyas Gokkent

Even regional equity funds managed by international fund managers continue to grow at a rapid pace. According to Marco Kermaidic, head of advisory, products and services at Société Générale Bank & Trust (Middle East), although the growth of assets under management of MENA equity funds launched by Société Générale (SG) Asset Management have slowed in the last couple of quarters, the rate of growth continues to be significant.

For SG Asset Management, whose regional equity funds in the MENA region manage assets in excess of US$1.6 billion, the growth in AUM in the second quarter over the first quarter of this year has been 111 per cent compared to 121 per cent in the first quarter of 2008 over the fourth quarter of 2007. The growth in the fourth quarter of 2007 over the third quarter was 300 per cent.

Kermaidic does feel that certain challenges will have to be addressed in the region for the rate of growth to be sustainable in the future. Markets will have to reach maturity in terms of depth and available instruments. They will also need to eliminate regulatory hurdles in the way of foreign direct investment, he says.

"Local capital markets will come of age only when there is sufficient liquidity and market depth for institutional investors. These markets will have to develop adequate hedging instruments in equity markets, for instance," Kermaidic notes.

He adds: "They will also require developing a bond market with sufficient benchmark issues to have a complete yield curve and more liquid corporate bond issues of the likes of those we have just seen from TAQA Energy. The implementation of a monetary union, if it goes ahead as planned in 2010, will help establish this reference yield curve."

There is also a need to do away with foreign ownership limits on certain stocks. The opening of the Saudi Arabian market will be vital, as then international investors will be able to analyse the region as a bloc on a sector-by-sector basis.

Valuations

The valuations of the GCC markets remain historically attractive. On a global basis, though, several markets have become cheaper. For instance, the 12-month sliding P/Es of GCC markets range between 10 and 18.5. Nasdaq is at 36.5 and the S&P 500 is at 24.7, but continental European markets hover around 12. Likewise, most GCC markets have P/B ratios at around three, while that reading value for most European markets will be below two, says Kermaidic.

On both readings, compared to emerging markets (BRIC in particular), the GCC markets on average are more expensive than Russia or Brazil, but more attractive than China or India.

"Clearly, however, not all sectors offer the same interest, and while on a global basis we would still be wary of financial stocks, in the UAE, for example, the banking sector remains very profitable. The sector has announced very good results and minimal, if any, subprime exposure. On the other hand, foreign shareholding restrictions do mitigate the appeal of other sectors in the region, like telecoms," Kermaidic points out.

Property

Iqbal mentions that investors in the UAE switch between the stock market and the property market, depending on what fetches better returns. He explains that this scenario has been the case more recently, with investors realising greater returns on the real estate market than on the stock market, thus sucking out liquidity from one asset class and pumping it into the other with dramatic impact.

But now, with the property market having gone up too quickly and with talks of corrections soon, the question is whether they will switch back to equities. The answer is certainly not easy. Given the mood in the local market, though, property continues to be the better option of the two asset classes.

Partly supported by foreign buyers, Dubai's residential real estate prices have risen over 25 per cent per annum in the last few years. Rents are still rising, but at a slower rate, while occupancy ratios are close to 100 per cent – 94 per cent in the Greens and 70 per cent in the Marina, according to Kermaidic.

Assets under management of Societe Generale's MENA equity funds

Date	30/09/2007	31/12/2007	31/03/2008	30/06/2008
Total MENA equity	86,860,667	347,664,399	769,920,187	1,621,922,140
Rate of increase		300%	121%	111%

Source: SG Asset Management

"Investors in the UAE switch between the stock market and the property market, depending on what fetches better returns. This scenario has been the case more recently, with investors realising greater returns on the real estate market than on the stock market, thus sucking out liquidity from one asset class and pumping it into the other with dramatic impact." Fahd Iqbal

Kermaidic is also of the view that prices may have peaked in the high-end luxury apartment secondary market, while large property delivery expected in 2008 and 2009 may erode prices.

Dell'Aquila agrees and says that investors are now concerned that there will be an oversupply of property coming into the Dubai market, especially into the high end of the market. The oversupply may lead to a correction in property prices in this segment in the next 18 to 24 months, she predicts.

Kermaidic adds: "While Dubai infrastructure, fiscal regime and lifestyle experience will continue to attract new businesses, it is unlikely that its population will continue to grow at six per cent per annum indefinitely, and some balancing of supply and demand will occur."

In the meantime, or in the immediate future, there is still an upside to property prices in Dubai, albeit a much smaller upside than a year ago, says Dr. Gokkent. But investors should be cautious and look out for certain signs, he adds. According to Dr. Gokkent, there are at least three elements that need to come together to start a correction in the property market: a tilt towards oversupply of units, greater degree of leverage and a negative catalyst, which could be rising interest rates after 2009. The signs one needs to watch out for could be rising loan-to-value ratios or a compression of rental yields (annual rent as a percentage of house price), he adds.

Most experts agree that in some of the other markets, such as Abu Dhabi and Qatar, property prices will continue to rise in the next two to three years because of undersupply. However, big moves in the Dubai market might affect sentiments in those markets as well.

Macro fundamentals

When looking at the region as a bloc for investing, it is important to have an understanding of the macroeconomic fundamentals of the GCC.

The GCC countries grew in excess of seven per cent in 2007. There is no sign of a slowdown as of yet, despite some economists cautioning that the lag effect of the grim situation in the west is bound to come here in a few months. There is, however, no denying that the local markets have been hit by a credit crunch recently. Borrowing costs for companies have gone up.

But with the price of oil well north of US$100 a barrel, the GCC economies are generating record-high trade and current account surpluses, as well as substantial fiscal surpluses.

Companies such as large financial institutions are continuing to hire more people, as they see strong growth potential for 2008 and 2009. Joel Abraham, Saudi-Arabia-based country managing partner at Gulf Bankers Executive Search – a leading recruitment firm in the GCC – says that he expects the number of new recruits across the banking and financial services sector to significantly increase in 2008 over 2007. The number of hires will be steady in 2009 and will not exceed those in 2008, he adds, as banks will seek to consolidate their number of new employees.

Ammar M. Shams, head of human resources at HSBC UAE – one of the larger employers in the country – also indicates that the bank's recruitment plans in 2008 show a net gain over 2007.

As of now, while oil represents a significant contribution to the GDP, the major drivers of year-on-year growth are infrastructure development and manufacturing, which should support the GCC's medium-term outlook. The consensus for the region for next year is a GDP growth of over six per cent, with non-oil GDP growth accounting for about 80 per cent of that. Dell'Aquila says that this growth will be sustained not only by government spending, but also by a population growth that is among the highest in the world at four to five per cent.

On the external side, the GCC again compares favourably to other regions, having relatively low external debt levels.

According to the Institute of International Finance, the GCC's external debt is estimated to have reached US$226 billion in 2007, a three-fold increase over 2003. At 28 per cent of GDP, the aggregate ratio of debt is still benign, though the UAE's external debt now exceeds 55 per cent of the GDP. Oman is on the other end of the spectrum, with the ratio at 15 per cent.

Dell'Aquila points to the fact that 70 per cent of the GCC's oil windfall is being saved by these countries through accumulation of reserves largely in the form of sovereign wealth funds. She argues that this will not just allow for a counter cyclical fiscal policy; over time, the investment income from these funds may replace oil revenues as an important component of growth.

For the GCC economies, inflation has emerged as the single largest threat in

"Local capital markets will come of age only when there is sufficient liquidity and market depth for institutional investors. These markets will have to develop adequate hedging instruments in equity markets, for instance." Marco Kermaidic

recent times. Operating costs have gone up substantially for companies, while individuals have suffered from shrinking purchasing power.

Labour fluctuations

Shams says that to describe today's labour market as one that is fluctuating is an understatement.

"Earlier, prices and currencies were stable, so there was no need to adjust pay more than once every two years. But today's conditions require evaluation at least twice every year so that we remain at par with the market," he notes.

Although it is not always accurately reported, inflation for the region is likely to exceeded 6.7 per cent in 2007, says Kermaidic.

He also points out that while Kuwait, Oman and Saudi Arabia may do relatively better, inflation above 10 per cent is hitting the UAE and Qatar hard. There is pressure on the regional economies to remove the peg to the US dollar, but such a move may not be considered, given the region's move towards a monetary union.

"Calls are being heard for a one-off revaluation, which is more probable, but it would not cure the large component of what is domestically-induced inflation," argues Kermaidic.

Dell'Aquila compares the GCC's situation to that of Asia and Latin America in the 1960s, when high inflation was accompanied by high growth. Given the huge liquidity in the region, inflation is likely to remain high while also supporting asset prices, she says.

Although we will have to wait and see how long asset prices remain supported, one thing is for sure: the recent appreciation of the US dollar has brought in a whiff of fresh air. If this state of affairs continues, then the problems plaguing the GCC economies will be wished away. But with so much bad news still coming from the US and the oil price continuing to find strong support above US$110 a barrel, it may be some time before the GCC currencies regain their lost lustre. MW

Advert

The great UAE gold rush

There are five business elements that continue to make the UAE an attractive investment destination, according to **Ramesh Kumar**.

The UAE has completely defied the economic theory of development by taking a giant leap from urbanisation towards a super-developed type of economy, gauging by the infrastructural developments and the inexplicable rush of people to the emirate from all over world, even as there is so much doom and gloom in the west.

Cynics are, however, still concerned about the sustainability of Dubai's growth prospects, particularly in the short to medium term. Many are asking how long this boom can continue. But based on what the emirate has shown us thus far, we can definitely conclude that it is here to stay.

Some of the statistics we have indicate that there is not a dearth of new enterprises coming to the emirate. The Dubai Department of Economic Development (DED) recently said that it has issued 7,961 licences for various businesses in the first half of 2008, including the commercial sector (6,514), the professional sector (1,232), the industrial sector (112) and tourism (103). Furthermore, in the same period, the DED issued 107 new licences to branches of foreign firms from India, China, South Korea, the US, the UK, the British Virgin Islands and Japan, among others.

It has taken the DED about 16 years to create such euphoria about Dubai. And in this period, the country has witnessed the birth of both global companies and ideas. Emirates Airline has been rated the best airline over the last three consecutive years. Emaar, one of the world's largest property developers, has now established itself in over 36 countries and has been ranked 462nd in the 11th Financial Times Global 500. In addition, government-owned institution Abu Dhabi Investment Authority is the world's second biggest investment company next to the Bank of Japan and is believed to have assets of over US$850 billion. Dubai Holdings, owned by Sheikh Mohammed Bin Rashid Al Maktoum, also has prominent investments in Sony Corporation, HSBC Holdings, Ferrari, Intercontinental and Daimler Chrysler, to name a few.

The strengths

One would not be wrong in stating that the world today is moving towards the brink of a financial collapse, thanks to the credit crunch sparked by the US subprime mortgage crisis and its repercussions in Europe and elsewhere. However, this circumstance has not deterred even an iota of the growing ambitions of Dubai and the UAE as a whole. On the contrary, like other emerging markets such as the BRIC countries, Dubai continues to gain tremendously from the increasing flows into the country, be it in the form of capital or real estate investments.

The growth of the country over the last four decades from a mere trading town to an international metropolis speaks volumes of its leadership qualities. Such is the transformation that Dubai is being used as a role model not only by its neighbours, but by other emerging markets as well.

A sustainable and good business climate is always an outcome of a stable and non-bureaucratic political environment. But oil – probably God's greatest gift to the Middle Eastern region – has also played a major role. Discovered first in Abu Dhabi way back in 1958, followed by a few more fields in and around Sharjah, oil has since contributed to the earnings of the nation in a big way. Abu Dhabi continues to have significant oil reserves, estimated to be available for the next 98 years.

Five business elements

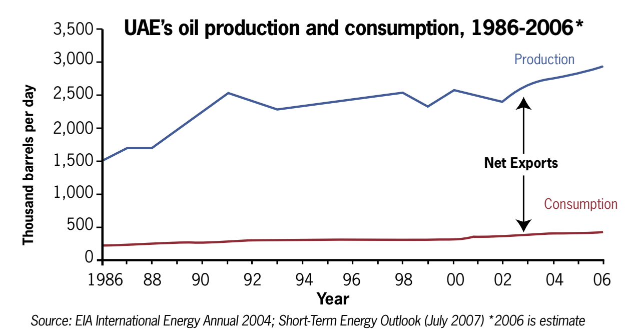
The UAE has virtually developed on what I call the five business elements – trade, oil, construction, tourism and finance. Let's explore each element and see how it has contributed to converting an oasis into a futuristic masterpiece.

It is really all about location, location, location. Dubai, in particular, is strategically so well located that it has become the biggest re-exporting centre in the Middle East and a service hub for the region. It is viewed as an excellent link between the east and the west. In fact, according to the Dubai Chamber of Commerce and Industry, Dubai is the third largest re-exporter in the world after Hong Kong and Singapore. Export value has been estimated to be over US$10 billion. Besides oil of course, it exports just about everything including textiles, household products, machinery, food products, industrial equipment and building materials.

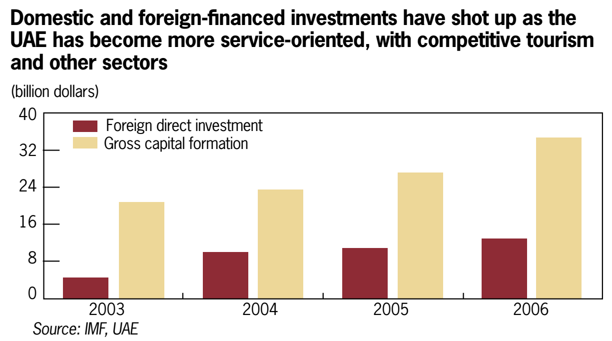
Although diversification is the core of the country's strategic focus, the UAE still remains significantly dependent on income from petroleum. The UAE was the GCC's second-largest oil producer in 2007, with output averaging 2.915 million barrels/day, equivalent to 3.5 per cent of total global production, which will be increased to five million barrels/day by 2014. The country's proven oil reserve of 97.8 billion barrels is equivalent to 7.9 per cent of the world's total.

The UAE's revenues from oil in 2007 totalled US$63 billion. This figure is expected to surge to US$110 billion in 2008. While oil prices are likely to remain high over the next few years, the country's economic boom in the medium term is likely to continue.

The country's construction sector has emerged as the most important economic driver in the last six years. This industry has been witnessing an unprecedented boom valued at US$221 billion (as of 2006). The value of projects in the UAE in 2008 is 4.6 times the estimated GDP value in 2007.



Source: EIA International Energy Annual 2004; Short-Term Energy Outlook (July 2007) *2006 is estimate



Source: IMF, UAE

The tourism industry has also played a pivotal role in the diversification strategy of the country and now of the region. Being centrally located between the west and the east has resulted in a rising number of passengers landing in Dubai. According to the Dubai Statistics Department, Dubai International Airport was used by 28.789 million passengers in 2006, up nine per cent over the previous year.

Apart from the iconic structures that Dubai has built during the last 10 years, the emirate has also emerged as a regional leader in retail tourism, attracting millions of people during the annual Dubai Shopping Festival. Some of the other emirates have also got into the act, with Abu Dhabi leading and Ras Al Khaimah rising to prominence as well.

Banking and finance in the UAE has had a remarkable transformation over the last decade. But what is even more remarkable is the emergence of Dubai as the industry leader in modern Islamic finance. In 2007, the emirate broke global records in terms of listed Islamic bonds and multi-billion-dollar financing programmes while announcing the decision to convert the Dubai Financial Market into the world's first Shari'ah-compliant stock market.

While these five elements have successfully shaped the region into what it is today, Dubai is looking to add more pillars by developing other sectors, such as the entertainment and services industry. And as many of the country's leaders believe, this is just the beginning.

Sheikh Mohammed bin Rashid Al Maktoum, the UAE's vice-president and prime minister and Dubai's ruler, says: "Stagnation means regression; therefore you should strive to develop. If you cannot, you should give up your place to others." The inference is loud and clear for both individual and foreign investors to come, invest and reap the resulting benefits.

Dubai and the whole of the UAE make up a land of opportunities, where every dollar invested is worth its value and the potential for growth is unimaginable. With the road thus far and the future looking upbeat, it doesn't look like the sun will set here for a very long time. MW

N. Ramesh Kumar (aka Ramesh Kumar Nanjundaiya) is a professional corporate/commercial banker heading a business activity for a well-known international bank operating out of Dubai. The views expressed are his own.

RAISING KNOWLEDGE:
An Islamic finance opportunity

The Islamic banking and finance industry has grown at a tremendous pace, but this growth has also led to certain concerns. **Ehab Heyassat** considers some of the issues that are being hotly debated in the industry.

Islamic banking has witnessed tremendous developments during the last 10 years. Not only did the number of institutions offering Shari'ah-compliant products and services nearly double between 2005 and 2007, but we've also seen more sophistication come into play in the industry.

Islamic banks and conventional banks with Islamic windows have constantly innovated to offer products that are of the same, or better, calibre than the traditional products available. In Bahrain and Malaysia, there has been considerable advancement in terms of standardising accounting and fatwa procedures across the Islamic markets, while there is now a whole new securities market in

the Dubai Financial Market (DFM) that has converted into an Islamic platform.

In the Arab world, some of the biggest transactions in the recent past have been Islamic. In Saudi Arabia, more than 50 per cent of all transactions taking place today are in the domain of Islamic banking.

Hurdles

The rapid pace of growth – 35 per cent, according to some estimates – has brought about its own problems including a lack of professionally-trained Islamic bankers and Shari'ah scholars. According to Saleh Kamil, one of the pioneers of Islamic banking, 85 per cent of the more than 300,000 employees working with Islamic banks and financial institutions today are not well versed in the knowledge of Shari'ah. This issue needs to be addressed quickly, he adds.

The other big impediment is the extreme shortage of Shari'ah scholars to support the industry. It is very common to see the same set of Shari'ah scholars sitting across the boards of rival banks and institutions. In fact, there is almost an unuttered rule in the industry that banks and institutions that are able to pay the fee will get these scholars on their Shari'ah boards, while competition will not ask questions. The reason they will not ask questions is obvious; if they do, they may not have a Shari'ah board at all. Such is the extent of the industry's shortage.

Dr. Hussein Hamid Hassan is among the most popular of Shari'ah scholars. Dr. Hassan sits as the chairman of many Shari'ah boards from institutions such as Dubai Islamic Bank (DIB), Emirates Islamic Bank (EIB), National Bonds, Amlak, the Dubai Financial Market (DFM) and Ajman Bank.

Another sought-after scholar is Dr. Abdul Sattar Abu Ghuddeh. He is the chairman of Shari'ah boards at Abu Dhabi Islamic Bank, Al Hilal Bank and HSBC Amanah. He is also a member of the EIB, Noor Islamic Bank and DFM Shari'ah boards.

A spokesperson of Noor Islamic Bank admits that some conflict could arise from having the same set of Islamic scholars across rival banks, but quickly adds that there is some value to it as well.

"It does create some conflict of interest. However, having common names in the board of rival banks will, in fact, bring us to a better set of unified rules and regulations that can be applied to all Islamic banks in the region. In addition, it helps in avoiding past mistakes, while also enhancing the knowledge of these scholars," the spokesperson justifies.

Scholar revenues

The thin spread of Shari'ah scholars has raised questions about the independence and quality of their work. With the newly-set-up, Bahrain-based Islamic International Rating Agency now beginning to rate the quality of Islamic products and institutions, the pressure on the industry to comply more stringently is increasing.

Shari'ah boards from selected banks

DFM
Dr. Hussein Hamid Hassan – chairman
Dr. Abdul Sattar Abu Ghuddah
Dr. Mohammed Daud Bakar
Dr. Ijail Jasim Al Nashmi
Dr. Mohammad Qasim
Dr. Muabed Al Jarehi

DIB
Dr. Hussein Hamid Hassan – chairman
Dr. Ojeil Jassim AlNashmi
Dr. Ali Al-Qurra Daghi
Dr. Mohammad Abdul Razak El Sadeek
Dr. Mohammad Abdul Hakeem Zuar

EIB
Dr. Hussein Hamid Hassan – chairman
Dr. Ojeil Jassim AlNashmi
Dr. Ali Al-Qurra Daghi

National Bonds
Dr. Hussein Hamid Hassan – chairman
Dr. Ijail Jasim Al Nashmi
Dr. Mohammad Qasim

Noor Islamic bank
Sheikh Dr. Mohamed Ali Elgari – chairman
Dr. Abdul Sattar Abu Ghuddah
Dr. Mohammed Daud Bakar

SIB
Dr. Hussein Hamid Hassan – chairman
Dr. Abdul Sattar Abu Ghuddeh
Dr. Ijail Jasim Al Nashmi

Tamweel
Dr. Hussein Hamid Hassan – chairman
Dr. Mohammad Abdul Razak El Sadeek
Dr. Mohammad Abdul Hakeem Zuar

In fact, it is said that the fast pace of growth in Islamic banking has brought in a bounty for Shari'ah scholars. While there is no information available to the public regarding how much Shari'ah scholars earn sitting on the Shari'ah boards of Islamic institutions, a parallel can be drawn with the earnings of the star preachers in the region.

In March 2008, Forbes Arabia published a list of preachers called Da'awa Stars, or Star Preachers. In that list, Amr Khalid, Tariq Sowaidan and Aaidh Al-Qarni were at the top with annual incomes of US$2.5 million, US$1 million and US$533,000 respectively for 2007. The preachers generated these incomes from TV programmes broadcast on several satellite channels in the Arab world, as well as from religious CDs and books.

Market sources confirm that setting up a typical Shari'ah board can cost anywhere from US$80,000-100,000. A quarterly fee of between US$10,000 and US$25,000 is also charged to provide fatwa and audits for products and services.

The DIB, which is at the forefront of Islamic banking and finance, set up a separate subsidiary last July to offer consultancy for Islamic financing and investment transactions to cater to the industry's rising opportunities.

Although DIB's Shari'ah consultancy is one of the pioneers in the field, there are others that are planning to come to the market soon to take advantage of the business prospects in Islamic finance.

A controversy

It is important to note that many muftis and scholars are not sure whether taking a fee for issuing a fatwa is the right approach. The majority of scholars are actually of the view that a mufti should deliver a fatwa without taking any fees. Even among those who allow taking a fee for issuing a fatwa, there are differences of opinion as to the circumstances under which such fees can be charged.

The Hanafi, Shafi and Hanabila Sunni schools of thought are against any fees for issuing fatwas. According to the Hanabila school of thought, however, a mufti is allowed to take a fee, but only if he is in need of it. Among the four Sunni schools of thought, only the Maliki allows for charging a fee for issuing fatwas.

However, scholars and industry experts argue that the Shari'ah boards of the banks and financial institutions do much more than issue fatwas. Additionally, there is a host of administrative, processing and servicing work entailed in the contract. This work involves time and effort, so one argument is that the fees charged are legitimate and do not allow for any controversy.

The future

Kamil points out that the tremendous progress of Islamic banking also carries with it a lot of challenges. "We know that humans, the makers of progress and success, are also behind failures and collapses," he says, emphasising the urgent need for the industry to focus more on education and training in Islamic finance.

The spokesperson at Noor Islamic Bank agrees that Islamic banking education should be applied in all universities of business and banking in the UAE and the Middle East. Both the government and the private sector should encourage the use of Islamic banks and provide attractive job opportunities to people interested in Islamic banking and Shari'ah advising, he says.

The spokesperson adds that another solution would be to set up research institutions to conduct specialised training in Islamic banking

The consensus in the industry is that the only way forward is to cultivate more knowledgeable people and graduates, especially in Islamic Commercial Law. It is also important to create unified Shari'ah standards – for example, the standards set by the Accounting & Auditing Organisation of the Islamic Financial Institution – so that there is more cohesion and efficiency within the industry.

Once these changes take place, many issues that still remain in the grey area should be automatically sorted out. If and when that happens, the Islamic finance industry will be well on its way to the next level of development and growth.

Hong Kong's Shari'ah predicament

Two years after the creation of Hong Kong's first Arab Chamber of Commerce and Industry, four months after the launch of the first Hong Kong Islamic Index (HKII) tracking the 78 Shari'ah-compliant, publicly-listed companies on the Hong Kong Stock Exchange and almost three months after petitioning the government of the Hong Kong Special Administrative Region (SAR) to adopt Islamic law (Shari'ah) so that the region can attract more foreign Arab and Muslim funds, Lord Edwin Hitti, the Chamber's president and founder, is not a happy man. In an exclusive interview with **Ajay Shamdasani** in Hong Kong, the Lebanese businessman shares his thoughts on why, despite the setback of receiving a declination letter from the territory's solicitor general, he is cautiously optimistic about Hong Kong's prospects as an Islamic financial hub.

When did you come to Hong Kong?

I have been in Hong Kong since 1990.

Why Hong Kong? What are your business plans?

I have acted as an economic and political adviser to a number of Southeast Asian government officials and heads of state, mainly piloting infrastructural projects and assisting in the privatisation of state enterprises. A tremendous amount of work needs to be done for Hong Kong to become an Islamic finance centre, from which China stands to benefit enormously.

I sincerely hope to make a positive contribution to the process.

Why do you think the Hong Kong government declined your petition?

It's perhaps due to sheer ignorance on their part and shows a lack of initiative. Not to put too fine a point on the matter, but there is an utter lack of awareness and understanding of Islamic finance and the Arab world in general.

What would Hong Kong have gained by adopting Islamic law?

It would have given the SAR a basic artery upon which to conduct Islamic finance, commerce and related activities. Such a step is a prerequisite for Arab and Muslim investors to view Hong Kong as a legitimate hub for their financial and commercial purposes. Such activities require legal support to govern transactions. Should such investors come to Hong Kong and disputes arise, any litigation, arbitration or alternative measures would have to be conducted in either Singapore or London. They are set up to deal with Islamic law; we are not.

What does Hong Kong have to offer the world of Islamic finance?

Hong Kong enjoys the status of being one of the world's most active commercial and financial centres; many countries don't enjoy such a status. As a world trading and financial centre, adding the component of Islamic finance is a recipe for success. It adds an alternative revenue stream, which should be encouraged because the Islamic world is sitting on US$1.3 trillion [AED4.78 trillion] in liquid assets.

What are the implications of the July 7, 2008 letter from solicitor general T. Wingfield?

We [the Chamber] have received numerous letters from the Legislative Council [Hong Kong's legislature], the secretary for justice and from chief executive Donald Tsang that the government was looking into the matter and would reply in due course.

The solicitor general's letter [in response to the Chamber's June 12 petition] was inappropriate, given that he was acting in his qualified capacity [as the government's lawyer] on behalf of all petitioned government offices. His final sentence reads: "However, we see no need, and have no plan, to introduce Islamic law into our legal framework." It would have been a typical protocol letter, except for the last sentence, which was seriously tactless for one holding his esteemed office, that Hong Kong would not change and saw no reason to change its legal system. It would have been better had he said: "Hong Kong for the moment does not see the necessity, but would certainly consider any appropriate adjustments should it see fit in due course." Acting in his official capacity and representing all other governmental departments, he unequivocally sent a negative message to the Islamic world and its financiers.

Assuming Islamic bonds were issued, how soon would it be?

The question of how soon is now moot. Hong Kong can't issue them because you need Islamic law to do so. A sukuk is an Islamic bond that needs to be issued by an Islamic bank and that requires Islamic law. Hong Kong has not adopted any Islamic law, nor has it integrated it into its system; nor is the SAR prospecting Islamic institutions. None are present here. Hong Kong will likely issue such bonds in a third-party jurisdiction – likely Malaysia or Singapore – because all contracts would require settlement clauses and neither an Islamic court of settlement nor an Islamic bank exist in the SAR.

The financial secretary's declarations that Hong Kong will amend its tax laws regarding [Islamic] bonds are equally puzzling. Bonds are not negotiable titles; sukuk are, by definition, certificates of entitlement. If you treat a sukuk as a negotiable title, then it could be subject to taxes. Yet, if you look at it as a certificate of entitlement, then it's no different from property and then falls into the realm of capital gains, which are non-taxable. They [the government] are needlessly preoccupying their time by structuring debt instruments that don't live up to the hype upon further examination. Hong Kong is being very nearsighted by not setting up a proper platform for Muslim banking and finance to take root.

Who would be interested in Islamic bonds?

Islamic bonds usually target Shari'ah-conscious investors. Currently, Islamic investors are deterred from Hong Kong – other than perhaps for shopping – since the HKSAR government will not adopt or even entertain adopting Islamic law. It's quite an affront, as you can imagine.

What Islamic banking opportunities are there in Hong Kong?

Well, HSBC and Standard Chartered Bank have Islamic banking [services], but they do not have it in Hong Kong. They could very easily offer such services here because they already have the infrastructure and systems in place.

HSBC's most successful Islamic banking divisions are in Dubai, London and Singapore. HSBC and Standard Chartered Bank in Hong Kong could very well offer Islamic banking and financial services in Hong Kong and outsource the work to other financial centres that have Shari'ah-compliant measures in place. For example, Bank Melli Iran is an Islamic bank with an inactive Islamic branch component here. Bank Negara Indonesia has been here for ages and offers yet no Islamic services locally, because you can't offer Islamic financial services without Islamic law to govern it. Some things are just true by definition. How offering "Islamic bonds" by non-Islamic banks governed by non-Islamic law for the MTRC [Mass Transit Railway Corporation] and the [Hong Kong] Airport Authority and sold to sovereign wealth funds and private equity groups makes Hong Kong an Islamic financial centre is simply beyond me.

We are also in discussions with mainland Chinese arbitration centres to integrate our services and incorporate reciprocal arrangements so that Shari'ah-compliant arbitration can be conducted in Hong Kong and other Chinese cities.

Chief executive Donald Tsang stated last October that Hong Kong aspired to become an Islamic financial centre. For the reasons I've given, I don't see it. There is a lot of preparatory work that must be undertaken beforehand. There are legal, financial, service and logistical considerations to factor in. Hong Kong has none of them in place.

In addition to our petition to the government, we [the Chamber] gave them examples of Islamic law functioning comfortably alongside Singapore law, but not overriding the latter's jurisdiction. Becoming a Shari'ah-compliant jurisdiction would not in any way compromise the independence and integrity of Hong Kong's stalwart legal system. Our common law and Basic Law [Hong Kong's constitution] would not be imperilled.

Most importantly, commerce is constantly growing between China and the Arab world. What better role could Hong Kong assume than being the venue for final and/or legal settlements for Muslim investors? We already have plenty of prevailing [common] law, but just imagine how far we could go with Islamic law in attracting fresh funds to our city! More trade and commerce could ensue if Hong Kong offered accommodating mechanisms because the wealth of the Arab and Islamic world should not be given short shrift.

What are the challenges moving forward?

What if Hong Kong has another recession once the afterglow of the Beijing Olympics wears off; when some semblance of normalcy returns to this place and valuations revert to sensible levels? Issuing such bonds will then be nothing but a bureaucratic exercise in futility.

Hong Kong's economy and investment environment are more volatile than people think. Our capital markets follow – in lockstep – what happens in other parts of the globe. Should US and/or European financial institutions and corporations experience slower growth due to internal problems, Hong Kong, being heavily dependent on them, would suffer the consequences. Hong Kong could become

The financial secretary's declarations that Hong Kong will amend its tax laws regarding [Islamic] bonds are equally puzzling. Bonds are not negotiable titles; sukuk are, by definition, certificates of entitlement.

less dependent on the western economies and financial markets if it opened itself up to the Islamic and Arab world. Islamic economies are less volatile, speculative and leveraged than the US or Europe. There is an element of stability which Shari'ah brings because Islamic finance is oblivious to speculative and circumstantial repercussions.

In Islamic law, there is no room for uncertainty, as against the western world where uncertainty is a major ingredient for the markets and [business] conduct. Westerners are always playing the odds and conjecturing as to what companies or governments will do. Just watch CNBC and listen to them ad nauseum on what the [US Federal Reserve Bank] will do next to interest rates. In Islamic law and finance, you can't play the odds; gambling is forbidden. The worst that can happen to Islamic capital is that the price of oil could drop to US$15 per barrel; so they'd make fewer greenbacks. Yet don't forget, the cost of producing a barrel of oil is still only US$1.50 in Saudi Arabia and US$0.50 in Iraq. Falling oil prices would not annihilate the investments they have already made outside their countries or may make in the future.

They would not be burned because they are not leveraged like many American and European companies. Morgan Stanley and Bear Stearns are leveraged to the hilt, such that even slight variations in interest rates can put them over the top – or underwater – in the blink of an eye. With oil, Islamic governments and investments would not suffer similar vicissitudes because they know there is a certain amount they can get for their oil.

If it does not take into account the uncertainty that is part of life, isn't Islamic law out of touch with reality?

It's not out of touch with reality or human nature, but very much in accord with them – although it may fall into disfavour during certain historical phases. Can we really judge the Shari'ah and say it doesn't work? It's withstood over 1,300 years.

Can you elaborate?

Principles need not be applied with 100 per cent rigidity. Moderation ought to be the order of the day. As the seasons change, rules can be applied differently; both the Shari'ah and the common law are flexible and can coexist. We see things differently from our forbears and reason through things more freely, but we're not changing the religion; only our perception or understanding of it may evolve.

Yet, with such stark assessments, have you given up on Hong Kong becoming "Islamic business friendly"?

Not at all. We anticipated the government's response when we petitioned them in June and had contingency plans in place. The Chamber has established an "Islamic Arbitration Centre", which will cooperate with the International Chamber of Commerce and the Asian-African Legal Consultative Organisation. We expect it to be operational by October, and it will be staffed with a panel of Shari'ah-proficient judges, lawyers and scholars so that disputes can be resolved in accordance with Islamic law at what we envision will be the Hong Kong Islamic Arbitration Centre. Its tentative address for now will be the Arab Chamber's address, but we will finalise a site before the end of the year.

I'm feeling pretty upbeat because now Hong Kong has in operation The Arab Chamber of Commerce with its Shari'ah Advisory Council and the newly-launched HK Islamic Index, and soon we will have an Islamic Arbitration Centre – all essential components to Hong Kong's "Islamic financial centre" ambitions. We are also in discussions with mainland Chinese arbitration centres to integrate our services and incorporate reciprocal arrangements so that Shari'ah-compliant arbitration can be conducted in Hong Kong and other Chinese cities.

The twist in the tale

The downturn in the Indian market has stunned even its staunchest supporters into silence. But **S. Shankar** explains that the long-term story has not changed, even though the near-term outlook is far from rosy.

One of the meanings of the word volatile, according to the *Oxford English Dictionary*, is: "liable to change rapidly and unpredictably, especially for the worse". But world over, both investors and market commentators use the word "volatility" without knowing what it actually means. Many are of the view that volatility describes a zigzagging market; in reality, it means a rapid change for the worse.

We have often heard the phrase "the India story" used by all and sundry, from politicians to fund managers. That story suddenly looks threatened, as it is extremely vulnerable to the oil price. In fact, the rise in the price of oil to more than US$125 has shaken some confidence off that story. Against such a backdrop, there is a need to investigate whether the story will hold its own given the current turbulence in the world markets.

The growth story is likely to continue in the long-run as the usual positive factors – favourable demographics, a burgeoning middle class, high savings rates and infrastructure spending – do not change. In the short to medium term, however, speed breakers – primarily inflation and its effects – are bound to impact the pace of the growth.

Indian inflation, to a large extent, is driven by oil and rising food prices. India imports close to 70 per cent of its oil requirements. The rising oil price, and not so much the subprime crisis, was the primary trigger for the Indian markets to crash. The chart on the following page highlights the correlation between the oil prices and India's benchmark index – the BSE Sensex. It shows the extent of the relation and the extent of the damage done to the economy at large by the rising oil prices.

To put the India story into context, given the external developments that are beyond the country's control, it is necessary to analyse some of India's inherent strengths and its vulnerability, much of which revolves around energy.

Discovery of oil reserves

There is no doubt that India has severe energy problems, but it is important to understand how the country is moving towards overcoming some of its deficiencies in that area. In fact, it is now felt that the discovery of oil reserves in India could play a key role in sustaining the current growth.

In recent years, companies like Reliance, Cairn India, Gujarat State Petroleum Corporation and state-run ONGC have discovered oil and gas in key areas like the KG basin and Rajasthan. With the oil price trading north of US$120 a barrel and theories like peak oil finding their way into global investors' vocabulary, the business of exploration is looking increasingly viable.

Significantly, analysts sometimes miss the fact that in the past 20-25 years, India has come out on top in the list of important finds in oil reserves, apart from Brazil. The story of India's exploration initiative began somewhere around 2000 when the country, for the first time, awarded the New Energy Licensing Policy (NELP) I to private and public sector bidders. Since then and up to NELP VII, however, only 25 per cent of the total identified areas under the NELP have been explored. Out of the remaining 75 per cent, up to 65 per cent of the areas are considered high prospect.

It is important to note that the total number of significant discoveries made in India during the last five years stands at 97. Most of the discoveries are located in the east coast basins of Krishna Godavari and Mahanadi – NEC, western offshore and on land in Rajasthan, Cambay and Assam Arakan.

A study by Enam Securities highlights some of the positive implications of these discoveries. According to the study, the new gas finds could potentially bring in annual savings of US$48 billion by the fiscal year 2012, which works out to be 2.2 per cent of the GDP, estimated at US$2 trillion at that time.

The study also indicates that gas could replace 35 per cent of the current oil consumption of the country and suggests that gas replacement is the ideal solution to the growing energy consumption of India. It will help to reduce the strain on the fiscal deficit as well, says the study.

Reliance is working on the expeditious monetisation of the discoveries made in the Krishna Godavari and Mahanadi basins. This endeavor is one of the largest gas development projects in the world to transport gas through a 48-inch, 1,386-kilometre east to west coast pipeline. This pipeline traverses the states of Andhra Pradesh, Karnataka, Maharashtra and Gujarat. Reliance is implementing this project through Reliance Gas Transportation Infrastructure Limited in a contract and common carrier framework. The project is on schedule, with all necessary government approvals in place, major contracts awarded and delivery to consumers envisaged to take place by the second half of the financial year 2008-09. Reliance's KG D6 block alone will take the supply from the current 104 mmscd (million standard cubic metres per day) to 260 mmscd.

The benefits coming from the discovery of new energy sources will percolate across sectors such as fertilisers (around 50 per cent of the country is dependent on agriculture), power (a shortage of which has recently forced state governments to cut supply to industries and households in a big way) and city gas distribution and refineries. The development of gas distribution networks, especially in Gujarat and Maharashtra, are likely to be replicated in 200 cities in a phased manner.

Sundaram BNP Paribas, which runs a dedicated fund focussing on the new energy finds, estimates that the benefit of the new gas finds could be as high as 89 per cent of the current IT exports, which were responsible for placing India on the global investors map.

This story is not just about oil and gas; coal has been a neglected source. The government has now begun to award exploration rights for coal, just like NELP, to Reliance, Tata Power, Sterlite and NTPC. It is expected that captive mining is expected to go up from less than five per cent to 20 per cent over the next five years. As such, power plants of the above companies that use coal sources would be able to free price their power.

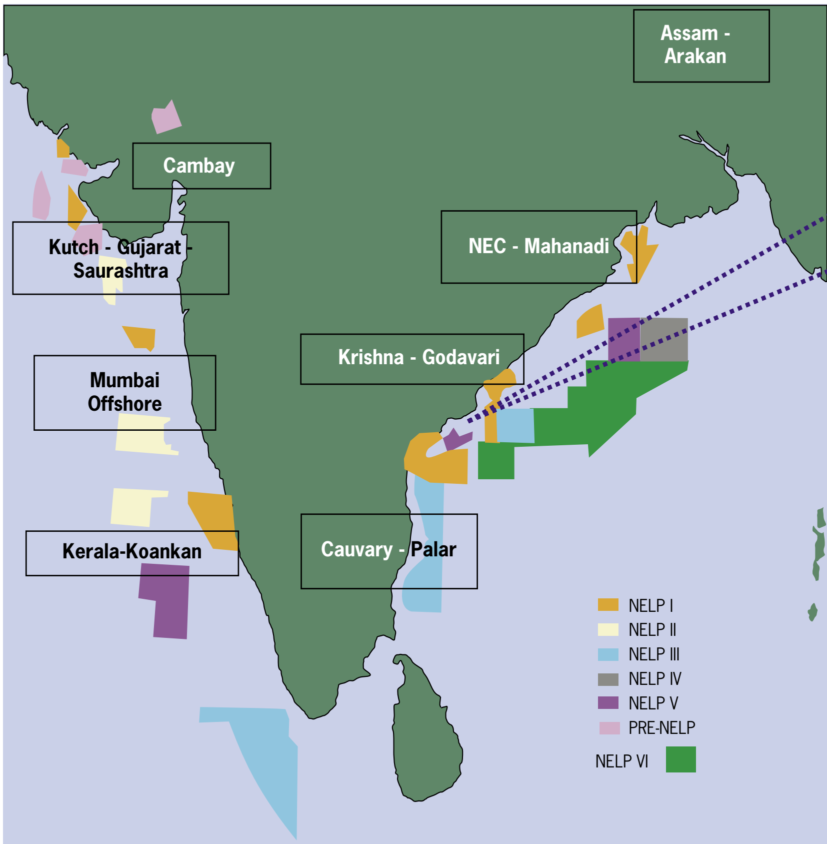
Finally, there may be a dark horse in the energy story of India with the discovery of abundant gas hydrate reserves. It is estimated that National Gas Hydrate Programme India has reserves of about 2,000 trillion cubic feet of gas hydrates. Gas hydrates are a naturally-occurring, ice-like combination of natural gas and water and have the potential to be a new source of energy. These reserves have been found in the KG basin, Mahanadi and the

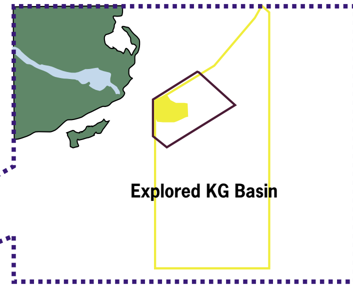
Benefits and savings from new gas finds in India

Industry	Incremental gas supply by FY 2011 in mmscd	124
Power	Potential power generation MW Increase compared to current output	31000 23%
Fertiliser	Incremental capacity additions MMT Increase relative to current capacity	53.5 2.6x
City Gas Supply	Gas sales in NCR in 2006 mmscd Cities that can be covered	1.3 100

Source: Sundaram BNP Paribas Estimates, IGL

Exploration areas where NELPs were awarded





KG-D6 is Just a speck in the vast acreage for exploration

Award Round	Year	Blocks	Signing Date
NELP I	1999	24	Apr - 00
NELP II	2000	23	Jul - 01
NELP III	2002	23	Feb - 03
NELP IV	2003	20	Feb - 04
NELP V	2005	20	Sep - 05
NELP VI	2006	55	Feb - 07
NELP VII	2008E	80	
Total		245	

Andaman islands, according to the director general of Hydrocarbons VK Sibal.

India in a global slowdown

The story, of course, goes beyond oil. For example, what might happen if it gets real rough globally? Just over six months ago, the India story was taken for granted, what with nine per cent growth, corporate profits at 20 per cent and huge consumer demand for everything from mobile phones to home loans. Inflation was at less than four per cent. Hardly anyone dared to ask what could go wrong, and at the lofty valuations, it seemed like nothing could. We were the champions until oil decided otherwise.

Today, the only thing growing in the Indian growth story is inflation, which is at a 13-year high of 12 per cent. Says Andrew Holland of DSP Merrill Lynch: “India has gone from hero to zero in six months flat.”

So where did we go wrong? Even before answering this question, one should be asking whether we were right in the first place to claim that India was a unique growth story. Or was the growth due to global liquidity sloshing around everywhere, with India receiving its fair share?

One thing is certain: the once popular perception that India is decoupled no longer fits well, as any country that is so dependent on oil cannot be decoupled by any stretch of the imagination. Decoupling occurred only in the credit crisis, in which India had little part to play.

Robert Blackwill, a former US ambassador to India, warned last December at the World Economic Forum’s annual Delhi conference that with the Iran-US tensions rising, India’s growth story could be jeopardised by the rise in the oil price. He quoted an Asia Development Bank report that emphasised the negative correlation between oil and India’s growth. The report says that with the rise of every US$10 in the price of oil, Indian growth will slow by one per cent. If the oil price increases to US$150 or above, India’s rate of growth might slip to a disastrous three to four per cent.

India is more vulnerable than other emerging economies due to poor macro fundamentals. This position can be attributed primarily to high deficits, risk of rupee depreciation and short-term money flowing externally. Moreover, we have yet to see how the credit crisis will play out for the country’s burgeoning IT and IT-enabled service (ITES) companies, as exports from the banking, finance, security and insurance (BFSI) sector contribute as much as 40 per cent of the revenues of the Indian IT sector. Now, when the same BFSI companies are likely to go through a rough period of consolidation and management changes, they might see a drastic decline in their IT expenditure.

While the big BFSI companies may cut down on IT spending, the smaller companies could stop altogether. Such an occurrence would have its ramifications on society, as India’s upper-middle class predominantly works in the IT, ITES and financial service sectors. The off-shoring business also employs significant numbers of support staff. Typically, for every white collar employee, there are between four and five non-IT blue collar workers.

In India's consumer-led story, the typical professional was expected to spend – whether in realty, financial services, leisure or retail – and thus be responsible for the retail boom. Clearly, though, this story is no longer on strong footing.

India earns US$40 billion from IT and ITES sales, 80 per cent of which comes out of exports. Exports to the US account for half of that amount. According to Harish Rajagopalachari, executive director of PWC, the implications of a US slowdown for India are significant. The immediate impact will be felt in the IT and ITES sector, he says.

The industry is already experiencing jitters, as indicated by announcements from top IT companies like HCL Tech. The company recently said that it would not give guidance on its future earnings. Meanwhile, off-shoring major Cognizant has described the future as highly uncertain, adding that the negative news flow from the BFSI sector is not yet over.

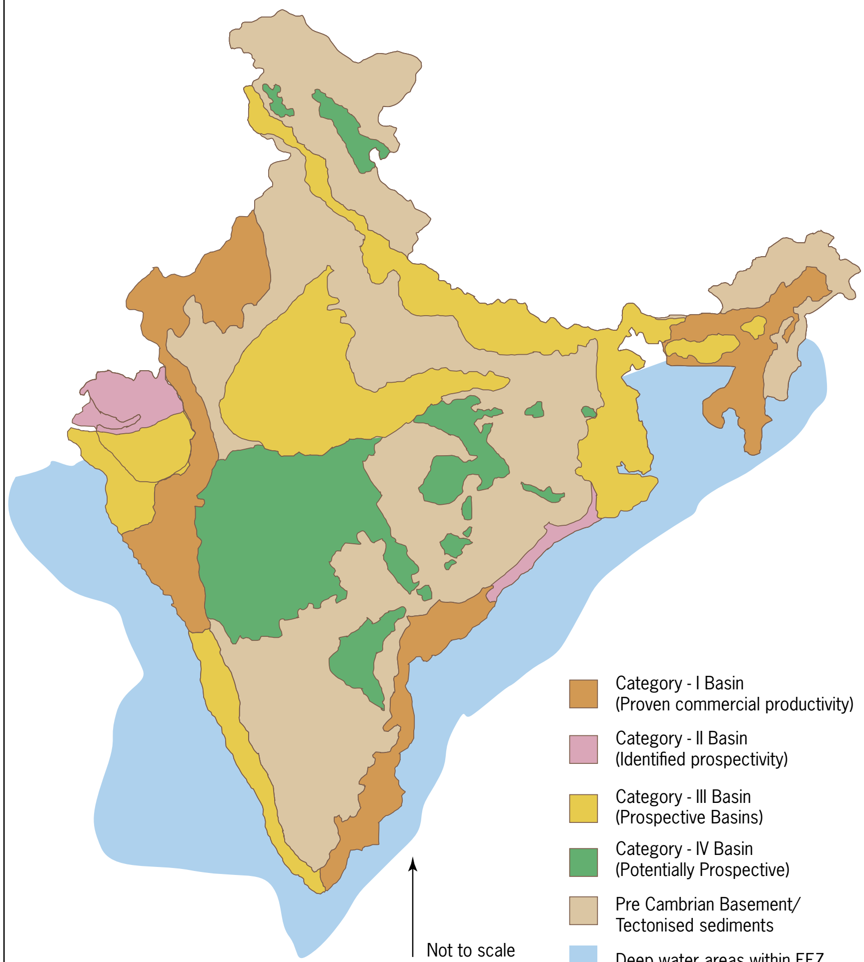
Chetan Ahya, managing director of Morgan Stanley Asia, quipped last year that India's growth acceleration had more to do with globalisation of markets than globalisation of trade. By his calculations, a favourable sustained global risk appetite towards India was one of the main reasons for its growth. He also said that the rise in risk appetite and growth was linked both on the upturn and the downturn.

According to Ahya, most of India's improvement in fiscal deficit was due to the rise in the corporate tax-to-GDP ratio in line with the corporate profit cycle. But that would also leave little room for maneuvering if a global slowdown hit India, as the corporate profit cycle would be down by then.

A rise in non-FDI capital inflows leads to lower rates and strong credit growth. The reversal will happen due to lower global risk appetite trends and not domestic fundamentals, per se.

A quote from the latest annual report of Bank for International Settlements reads: "If asset prices are unrealistically high, they must eventually fall. If savings rates are unrealistically low, they must rise. And if debt cannot be serviced, [it] must be written off. Trying to deny this through the use of gimmicks and palliatives will only make things worse in the end."

Sedimentary Basin Map of India



Source: Investment Commission of India

Let us consider what these ideas mean for an investor over both the short and long term. Short-term investors should avoid Indian markets unless they are ready for a stomach-churning ride, as inflation may not ease until early next year. The India oil and gas story will take the next three to four years at least to make a meaningful impact. So, in the short term, we are still more coupled with world oil prices and the credit market crisis fallout. Moreover, we need to be reminded that there is no hard and fast rule stating that if an economy does well, its markets will also do well. Such a scenario may eventually happen, but it is not a sure thing.

Over the long term, however, the India story remains intact. If one adds the new oil and gas finds, the story becomes even more lucrative. The current crisis could, in fact, be the remedy required to quell the inflationary pressures. Then the valuations could come to more meaningful levels. We would also be enabled to concentrate on capital formation, competitiveness and long-term growth instead of non-FDI capital inflows.

Every investor needs to remember Warren Buffett's quote about Noah's Ark: "Predicting rain doesn't count; building an ark does."

The writer runs an investment advisory based out of Chennai called Credo Capital.

China's next economic wave

Matein Khalid foresees a third economic wave in China. And this time around, Chinese goods will no longer be a euphemism for cheap and poor-quality products.

While chartists obsess over Elliot waves, a macro emerging markets fund manager must necessarily navigate the political, economic and even social/technology waves in the global markets in his quest to chase the bull or flee the bear. As China celebrates its coming out party and 5,000 years of civilisation at the Beijing Olympics, it is an opportune moment to understand the next wave of macroeconomic policy and economic priorities in the Middle Kingdom, which will have a seismic impact on the financial markets of the vast, populous land that is the world's ultimate emerging market.

The first wave of Chinese reform was initiated by Deng Xiaoping after he seized power from the Gang of Four after Mao's death in 1976. Deng broke up Chinese agriculture communes, allowed farmers to pay wages to peasant labour, created special economic zones to attract foreign-owned factories and replaced the ideological madness of Mao's Cultural Revolution with an unabashed approval of wealth creation. Deng proclaimed that "to get rich is glorious" and scorned ideology with his advice to China's home grown capitalists that "it does not matter if the cat is white or black as long as it catches mice".

The second wave of Chinese reform took place under chairman Jiang Zemin and his protégé premier Zhu Rongji, who shut down thousands of inefficient factories, laid off an incredible 46 million workers and spawned an entrepreneurial revolution unmatched in Chinese history, with the private sector rising from 17 per cent in 1990 to 70 per cent of GDP on the eve of China's accession to the WTO.

The third wave

The Chinese government has now launched its third wave of economic transformation. Like Japan, South Korea and Taiwan before it, China wants to use technology to fast forward its industrial revolution by moving into value-added manufacturing, cleaning up the environment and boosting domestic consumption as an engine of economic growth. This process will take decades, but its impact will change the world of high finance.

As China's renminbi appreciates, the cost of Chinese goods in the global export market will increase. "Made in China" will no longer be a euphemism for cheap, mass-produced industrial goods. Since the 1990s, Chinese sweatshops had kept inflation low and Beijing had deliberately undervalued its currency, reducing the purchasing power of its population. These circumstances meant low global inflation, low interest rates and financial market excesses. However, as Chinese wages rise and China exports more high tech, expensive products, inflation rates in importing nations like Britain, the US and Germany will rise. The transition to the third wave will squeeze out thousands of "sweatshop", low-value exporters – a process that has now begun in Guandong.

Yet, China's mandarins willingly sacrificed short-term pain in order to gain a sustainable competitive advantage, as Zhu demonstrated in the mid-1990s. It could mean slower GDP growth in 2009 and thus the kiss of death for crude oil, industrial metal and shipping freight rate demand. China, in essence, will trigger a global bear market in commodities, just like it triggered the runaway bull market that ended this summer. When China eliminated export subsidies to export sweatshops, it demonstrated its third wave resolve to change the nature of its industrial base.

China has also cracked down on "dirty" industries that promote air and water pollution (e.g. leather, chemicals and aluminium). China has also allowed labour unions to demand a higher share of corporate profits, a strategy to stimulate domestic consumption as a share of GDP. But even as China targets its sweatshops, it has offered lavish tax rebates to IT services and clean energy firms. It is entirely rational for the Communist Party to crack down on polluters, exploiters of labour and low-wage sweatshops, as their excesses cause social unrest.

President Hu Jintao and premier Wen Jiabao know the political risks of another Tiananmen Square massacre in the age of Google and You Tube. They cannot remain indifferent to the prospects of millions of Chinese deaths to lung cancer and respiratory illnesses caused by pollution. The income inequality between rich coastal provinces is another source of political risk to the Communist Party, as proven by the recent tragic earthquake. China under Deng, Jiang and Hu has gone from being one of the egalitarian societies on Earth to being one of its most unequal, as measured by income. This condition is another source of political risk, as a hundred million migrant peasants are a political time bomb. The desire to maintain political control and social stability underwrite the Communist Party's determination to transform China from the world's factory to its laboratory, bank and high tech hub.

So what are China's sunrise industries of the future? E-commerce and the internet media are critical in a vast nation with a poor distribution network. Alibaba.com or related digital media and advertising models like Sina.com and Baidu.com management and engineering education is also a no brainer as China scales up the production innovation curve. China is the world's largest producer of active pharmaceutical ingredients, the raw material for medicine, and could well dominate the world market for generic drugs. China's infrastructure boom will require specialist power equipment, and much of it will be produced under licence. Now that the valuation of the Chinese stock market is lower than multiples for the Dow Jones or the Dubai Financial Market, it might make sense for Gulf investors to at least explore the themes that will underpin the next generation: high value and high companies, the money makers of the future.

Emphasis on growth

Although the Chinese Politburo has not suggested any easing policy stance, there is finally a greater emphasis on growth than on inflation. It is doubtful that the Politburo will mandate the People's Bank of China to tighten aggressively any longer. For one, crude oil prices have plunged US$30, as have industrial metals (scrap steel, iron ore, zinc and nickel). Food inflation has also begun to abate, while Chinese money supply is falling. Since China does not have a developed corporate bond market, there is a high correlation between money supply and GDP growth. It is entirely possible that Chinese GDP growth will plunge to seven to eight per cent in the next six months. This event would be the kiss of death for crude oil and commodities prices, which could easily fall another 30 per cent. After all, commodities bulls should not forget that crude oil fell to US$10 a barrel in the 1999 economic slowdown.

It is also important to note that financial distress is palpable among Chinese SME exporters. More than 30,000 firms have already failed in Guandong, the epicentre of the Middle Kingdom's export colossus. Corporate profit margins will be killed by higher costs of money, energy, logistics, labour and environment. There is a social/political risk that tight money could lead to worker riots if factories close. And with 100 million stock trading accounts, the Chinese "wealth effect" will now hit investor faith at the same time mass layoffs and plunges in home prices occur. The Chinese renminbi appreciation will also slow as export growth plunges.

Deposit rates in China are still negative and PPI inflation is 10 per cent, so massive monetary easing is premature – unless the US, Europe and Japan tank into a recession in the second half of 2008. The Szechwan earthquake and reconstruction will also inhibit tight money. It is more likely that the government will hike tax rates on high earners to reduce income inequality, spend more in the inland (not in coastal provinces) and help companies in low-value-added export sectors merge.

It is increasingly likely that Chinese equities will anticipate an inflation peak and subsequent credit ease sometime this autumn. Chinese shares are not expensive at 13 times current earnings (Hong Kong red chips) and 2.5 times book value, but they are not particularly cheap, either, since there is a high risk of earnings downgrades and bank lending contraction could mean an exponential rise in bankruptcies in the next year.

It is dangerous to invest in Chinese energy, steel, construction, mining or shipping companies even now. There is also no value in illiquid small caps at a time of high global risk aversion and credit risk. Property shares in China are still overvalued, but low beta consumer shares and infrastructure plays like power and railways could soon find a bottom. MW

Checking the China bubble

China is going through a correction phase in its property market. **Alex Chua** describes the correction as a short-term turmoil initiated by the Chinese government to curb the property bubble that was building up too fast.

"Home Prices on Slippery Slope"; "Home Sales Forecast to Plunge in 2008"; "Housing Market Undergoes Adjustment"; "Chinese Developers Lobby the Government to Save the Housing Market"; "Rumours of a Wave of Apartment Foreclosures in Shenzhen"; "Shenzhen Housing Prices Have Dropped by More Than 30 Per Cent" – these are just some of the recent headlines in news about the Chinese real estate market. The effect of these headlines has definitely infected investors' sentiments towards the Chinese real estate market, the bull run of which has been curbed by some strong and deliberate measures recently taken by the government.

The Chinese real estate market has had a tremendous run since the government began reforming its housing system in the late 1990s. Property prices have almost quadrupled in cities like Shanghai and Beijing in the last 10 years. But this flurry of activity has also led to concern. The anxiety stems mainly from the imbalance between luxury and public commodity housing markets, land hoarding activities, the potential mortgage crisis and speculation on renminbi appreciation. In fact, the Chinese government has been forced to initiate a series of fiscal and monetary policies that have been able to put a brake on the pace at which prices were shooting up.

Some of the key measures that really made the difference include the government's decision to control land supply and developers' sources of funding, while raising interest rates and tightening mortgage lending. The effect has been felt by overleveraged real estate developers more than anybody else, as they are facing some serious cash shortages while home buyers refuse to buy. The buyers are waiting and watching, expecting prices to fall further.

The slowdown has become so discernible that even during the first week of May, known as the "golden week", property exhibitions did not do well at all. In fact, in the period from January to May, most property developers were able to achieve less than 20 per cent of their annual target for sales and gross floor area. In the past, developers typically achieved 28-29 per cent of their annual targets during this period.

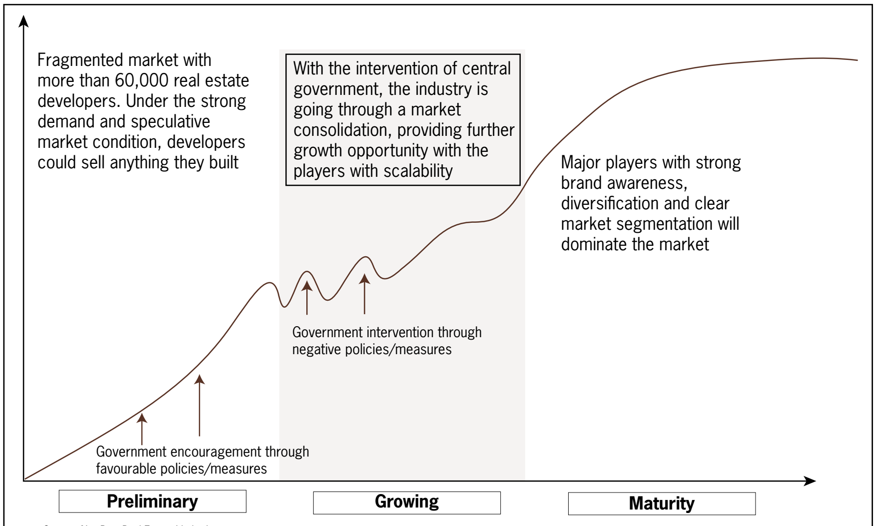
Of course, the cooling down happening in the market is a positive development. The Chinese government is trying to prevent the bubble from swelling further and then bursting, as seen in the Asian financial crisis of 1997 and the recent mortgage crisis in the US.

In fact, the real estate market in China is going through a consolidation stage of the industry life cycle, rather than a destruction stage. The resultant shakeout will see to it that most of the major players with scalability and brand awareness will be the ultimate winners. There will also be a good opportunity for foreign investors to enter the market, as many developers are cash-strapped.

How it happened

Since the housing market reform in March 1998, commodity housing, a term used for residential property developed by the private sector, has come to China's property market to replace state-provided housing. Commercialisation of the housing sector was intended to improve living conditions for locals, apart from augmenting domestic consumption and economic growth.

In order to speed up commercialisation of the housing market, the government had come up with measures to boost the demand of commodity housing. Cities like Shanghai, for example, introduced a series of policies to promote home buyer demand. The most significant of these incentives included zero capital gains, tax rebates on mortgage payments, simplified mortgage application processes, an extension of mortgage terms to 30 years, low rental taxes at five per cent, Shanghai residencies for non-Shanghainese home buyers and transaction volume stimulation by allowing foreigners to purchase local housing.



Source: NewPort Real Estate Limited

The positive measures of commercialisation of the housing sector were welcomed by most of the purchasers. Foreigners found the exceptional high rental yield, capital appreciation, potential RMB appreciation and increasing transparency of the Chinese real estate sector enticing, while local purchasers or speculators were primarily attracted by strong capital appreciation and residencies for non-Shanghainese purchasers – the "Shanghai passport".

On the supply side, however, the lack of effective and strategic macro-adjustment measures to control investments into real estate led to an over-investment in the luxury commodity housing segment over the years. The public commodity housing segment, commonly targeting low- to mid-income households, remained neglected, while property prices in general spiralled out of control.

Prior to the controls introduced by the government on the real estate development industry, there used to be a low entry barrier for investors that allowed a crowd of non-professional real estate developers into the market. Among the 60,000 real estate developers today, there are only a few professional ones whose focus is on real estate development. Developers are as diverse as consumer-electronics companies, banks, agriculture companies and pharmaceutical companies. These non-professional companies were able to sell anything they built because of the bull market since the beginning of the housing reforms. Among these non-professional real estate developers

Case study: Return analysis on a typical property investment

All in RMB except noted

	2000	2002	2004	2006	2008
Property price					
Price per m²	¥20,000	¥35,000	¥50,000	¥65,000	¥80,000
Total size	147	147	147	147	147
Total property value	**2,940,000**	**5,145,000**	**7,350,000**	**9,555,000**	**11,760,000**
Associated acquisition costs					
Agency fee	29,000				
Stamp duty	882	51,450	73,500		117,600
Deed tax (a)	22,050	1,544	2,205	95,550	3,528
Notary office fee	7,350	77,175	110,250	2,867	352,800
Others (b)	5,338	12,863	18,375	286,650	29,400
Total associated acquisition costs	65,020	5,338	5,338	5,338	5,338
Total acquisition costs	**3,005,020**	**5,293,369**	**7,559,668**	**9,969,292**	**12,268,666**
Rental income	8.26	8.26	8.26	8.08	6.85
Annual rental income (US$)	60,000	60,000	60,000	60,000	60,000
Annual rental income (RMB) (c)	495,600	495,600	495,600	484,800	411,000
Associated rental cost					
Property managment (d)	11,819	11,819	11,819	11,819	11,819
Commission (e)	41,300	41,300	41,300	41,400	34,250
Rental tax (f)	24,780	24,780	24,780	24,240	20,550
Total associated rental cost	**77,899**	**77,899**	**77,899**	**76,459**	**66,619**
Net rental income	**¥417,701**	**¥417,701**	**¥417,701**	**¥408,341**	**¥344,381**
Rental yield					
Gross return	16.5%	9.4%	6.6%	4.9%	3.3%
Net return	13.9%	7.9%	5.5%	4.1%	2.8%

(a) Deed tax has been adjusted from 0.75% in 2000 to 1.5% in 2002 and 2004 and 3.0% from 2006; (b) Other costs include mortgage registration fee, property certificate registration fee, property certificate stamp duty fee, etc; (c) Rental Price has commonly been quoted and fixed in US$ terms until 2007, which means a diminishing rental income in RMB terms; (d) Normally price as a fixed amount (RMB6.7 in this case), multiply by total m² of the property; (e) One month rent as the commission for the agency service; (f) Five per cent of rental income; (g) Assuming 100 per cent equity acquisition of the property. Source: NewPort Real Estate

The Property Marauders

- Said one local investor: "I was determined to send my daughter to live and study in the metropolitan city, Shanghai. And a house means a Shanghai Passport. But the benefits I reaped from the house were not only my daughter's new-found Shanghainese status, but, more fruitfully, a big fortune."
- According to a local newspaper, a group of 110 potential investors from Wenzhou arrived by train in Shanghai on August 18, 2001. Within a few weeks of their arrival, they bought a total of 51 high-class apartments in the choicest districts in the city.
- According to a professor at City College of Wenzhou University, around 10,000 to 100,000 (Wenzhou) people have been speculating in real estate, but it's only a conservative and loose estimate.

Xingguo Garden in Shanghai
Average prices have increased from RMB20,000 per m² to RMB80,000 per m² over seven years.

Bellwood Villa
Average prices have increased from RMB15,000 per m² to RMB50,000 per m² over five years.

Yanlord Riverside
Average prices have increased from RMB10,000 per m² to RMB40,000 per m² over five years.

were mere speculators manipulating land prices.

It is important to note that prior to August 2004, land acquisition in China could be done through private negotiations with local governments. This routine led to the emergence of these non-professional real estate developers, whose primary focus was not on real estate development, but rather on land speculation. Consequently, land prices were pushed to unprecedented levels, which ultimately fed into residential prices.

What has changed

The Chinese government perceives "imbalances" in luxury and public commodity housing markets and the speculative activities by real estate developers and property investors as the two social evils creating a perceptive "property bubble" in the market.

The government came to these revelations as early as 2003 and started to take measures that year by rolling out new policies to regulate and adjust the market.

The policies focussed on the demand side, largely aimed at curbing speculative and investment activity by both local and foreign property investors. As a result of these new policies, property investors today are faced with rising costs of funding, transaction and holding. The policies have also led to declining transaction volumes across the nation, while property prices are retracing in cities like Shenzhen and Guangzhou.

The policies targeted property developers as well, coming out with provisions against land hoarding and funding for any speculative activities. Historically, Chinese real estate developers have been heavily reliant on strong cash inflows from pre-sales and bank loans to support their aggressive expansion. Proceeds from IPOs and offshore funding have also played an important role. The government has now imposed strict control on land supply, luxury housing supply, domestic bank financing, IPO activities and offshore capital remittances into China as part of its tightening measures to prevent a further imbalance between luxury and public commodity housing markets.

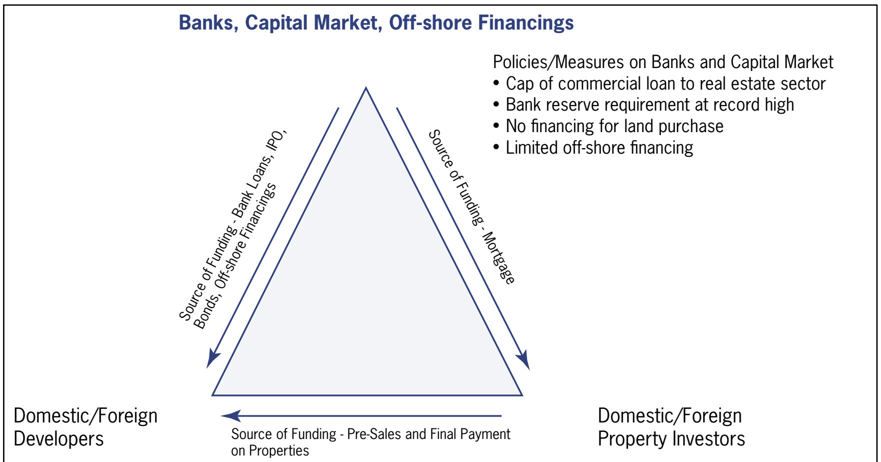
What will happen

The key concern in China has been the lack of affordability of housing for the mass market. Similar to Hong Kong and Singapore, the Chinese government has shown its commitment to providing a certain level of subsidised housing for the lower-income group. On November 7, 2007, Chinese premier Wen Jiabao said that the establishment of a public housing system was a top priority for the central government to provide adequate housing for the low- to middle-income group in China.

On November 22, 2007, the ministry of construction published the land supply plan for 2008 and 2009. The plan focussed on the supply of five types of housing: public rental housing, economic housing, ordinary commodity housing, housing for middle- to low-income units and small- to medium-sized units. It said that these five types of housing would have to make up not less than 70 per cent of the total land supply. In addition, every city was required to specify a certain percentage of its land sales revenue towards the building of public rental housing.

It is felt that the intervention of the government with measures like setting up higher entry barriers for property investors and non-professional real estate developers will also go a long way in preventing property prices from appreciating too quickly. In addition, the new measures should ensure sufficient development of affordable housing to meet general demand.

In May 2008, the China Securities Regulatory Commission approved bond issuance of three local Chinese developers, namely China Vanke, Poly Real Estate and Xinhu, to streamline its capital structure and strengthen liquidity positions. The approval of the bond



Policies on Developers

Foreign real estate developers
- Increase of capital ratio (50%)
- Multiple approval process for any investment
- No large scale development projects
- No participation in real estate service industry
- Tougher profit/dividend repatriation process

Local real estate developers
- Increase of capital ratio (35%)
- Auctions and tenders process for land sales
- Confiscation of two-year-old idle land
- No land supply for villa projects
- No change of land use rights
- Higher resettlement compensation
- No guarantee fixed return campaign
- Land appreciation tax and tax on pre-sale
- 70% of size of new development to be under 90 sq m
- 100% payment of land purchase through equity
- Potential cancellation of pre-sale

Policies on Property Investors

Foreign investors
- One residential property per foreigner

Local investors
- Increase of down payment ratio
- Increase of mortgage rate
- Clearance of mortgage prior to sales of property
- No re-financing activity
- No sales of any uncompleted pre-sale unit
- Much higher interest rate for 2nd property
- Increase of deed tax
- 5.5% business tax on sales of property
- 20% capital gain tax on sales of property
- Potential implementation of property tax

Major Property Transactions in 2008					
Property	**Type**	**City**	**Purchaser**	**Seller**	**Consideration**
Chateau Pinnacle	Residential	Shanghai	Grosvenor Group	Morgan Stanley	RMB1.2 billion
Lakeville Regency	Residential	Shanghai	Mirae Asset	Gateway Capital	RMB963 million
Residence 8	Residential	Shanghai	Carlyle Group	Salim Group	RMB2.0 billion
The Centre	Office	Xuhui	Asia Pacific Land Ltd.	Hutchison Harbour Ring	RMB4.4 billion
Changshou Commercial Plaza	Commercial	Shanghai	Blackstone Group	VXL Capital Ltd.	RMB1.1 billion (90% share sale)

Chateau Pinnacle

Lakeville Regency

Residence 8

The Centre

Changshou Commercial Plaza

Source: Shanghai Daily

issues of these professional developers while holding back approvals of other real estate developers indicates the intentions of the government: to accelerate the consolidation of the real estate development sector by supporting the operations and financing of professional developers while curbing non-professional players.

The M&A opportunity

The Chinese government's control on real estate developers' source of funding and home buyers' wait-and-watch approach, as well as an unfriendly capital market, have all combined to cause a severe liquidity crunch for developers. This state of affairs is evident in Evergrande's efforts to increase its sales by slashing prices to resolve its funding issues after seeing the low valuation exerted on its planned IPO.

However, not all has been negative. The upside for the market has been the entry of international investors that are hunting for bargains. According to Dealogic, an investment bank data provider, the value of merger and acquisition deals involving real estate in China stood at US$21.01 billion in 2007, the highest since 2003. By June 2008, 171 deals worth US$15.29 billion had already been announced, up 142 per cent from the US$6.31 billion spent on 123 deals over the same period last year.

Significantly, despite the proposal on "standardising foreign entry into China's real estate market and management" published in July 2006 and the circular on "further strengthening and standardising examination and approval and supervision over foreign direct investment in the real estate sector" published in June 2007, both measures fail to cover the offshore trading of onshore by international investors. As such, there is an opportunity for foreign investors to acquire properties in China if the properties are owned by offshore companies. The process is relatively easy; that is, sales of the offshore vehicle being set up to own the asset.

A temporary blip

The recent declining property prices and transaction volumes in China are a mid-cycle correction to prepare for a healthier long-term growth as the country aims to urbanise rapidly. China is probably the only country in the world with low urbanisation, strong upgrading demand and strong economic growth. On average, 20 million people migrate from rural to urban cities every year. The government's target is to attain a 60 per cent urbanisation rate by 2020 from 44 per cent.

So where does one look from an investment perspective? This market is not for short-term investors, as there are limited opportunities for capital gains. Even if there were a handsome profit, the business tax combined with the capital gains tax would take it away. However, long-term investors sitting on excessive cash and with an appetite for renminbi assets could consider a wait-and-bait strategy by taking advantage of the urgent sales by selected property investors and real estate developers. MW

The writer is a partner at NewPort Real Estate Limited.

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Amlak aiming for regional leadership

Amlak is increasing its presence in the regional markets. With operations in Egypt, Jordan, Saudi Arabia and Qatar already crystallised and Syria and Bahrain in the pipeline, international operations will contribute 20 per cent to the company's total profitability in the coming years. Arif Alharmi, CEO of Amlak Finance, tells **Ritwika Chaudhuri** where the company is headed.

Being first in any market, in any field, always helps. We call it "beginner's luck". Amlak Finance, the first mortgage finance company in the UAE, started its operations in 2000 and is today at the forefront of Islamic mortgage finance in the country.

Amlak is also beginning to explore other regional markets, even as it strengthens its position in the UAE. The company's international division, launched in 2006, aims to establish a genuine global footprint and ensure that a range of financing options are made available to potential investors, while delivering solid returns to the organisation's investors in the home country.

Although Amlak's initial focus is to serve the nascent and emerging home finance markets in the Middle East and North Africa, the long-term plan includes the Indian subcontinent, where the home finance market is more advanced and matured.

Expansion

Amlak's international foray began in January 2007, marked with the launch of Amlak Finance & Real Estate Investment Egypt. With that expansion, Amlak became the first UAE Islamic home finance company to expand overseas. Having started with an authorised capital of EGP500 million, Amlak recently increased its paid-up capital to EGP125 million from the initial EGP50 million it started with.

"Despite Egypt being a large country, the size of the mortgage market is not that big and was estimated at EGP2 billion until the end of last year," says Arif Alharmi, Amlak's CEO. "However, it is a growing market. There are a number of projects under construction in Egypt and we have already signed with many developers."

Within a year and half of operations, Amlak's Egypt arm has managed to build a mortgage portfolio of EGP250 million.

Expecting the Saudi mortgage law to come soon, Amlak entered the Saudi market during the last quarter of 2007 by partnering with Al Baraka Banking Group, Aseer Group and Saudi Investment Bank, to name a few. Amlak will have a 22.5 per cent stake in the new venture, which was started with an authorised capital of SAR1 billion.

Last April, Amlak signed an MoU with Barwa Real Estate Company, the largest publicly-listed property developer in Qatar, to provide its mortgage finance products and solutions through a new entity called Amlak Barwa Finance. Amlak will have a 40 per cent stake in the joint venture company, which has an authorised capital of QAR500 million and a paid-up capital of QAR150 million. The other 60 per cent will be held by Barwa. Amlak Barwa Finance is expected to start operations by the last quarter of the current calendar year.

Barwa Real Estate is 45 per cent owned by state-run Qatari Diar Real Estate Investment Company and is valued at QAR10.7 billion. Qatar is considered one of the wealthiest countries in the region, with a growing gas-based economy and one of the highest real GDPs per capita.

Amlak's Jordan operations are set to begin this month. Rechristened Amlak Finance (Jordan) PLC (previously Inwan Investment PLC), Amlak entered Jordan through its wholly-owned subsidiary, Amlak Jordan Limited, in partnership with Jordan Dubai Capital (the investment arm of Jordan Social Security) and Arab Banking Corporation, among others. Another 25 per cent of the Jordan venture has been offered to the public in a recent IPO.

Amlak has applied to the Central Bank of Bahrain for a licence. Once it has gained approval, the company plans to set up a fully-owned subsidiary. In addition to offering its full range of pioneering home finance solutions, Amlak will develop packages targeting niche segments in Bahrain.

Additionally, it was decided during a recent annual general meeting that Amlak Finance's capital would be increased from 55 million shares to 63 million shares. Five million shares will be allotted to Amlak Jordan Limited. The remaining three million shares will be allocated to International Finance Corporation.

Though Syrian and Bahraini ventures are comparatively in the initial stages, Amlak has already signed an MoU with Cham Holding in Syria. Amlak Finance (Syria) marks another feat in Amlak's ambitious expansion plans across the region. Regional investments into the Syrian economy, coupled with the government's introduction of a series of regulations to organise wealth sectors – notably the passing of Investment Law 10 and the drafting of the real estate and mortgage laws – have placed Damascus as a regional centre for real estate investment activities, according to Alharmi. All such positive factors led to a soaring 80 per cent increase in real estate turnover in 2006, reaching US$50 billion.

Amlak has applied to the Central Bank of Bahrain for a licence. Once it has gained approval, the company plans to set up a fully-owned subsidiary. In addition to offering its full range of pioneering home finance solutions, Amlak will develop packages targeting niche segments in Bahrain.

While Alharmi makes it clear that the company's focal point is the UAE market, he believes that the region as a whole has huge potential given the booming property sectors of all the Gulf countries, coupled with healthy population growth.

"Within three years time, our international operations will contribute at least 20 per cent to the profitability of the company," he says.

Other business

Amlak has also taken the diversification route in the regional market. A decision to liquidate non-core business and invest in complementing businesses last year prompted the company to enter the insurance sector.

Amlak recently signed an MoU with Arab Orient Insurance Company PSC (a member of the Al Futtaim Group of Companies) and Abu Dhabi Islamic Bank (Egypt) to launch a new joint venture insurance company in Egypt. According to the agreement,

Arif Alharmi

Amlak aims to achieve a growth of over 90 per cent in net profit in 2008 over the previous year, revising earlier projections of 70 per cent growth.

the three partners will empower Arab Orient Insurance with the management of the new entity. Plans to establish a new entity – Arab Orient Takaful Insurance Company – are currently underway; however, the details of the stake have not yet been finalised.

"The Egyptian market has always attracted UAE investments, and with this new partnership, I am confident of the future success of this new entity," stresses Alharmi. "As our portfolio in the Egyptian market is growing, providing insurance, especially Takaful, is becoming very important."

Back home, Amlak will continue to focus on its core business of mortgage finance and real estate investments. As of now, 60 per cent of the company's revenue comes from the retail mortgage business. Another 35 per cent comes from commercial and development financing (including escrow account services and real estate investment) and five per cent from other investments.

Alharmi says that Amlak is also directly purchasing in bulk from prestigious projects and selling units to retail customers while financing mortgages of the latter at competitive rates. The company is focussed on selectively acquiring several mixed-use properties, including residential and commercial, as well as land in prime locations. This growth strategy is intended to further enhance shareholders' value by diversifying the company's revenue streams.

Last February, Amlak acquired six million square feet of land from the Dubai government. The land, which is located in Al-Warqa on Emirates Road and is intended for a multi-use development totalling a gross floor area of 8.5 million square feet, further consolidates Amlak's lead positioning in the real estate finance and investment sector.

Notes Alharmi: "We are committed to creating new revenue streams by obtaining premier properties and retailing them, thus creating new dynamics in real estate transactions through innovative financing solutions. Our focussed land sale strategy is also aimed at strengthening the real estate sector by providing much-wanted land in prime areas."

While developers tend to hold on to their properties to enhance their value through initiating independent projects, Amlak centres on releasing the land it holds to meet the land-squeeze that several companies face.

Retail mortgage

In the retail mortgage segment, apart from providing regular home finance, finance for home improvement and finance for own-home construction on a chosen plot of land, Amlak is continuously striving to upgrade its services and create innovative customer-centric products, not only to retain its leadership, but also to meet the growing demand from customers. These aims have been reflected in the introduction of a number of pioneering concepts like Easy Start, one-hour approval and the NBC promotion.

Amlak Easy Start, a retail mortgage product from Amlak, gives customers the opportunity to invest their savings elsewhere. As a UAE resident, one needs only to pay the profit portion of monthly repayments for the first four years. Upon completion of the first four years, a customer will then have the option to either settle his outstanding balance with Amlak or to continue with monthly repayments at a marked-up rate.

With the NBC promotion, another mortgage product, National Bonds and Amlak Finance have teamed up to offer bondholders an innovative way to purchase property. No cash advance is required, as in this case it is possible to receive 100 per cent financing by pledging National Bonds certificates. As a bondholder, one will continue to earn generous annual returns and will remain eligible for the monthly prize draws – even if the bonds are pledged against one's property.

"We would like to continue to be the market leader, and for that we continuously need to look at new initiatives and upgrade the existing products. Currently, we are working on a number of new products on the mortgage side, which should be rolled out sometime this year," says Alharmi.

Amlak's focussed approach with a risk-based pricing mechanism is reflected in its growth in financial terms. At the end of June 2008, Amlak's half-year net profit rose to AED269 million, an increase of 155 per cent compared to AED106 million in the half year of 2007. Amlak's revenue for the half year of 2008 was posted at AED620 million, up 114 per cent from the corresponding period in the previous year, with the company's property financing activities contributing 52 per cent of the total revenue.

Total assets, as of June 2008, stood at AED14.2 billion, a growth of 133 per cent compared to AED6.1 billion as of June last year.

The total volume of business had reached AED17.1 billion as of the first half of 2008. The breakdown includes AED8.6 billion of financing and investing assets with a further AED2.4 billion of financing commitments extended to customers, marking an increase of 80 per cent compared to the half-year 2007 results, and a portfolio of AED6 billion of real estate investments.

Amlak is also set to address the issue of its funding requirements for its domestic and international operations. According to Alharmi, the funding strategy for 2008 has already been drawn up. The company plans to issue sukuk worth AED4.8 billion (AED1.8 billion convertible and another AED3 billion non-convertible) sometime this year, he says.

If everything goes well, Alharmi adds, Amlak aims to achieve a growth of over 90 per cent in net profit in 2008 over the previous year, revising earlier projections of 70 per cent growth.

du on course for 30 per cent market share

du, the second telecom operator in the UAE, has seen steady performance since its launch. **Ritwika Chaudhuri** reports.

The networking reach of eighteen-month-old Emirates Integrated Telecommunications Company (du), the second telecommunications provider of the UAE, is still relatively weak. Although the company's reach has improved marginally since its first year of operation, it may take longer for the company to overcome its initial hiccups and be on par with its competition.

On the bright side, if the success of a new telecom company is to be judged by its subscriber base and not by its signal, then du has done reasonably well in its year-and-a-half of operation. The company had already notched up 2.3 million mobile customers as of last June, with 1.85 million active customers. The number of fixed-line customers has reached 0.22 million.

Even though Etisalat still commands 80 per cent of the UAE's mobile market and du the rest, the second operator is targeting a 30 per cent market share by the end of 2008. With a mobile penetration rate of 166 per cent, as well as a 7.7 million subscriber base (2007) and a 1.39 million fixed-line subscriber base that are expected to touch 11.9 million and 1.9 million respectively by 2012, this target seems achievable, especially if no other operators enter the UAE market. Telecom analysts believe that once du completes its mobile network roll out, there will be genuine competition, although it will be based less on direct price competition and more on special offers and promotions.

Financials

Although the company has yet to make a profit and reported losses of AED44 million in the second quarter of 2008, du is clearly headed for profit-making status. The second quarter of 2008 showed a 200 per cent increase in revenue (AED908 million) compared to the second quarter of 2007 (AED302 million) and a gross margin of AED568 million compared to AED161 million in the same period last year. Revenues from mobile usage registered a 341 per cent increase to AED670 million in the second quarter of 2008, compared to AED152 million in the second quarter of 2007. The revenue from fixed-line services went up 69 per cent to AED208 million, compared to AED123 million in the same period last year.

The company has also been careful in how it has driven its expansion. The management has remained focussed on ensuring that expansion is not achieved at the expense of efficiency; this goal has been demonstrated in limiting quarter-on-quarter growth in overheads to 3.4 per cent while growing revenues by over 18 per cent. For capital intensive industries where depreciation and amortisation can be significant, it is common practice to reference the performance of a company to its earnings before interest tax depreciation and amortisation (EBITDA), according to du officials. In this respect, the company reported an EBITDA of AED29 million for the second quarter of 2008 compared to AED1.6 million in the previous quarter.

After announcing its first-quarter 2008 results, Osman Sultan, du's CEO, said: "We are on track to achieve our target market share of 30 per cent earlier than the declared three years, as can be seen by the excellent growth of our customer base and the performance of our company."

The steady growth of du's gross margins in the last two quarters have been assisted by international inbound roaming, which the company continues to attract onto its network.

Technology strategy

The company's technology strategy centres on offering converged services through its next-generation network (NGN), which means voice, video and internet over the same wire. At a later stage, this network should extend to quad play by the inclusion of mobile through handsets that

connect to the fixed-line network at home (through WiFi) and the mobile network when away from home.

du is actually the first telecom company in the UAE to offer a fibre-to-the-home (FTTH) programme in this region. FTTH, also called "fibre to the premises", is the installation and use of optical fibre from a central point directly to individual buildings to provide high-speed internet access. All residential units within du's footprint are served via FTTH at present.

Last May, du signed a construction and maintenance agreement for the Europe India Gateway (EIG) cable system costing US$700 million. The EIG cable system, planned to be operational in the second quarter of 2010, is a 15,000-kilometre system that will connect 13 countries and three continents. The agreement seeks to build the first direct, high-bandwidth, optical-fibre submarine cable system from the UK to India.

The system brings considerable diversity and bandwidth into the Middle East, while providing global access to operators in the region.

"The agreement forms a key part of du's international strategy to position itself as a hub for regional telecommunications services. EIG will also likely give du the ability to provide its triple-play customers with added diversity and resilience for voice, data and video services. And it will help du to offer higher capacities at more affordable prices," mentioned Sultan, explaining the need for such a strategic investment.

Obviously, technology costs create huge expenses. Recently, du announced an AED3 billion medium-term syndicated loan facility to finance its network expansion over the coming years.

"The faster acquisition of subscribers and, consequently, increased revenue over and above included in our initial business plan has led us to pull forward certain capital expenditure. This financing facility will enable us to roll out our network infrastructure faster so that we have the increased capability and capacity required to deliver our services to more customers across the emirates," said Sultan.

Marketing strategy

Since the launch of its mobile services in February 2007, du has been trying to introduce a different dimension to the way people perceive and experience communications. With many firsts to its credit, including the popular number-booking campaign, pay-by-the-second billing, WoW recharge cards, mobile payments, an e-shop as well as a vast network of du shops, mobile TV and Call Select – the first of du's fixed-line services for voice nationwide – the company has plans to continue expanding its portfolio.

In July, the company revamped its product offerings for business customers with "pay as you go plus" and "mobile connect customers" expected to offer enhanced services and discounts on national and international calls.

Another example of du's marketing power includes the Me & Mine product that offers a 10 per cent discount on two selected international numbers for no annual fee. Mobile users can receive free credit every time they make an international call to any destination through the du free time offer, which started last June. The company is also carrying out joint promotions with other companies. For example, du has teamed up with the Barclaycard to offer a free SIM and AED280 worth of credit when a person applies for a new credit card.

The du centre – a new business solution channel for enterprise customers – is another initiative in that regard. The du centre will be complimentary to 17 du shops across the UAE, in addition to over 1,400 distribution points.

In April, du initiated talks with Etisalat and the UAE telecom regulators for providing fixed-line services countrywide. It currently only has access to customers in some new residential developments and tax-free business parks. Earlier this year, du completed the soft launch of its in-flight services on Emirates Airlines through its international roaming agreement with UK-based AeroMobile. It has also entered into an agreement with Switzerland-based OnAir to provide in-flight access to its du mobile phones and PDAs.

At present, du probably needs to quickly increase its base stations from the current 1,200 and improve its signalling problem. This achievement, combined with innovative and aggressive marketing and better value proposition, would see the company develop healthy competition with Etisalat in a few years time.

Growth chart

- Feb 2007: Launched mobile telecom services
- July 2007: Launched fixed-line services for voice telephony
- 17 retail shops, 1,400 distribution points and 1,200 base stations across the country
- May 2008: AED3 billion medium-term loan facility to finance network expansion over coming years; AED888 million investment year to date
- Recognised as best brand for innovative branding and outstanding success at Telecom World's Awards Middle East 2007
- May 2008: Signed construction and maintenance agreement for Europe India Gateway (EIG) cable system costing US$700 million
- June 2008: Total number of mobile customers 2.3 million; active subscribers 1.85 million
- June 2008: Fixed-line subscribers 0.22 million
- August 2008: International roaming service available with already 300 telecom operators (of the 550 operators signed earlier) across 120 countries

UAE telecom scenario

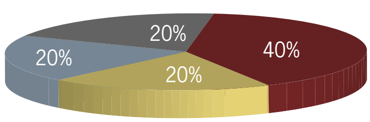
- Mobile penetration: 166.4%
- Mobile subscribers: 7.7 million
- Internet user penetration: 44.7%
- Internet subscribers: 0.90 million
- Fixed-line penetration: 30.0%
- Fixed-line subscribers: 1.39 million

Source: Al Mal Capital, July 2008 report on UAE telecom sector (Year End 2007)

Market first from du

- Number booking campaign
- Pay by the second
- Mobile TV
- Tie-up with OnAir/Aeromobile
- WoW recharge card
- du e-shop
- Video calling
- Mobile payments
- Call Select

du shareholding structure



- 40% UAE Federal Govt.
- 20% Public
- 20% Mubadala Development Company
- 20% Emirates Communications & Technology Co.

Financial growth

	Q2 2008	Q1 2008	Q4 2007	Q3 2007	Q2 2007
Revenue	908	756.5	639.7	412.2	302
Gross margin	568	464.4	370.2	216.8	161
Loss	44	62	146.6	241.9	281

In million dirhams.

SABIC is a long-term play

Saudi Basic Industries Corporation (SABIC) will make good whatever losses it has suffered in the short-term due to the negative performance of its GE Plastics division. **Kelly Yanjuan Huang** reports.

The material shift in oil and gas prices has fundamentally changed the structure of the petrochemical industry. Crude oil prices have surged from US$20 per barrel in 2001 to US$130 per barrel today. About 10 years ago, the US was the world's largest primary exporter of petrochemical products. At present, it is under increasing pressure due to a disadvantage in feedstock, poor improvement in productivity and expensive workforces. As the margin diminishes, the country is opting for shrinking/existing basic chemical production or partnering with low-cost players to defend its market share.

Middle Eastern producers have, on the contrary, gradually replaced the US to become the world's dominant exporters. This position has been gained through access to abundant, cheap feedstock resources and an aggressive expansion strategy. According to consulting firm CMAI, the Middle East will account for 43 per cent of total added capacity between 2006 and 2010, half of which will come from Saudi Arabia. Saudi Arabia is currently the top petrochemical producer within the Middle East and North Africa (MENA) region, accounting for 43 per cent of the MENA total and 70 per cent of the GCC total.

The petrochemical cycle typically encompasses a seven- to eight-year cycle, but this trend has recently extended close to nine to 10 years. We believe 2008 should still be a year of strong margin; however, the industry is heading for a trough by 2011, as numerous new ethylene crackers in the Middle East and China will start production over the next two years. In our view, though, the negative impact on Middle Eastern producers should be minimal. The pricing is driven higher by marginal producers, due to more expensive feedstock in the market. For Middle Eastern producers, feedstock costs are fixed and subsidised by governments. As a result, any gain in pricing goes directly to the bottom line.

Where does SABIC stand?

Established in 1976, SABIC is an industrial conglomerate producing chemicals, polymers, metals and fertilisers, and is the largest company in the Middle East in terms of market capitalisation. Today, SABIC has already established its global presence, with 85 per cent of its products exported to more than 100 countries. It ranked 307th on the Fortune Global 500 in 2006 and is among the world's top 10 petrochemical manufacturers.

In the past 30 years, SABIC has grown into a leading player in the MENA region and will potentially become a top global player in the near future. As it is 70 per cent owned by the Saudi government, SABIC is fully backed by the government and thus has access to cheap gas. The company plans to grow both organically and by acquisition; in fact, it acquired GE Plastics last year as a first step in entering the value-added specialty polymer industry. SABIC has also embarked on significant organic growth plans to be carried out over the next four years, including the kick-off of three world-scale crackers.

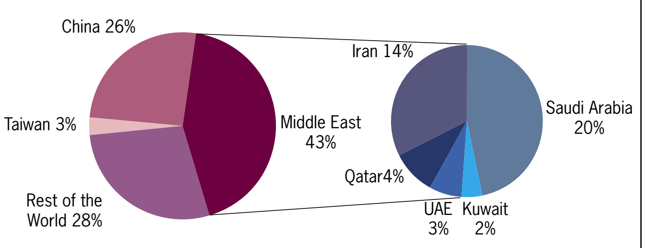
Diversified product portfolio

Compared to other regional producers, SABIC owns a more comprehensive and diversified chain of products. Basic chemicals remain the biggest portion of its business portfolio, accounting for 44 per cent of the group's production as of 2007, followed by intermediates and polymers. The standalone fertiliser and metal businesses take up 14 per cent and nine per cent respectively of total production. As there are different cycles across different product chains and among products within the same chain, a diversified portfolio makes the company less vulnerable to the industry cycle.

Significant cost advantage

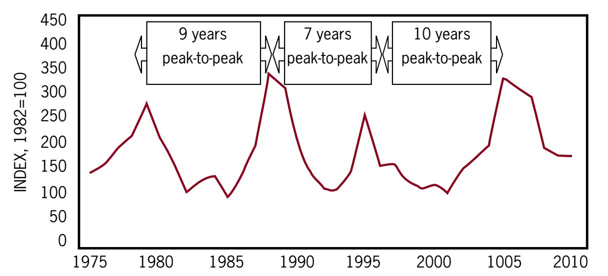
One major feature that distinguishes the chemical industry from other manufacturing industries such as steel or cement is the importance of energy inputs. For the chemical industry, energy inputs not only mean fuel and power for operations, but also raw materials for many products. For some basic material products, energy inputs account for as much as 85-90 per cent of total production costs. As a result, access to cheap feedstock is crucial for a producer to gain competitive advantage.

Petrochemical share of capacity added, 2006-2010E (10%)

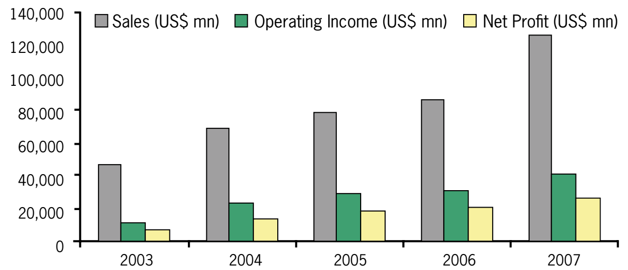


Source: CMAI, Industry Data

US Petrochemical Industry Cycle - Cash Margin Trend (including industry forecast)



Financial performance



Source: Company report

Ethylene production cost comparison

Ethylene	Cash Cost (US$/tonne)
SABIC	200
MP* based on Crude Oil Price US$30	450-500
MP based on Crude Oil Price US$50	600-625
MP based on Oil Crude Price US$90	>900

Source: NBAD AMG Estimates MP Stands for marginal producer*

Like other Middle Eastern producers, SABIC enjoys a significant cost advantage. It mainly uses ethane (produced from natural gas) as its feedstock for local production and pays a fixed price of US$0.75/mmbtu (million British thermal units) for natural gas, which is only about seven per cent of the market price (US$11.3/mmbtu as of July 2008).

The above table illustrates the ethylene cash cost difference between SABIC and other marginal producers. Even when the crude oil price is around US$30, SABIC's production cost is only half of marginal producers' costs. As energy prices stand at historical highs today, the cost differential between SABIC and other marginal producers is magnified.

GE acquisition

In May 2007, SABIC spent US$11.6 billion acquiring GE Plastics and renamed it SABIC Innovative Plastics. Although the industry cheered this acquisition, saying that GE's business was a good complement to SABIC's current business and would create significant synergy, GE Plastics reported a large loss in the first quarter of 2008. The net loss was US$270 million, compared to a net profit of US$65 million in the first quarter of 2007. The company attributed the loss to slacking US demand coupled with soaring energy costs that squeezed margins. Going forward, if commodity prices go higher and US demand remains weak, we believe things will not look very positive in the near future.

If we take a long-term view, however, we believe SABIC will potentially benefit from the deal. GE Plastics is the world's leading manufacturer of engineering plastics and resins, notably polycarbonate and acrylonitrile-butadiene-styrene, with a dominant market share in the US. The acquisition will diversify SABIC into a higher-value-added specialty polymer business, which is a perfect extension of its core expertise in plastics. Besides, it will give SABIC a significant footprint in the US, which is still the world's biggest petrochemical market. According to a SABIC management estimate by Moody's, the synergy created will be worth US$200 million per annum by 2011.

Expansion and growth

China has become one of the world's largest manufacturing and production bases, which largely boosts its chemical product demand. According to industry sources, China alone will account for 35 per cent of the world's demand growth between 2006 and 2011. SABIC exports almost half of its production to Asia, a large percentage of which goes to China. In January 2008, SABIC signed an agreement with China Petroleum and Chemical Corporation to invest US$1.7 billion in building a one-million-tonne ethylene derivatives joint venture complex in China. The project is set to be expanded into a full-fledged venture that could see investments reach US$4 billion.

As mentioned, in addition to the acquisition of GE Plastics, SABIC has embarked on significant organic growth plans. These include three state-of-the-art crackers consisting of the construction of new petrochemical plants in Yanbu for the production of LLDPE, HDPE and polypropylene; the HDPE and LLDPE capacity expansion in SHARQ and the construction of Saudi Kayan Petrochemical Company in Jubail. Total investments are expected to be around US$20 billion. Last year, SABIC announced its new "2020 vision", a growth strategy that will seek to make the company a world industry leader. The group aims to double its sales to US$60 billion per year by 2020 and generate 20 per cent of its sales from higher-margin specialty chemical products.

Financial performance

SABIC continues to post excellent financial results. Revenue, EBITDA and net profit have grown at a five-year CAGR of 22 per cent, 31 per cent and 32 per cent respectively. Margins remain steady and strong.

The group reported merely satisfactory financial results for the first half of 2008, due to the big loss reported by its GE Plastics division. As stated, the company attributes this loss to slacking US demand coupled with contracting margin. As the US situation is not turning positive, we believe this division will further drag the SABIC group profit down in the near future. However, the management team does promise a price increase across all product lines in the third quarter of this year and will strive to reduce costs by achieving further economies of scale.

In addition, 20 integration projects are undergoing. Despite all the noise surrounding a potential US recession, we still see strong volume and pricing from Asian markets, which will, to a large extent, offset the negative impact from the US. In the medium to long term, we believe SABIC will benefit from a volume-led growth in capacity and competitive cost advantage. The strategic alliance SABIC built with China will also help it capture chemical demand in one of the fastest growing economies in the world.

The writer is an equity analyst with National Bank of Abu Dhabi's asset management group.

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The GCC value opportunities

Some GCC markets performed better than others in August. **Snehdeep Fulzele** notes that there are now opportunities to accumulate one's favourite stocks.

Any outsider looking at the regional equity indices can be forgiven for assuming that the GCC is in the throes of a recession. In back-to-back months, investors in all of the regional markets have sold off their holdings as if there were no tomorrow. Kuwaiti stocks have held off well and the region's largest stock market in Saudi Arabia has recovered since August 10; however, the overall trend continues to be down.

The Tadawul All Share Index of Saudi Arabia has lost 24 per cent for the year to date, while the Muscat Securities Market is up 23 per cent. Outsiders may find it surprising that regional markets can move differently, as oil revenues dominate government income.

There are lot of similarities within the GCC countries apart from growing young populations, oil and lifestyles. Some of these similarities include the focus of all the GCC countries on infrastructure building while diversifying their economies. Their currencies are pegged to the US dollar (except Kuwait), while all of them are going through a period of reforms (privatisation and capital market development). They are also looking at spiralling inflation. In addition, the GCC countries do not have a developed bond market. From the trader's perspective, the GCC markets also sail in the same boat of low volumes during the summer months as participation of market players dries up. The differences arise from the pace of reforms, the size of the consumer market and happenings on the domestic turf.

On August 16, the Capital Market Authority of Saudi Arabia started releasing the information of shareholders with more than five per cent holdings on a daily basis. Market gossip calls this initiative a major reason behind the fall in share prices. The new data shows Prince Alwaleed is the largest individual shareholder on the Saudi bourse.

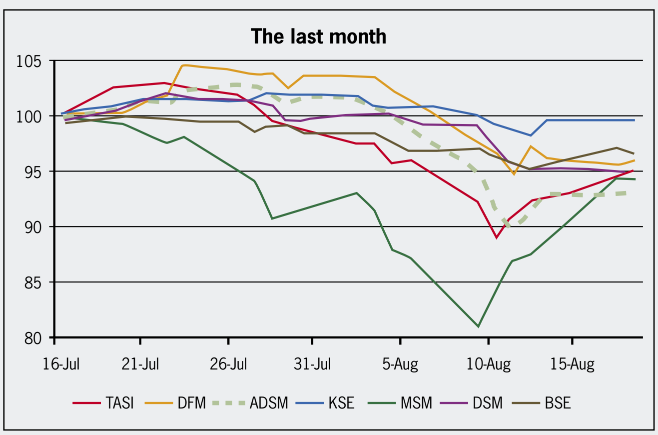
The Dubai Financial Market was subject to nervous sentiments as the police investigation of a high profile executive from a listed company began. Kuwaiti investors had a reasonably stable ride, however, and they are looking forward to the IPO of Kuwait Telecom Company, which opened last month and is set to close on September 18.

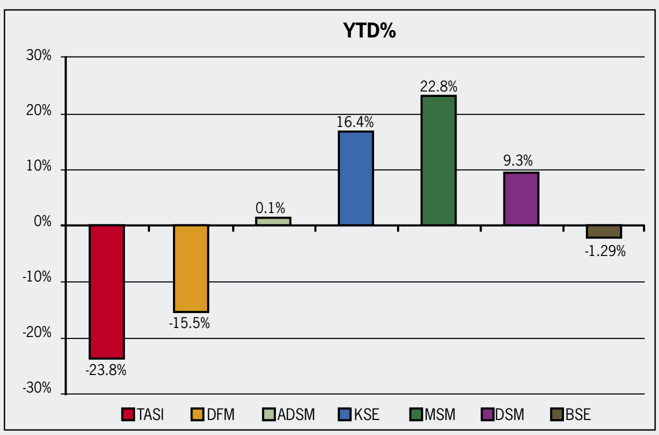
In Saudi Arabia, some of the newly-listed companies are trading below their offer price. In 2007, 25 new companies were listed after raising SAR18.9 billion. Kingdom Holding Company and Dar Al Arkan were among the top five companies that issued shares at SAR10.25 and SAR56 per share respectively. Both of them are currently trading below their IPO prices at SAR8.75 and SAR48.25 respectively. The IPO market has played a major role in spreading the equity culture among the masses. The current volatility on the bourses and losses of 2006 are likely to push new investors out of the market.

The recent release of a research report in the UAE has also stirred things up. The debate started over whether the analyst was correct in airing his opinions, while concerns arose about his expertise. The question is whether the analyst carried out due diligence and provided his recommendations in an objective manner without any outside influence. If the answer is yes, then the recommendation is his well-judged opinion and others are free to disagree. The incident dawns an era of capital market awareness and education in the region.

Investors all over the world are known for their paranoia. They drive the markets to extremes under the influence of either fear or greed. Oil is down from its all-time high, but is still strong. The US dollar has strengthened a bit and offers solace on the inflationary front. For long-term equity investors, downward blips offer fantastic opportunities to accumulate favourite stocks at much less than their intrinsic values. MW

The writer is the head of research at FALCOM Financial Services.





GCC funds take centre stage

The GCC markets continue to witness reduced activity. Comparatively, the Kuwaiti market was a better performer. **A Markaz** report.

June 2008 proved to be a dull month for Gulf bourses, with all GCC markets except Kuwait (2.9 per cent) posting losses. GCC equity funds benefited, as fund managers increased allocation by 89 basis points (bps) to the Kuwaiti market to 17 per cent. Furthermore, a revival in confidence became apparent, with GCC asset allocators marginally increasing their exposure to equity and decreasing free cash held to seven per cent of total assets.

Conventional equity funds

Among conventional funds, the Al Ahli Gulf Fund was the top performer, gaining 2.2 per cent in June after rising 0.5 per cent in May 2008. The fund's maximum exposure of 54.3 per cent to the Kuwaiti market helped it post decent returns during the month. The Al Ahli Gulf Fund's top holdings include companies such as Commercial Bank of Kuwait, Saudi Basic Industries Corporation and Emaar Properties.

The Gulf Premier Fund, with monthly returns of 1.3 per cent in June, took second place. The fund held 94.3 per cent of its total assets in equity and 5.7 per cent as free cash. The Gulf Premier Fund's top three holdings are Saudi Fertiliser Company, Kuwait Finance House and Arabtec Holding Company. The fund had maximum exposure to banking stocks, which accounted for 24.2 per cent of the total equity held.

The Al Musahem GCC Fund and the NBD MENA Fund also registered positive monthly returns of one per cent and 0.9 per cent respectively. The Global GCC Large Cap Fund occupied the fifth position with 0.8 per cent gains in June. On a year-to-date basis, the fund returned 3.5 per cent due to strong gains in the months of April (9.7 per cent) and February (6.4 per cent). The fund had maximum exposure to the Saudi market (27.3 per cent), followed by the UAE (22.2 per cent) and Kuwait (17.9 per cent). Free cash held by the fund accounted for 14.8 per cent of its total assets.

Among conventional GCC funds, the top five preferred equity holdings consisted of Saudi Basic Industries Corporation, Arabtec Holding Company, Emaar Properties, ALDAR Properties and Saudi Fertiliser Company. Saudi Basic Industries Corporation was the most preferred equity holding, with eight funds investing in it for the month.

Shari'ah-compliant equity funds

The top five Islamic funds outperformed the benchmark index, the MSCI GCC Islamic, which posted a loss of 0.7 per cent in June. Both of Jadwa Investment's Islamic funds performed exceptionally well during the month. The Jadwa GCC Equity Fund was the top gainer, with a monthly and year-to-date return of 6.9 per cent and 4.8 per cent respectively. The Jadwa Arab Markets Equity Fund also registered robust returns of 6.3 per cent during the month. The Gulf Industrial Companies Fund, which returned 3.6 per cent in June, and the Al Rajhi GCC Equity Fund, which returned 2.9 per cent, occupied the third and fourth positions respectively.

The Amanah GCC Equity Fund was among the top five funds, as it gained 2.5 per cent in June after gaining 0.2 per cent in May. The fund had maximum exposure to the Saudi market (71.3 per cent) followed by the UAE (11.1 per cent) and Qatar (9.4 per cent). The Amanah GCC Equity Fund's top three holdings are Saudi Basic Industries Corporation (10.8 per cent), Mohammed Al Mojil Group (7.3 per cent) and Saudi Arabian Amiantit Company (6.7 per cent). On a year-to-date basis, the fund returned 7.7 per cent due to double-digit gains in February (11.8 per cent) and April (10.2 per cent).

Asset allocation

GCC fund managers increased their exposure to the Kuwaiti market during June. Allocation to the Kuwaiti market increased from 16 per cent in May to 17 per cent in June. While allocation to the Saudi market decreased by 71 bps to 28 per cent, allocation to the Bahraini market increased by six bps to four per cent. In May, asset managers had decreased their exposure to other MENA markets, expressing greater confidence in the GCC markets. However, in June, fund managers increased their exposure to the UAE and other MENA markets by 20 bps and seven bps respectively. Allocation to Qatar increased by 36 bps in May, but declined 29 bps in June. Exposure to the Omani market declined marginally to three per cent. MW

Top five conventional funds by June 2008

Fund Name	Fund Manager	Inception	AUM (US$ mn)	June-08	YTD	2007
Al Ahli Gulf Fund	AlAhli Bank of Kuwait	Nov-03	129	2.17%	9.96%	29.57%
Gulf Premier Fund	Gulf Investment Corporation	Apr-03	249	1.26%	14.76%	43.24%
Al Museham GCC Fund	Samba Financial Group	Oct-06	121	1.04%	11.86%	80.84%
NBD MENA Fund	National Bank of Dubai	Nov-05	117	0.91%	1.79%	41.65%
Global GCC Large Cap Fund	Global Investment House	Feb-05	103	0.75%	3.47%	48.92%

Top five Shari'ah-compliant funds by June 2008

Fund Name	Fund Manager	Inception	AUM (US$ mn)	June-08	YTD	2007
Jadwa GCC Equity Fund	Jadwa Investment	Jun-07	16	6.92%	4.77%	42.11%
Jadwa Arab Markets Equity Fund	Jadwa Investment	Jun-07	18	6.32%	3.75%	42.19%
Gulf Industrial Companies Fund	Saudi Investment Bank	Apr-05	5	3.57%	2.39%	63.14%
Al Rajhi GCC Equity Fund	Al Rajhi Bank	Oct-05	191	2.91%	10.51%	64.37%
Amanah GCC Equity Fund	Saudi British Bank	Apr-06	44	2.52%	7.70%	29.24%

Disclaimer: This is an excerpt from the research published by Kuwait Financial Center (Markaz). Please visit www.markaz.com in order to access this report and others. Queries can be addressed to M.R. Raghu, head of research, at rmandagolathur@markaz.com

Equity outlook getting better

With valuations at low levels and commodity prices heading south, **Peter Hensman** is cautiously optimistic that, in the near-term, the shape of things will get better.

Is a significant shift developing in markets? Since the beginning of July, commodity prices have shown some sharp reversals of previously near-unstoppable ascents. As of August 4, the Goldman Sachs Commodity Index has dropped by some 12 per cent from the level on July 1 (albeit this still leaves the increase over the last 12 months at some 50 per cent). A key contributor to this turn is a drop in the price of oil; where the West Texas Intermediate Future for December 2008 peaked at US$148 per barrel in mid-July, this price has moderated to US$125.

While the causes and sustainability/inevitability of the increase in commodity prices are hotly debated, it is relatively unambiguous that a drop in the cost of energy is an undoubted positive for the world economy, as the vertiginous rise in the oil price has acted as a tax on much of the globe. Furthermore, the easing of the ascent in oil (and that of other commodities) will contribute to a reduction in the inflation risk premium priced into bond markets globally.

US break-even inflation rates (the difference between bond yields on treasuries and treasury inflation-protected bonds offers some indication of the inflation rate markets expect in future years) dropped from an implied five-year average inflation rate of 2.6 per cent to 2.1 per cent over the course of the past month. This drop has moved the implied inflation rate in the US bond market from the top towards the bottom end of the range seen in the last five years.

Nonetheless, the US is not the economy where the greatest inflation fears have been evident. Even in the Eurozone, where concern over the rate at which costs have increased has been higher, break-even inflation rates have declined by a similar margin. Five-year break-even inflation rates in France now stand at 2.2 per cent – still above the two per cent inflation target held by the European Central Bank, but a significant improvement. Given that the key source of concern regarding the price threat in Europe has come from commodity costs, any further moderation in the oil price can be expected to extend the calming of markets.

It is interesting that both the central banks in New Zealand and Australia have eased their anti-inflation rhetoric in recent weeks, with the Reserve Bank in New Zealand going so far as cutting interest rates (albeit by 0.25 per cent to eight per cent) for the first time in five years. Both these economies have gained significantly from the increases in demand for resources, and the authorities have previously sought to moderate domestic growth rates in order to reduce price pressures. The turn or indication of a turn in the policy slant offers further suggestion of a change in price trends.

The diminution of the inflation concern is not just limited to the developed world. While many developing economies are still seeking to tighten policy, the Chinese authorities have altered their policy rhetoric. Where for much of 2008 the People's Bank of China emphasised that its main policy objective was the control of inflation, dropping its previous intention of supporting activity, the policy pronouncement on July 27 offered the first indication that a return to underpinning 'relatively fast' growth was in the offing. This view was backed by comments from Hu Jintao, who suggested that China would move to support activity after the Olympics to avoid the typical post-Olympics slowdown suffered by many recent Games hosts, contrasting with the widespread expectation of many that the Olympics would signal the beginning of a period of slower growth in China. This shift in policy pronouncements fits with the more comfortable picture painted by the signs of moderation in the Consumer Price Index data. In June, the data showed inflation ease to 7.1 per cent against a peak of 8.7 per cent in February.

Economic news flow will undoubtedly continue to be poor for some time. The likelihood of continued earnings downgrades will likely further add to the challenging backdrop, and there are few signs that the end of the financial crisis is in sight. Yet, with the Datastream World Equity Index (excluding the financial and resources sectors) on a price-to-earnings multiple of 15.2x (as of August 1), which is below the 1990 low, there is equally a lot of the outlook risk priced in markets.

Arguably, as it becomes clear that the margin squeeze from the rise in commodity prices is dissipating, there are significant parts of the equity market that are likely to be supported by the expectation of improving profitability, even if sales volumes continue to disappoint. Given the lowly valuation and the widespread discussion of the headwinds faced by the global economy, perhaps it will be the indication that conditions are not getting dramatically worse in the near-term that will most surprise investors. MW

The writer is a global investment strategist with Newton Investment Management.

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Coming back to life's realities

Corporates and governments need to focus on structural changes in order to improve their competitiveness and growth potential in the near future, suggests **Dr. Oliver Stönner-Venkatarama**.

Maybe some of you remember the 1980s soul classic 'Back to life, back to reality'. Both the title and the mood of this song seem to reflect the current sentiment in the global financial markets perfectly. Even a few weeks before the beginning of last year's subprime crisis, investors and policymakers were confident about the new era for strong and sustainable emerging market expansion. One year on, though, we are confronted with the complexity of economic reality.

The subprime crisis has yet to be fully absorbed by banks or policymakers, while the cyclical pressure is being aggravated by rising inflation, tighter monetary conditions and increasing wage costs. In this strained environment, corporates, private households and governments are forced to adjust.

While private households have little choice but to re-balance their expenditures towards food and energy, corporates and governments need to focus on structural changes in order to improve their competitiveness and growth potential.

With regard to the GCC countries, the most important debate focusses on energy efficiency. If less-energy-efficient producers in the emerging markets reduce their energy needs in the coming years, then energy consumption might be curbed. This suggestion implies that beyond the current cyclical slowdown in energy demand, GCC energy producers may be faced with slower demand growth than in the last few years.

On the backdrop of recent difficulties in increasing supply capacity, for instance in Saudi Arabia, this news is not so bad. In fact, it should motivate a further acceleration in the GCC countries' diversification strategy.

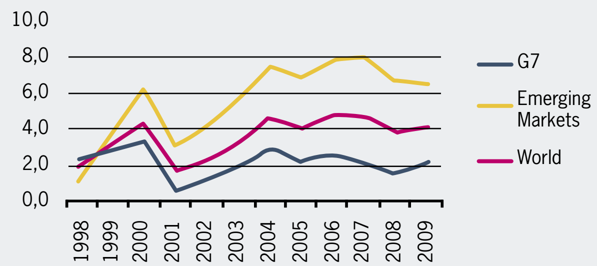
A different aspect of this policy is the recently outlined plan by some GCC states to pursue a so-called "food-outsourcing" strategy, meaning that GCC governments aim to utilise fertile land in neighbouring Asian and African countries to secure and improve affordable food supply at home.

Due to the fact that agriculture and foreign access are always hot political topics, this strategy could work if the GCC countries bring their specific experiences into these new partnerships. Through such connections, GCC countries could support the international public research network, which focusses on increasing productivity in the agricultural sector.

The so-called Consultative Group on International Agricultural Research generates knowledge and technology in the field of agriculture, which is freely accessible to farmers and public institutions. In other words, this research network is essential in solving current food production bottlenecks, particularly in the emerging markets. Such a two-way cooperation between the beneficiaries of high oil prices and the economies, which are strongly hurt by high food and energy prices, may pave the way for a much closer economic integration in the coming years. As a result of growing ties among Africa, the Gulf countries and Asia, the growth momentum might stabilise at a much higher level than in mature economies.

Global economic trends: Emerging Markets outpace G7 countries

Real GDP, % change year-on-year



Strong economic growth and a further improvement of the investment environment are important factors to underpin the attractiveness of the Gulf region for international corporates. These factors make up an important precondition not only for increasing foreign direct investment flows, but also for broadening financial markets. The recent agreement on cooperation between Qatar's stock exchange and NYSE Euronext reflects international investors' confidence in the long-term attractiveness of the region, despite current inflationary trends.

With Asian governments also tackling supply side bottlenecks, the actual pressure arising from an unfriendly global economic environment may finally lead to positive structural changes. Therefore, Asia may re-emerge as an attractive investment destination in line with a recovering US economy, while structural changes keep GCC countries in the international spotlight.

The writer is an emerging markets investment strategist with Cominvest.

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Global uncertainty continues

The US dollar has gained some strength on the back of a correction in commodity prices, but there is still a long way to go before one can be sure, notes **Sachin Patki**.

Every day, in the media and in our daily lives, we continue to see barriers fall among markets, economies, industrial sectors, lifestyles and languages. This tendency tells us that traditional barriers, which once dictated economic policies at national levels, do not have the same impact anymore. Changes in technology, delivery and technology applications are also greatly impacting our lives. Now even the smallest economy in the world can find out what's happening in the rest of the world and react to it quickly. This advancement does have a tremendous impact on the financial markets.

The foreign exchange market interprets news on the geopolitical and economic fronts faster than most markets, given that it is anywhere and everywhere and is a constant global market. The recent movement in commodity prices has also been reflected in the way currencies have been moving, with the US dollar having gained some ground after the correction in the prices of key commodities like oil, gold and some industrial metals. However, the risk for most economies lies in the bigger risk of larger institutions facing write-offs of the crisis from the mortgage market, which has seen a lot of institutional balance sheets and some US semi-government institutions come to the brink of a larger crisis. This situation was last seen a decade ago with the meltdown of the LTCM hedge fund, which required the US Federal Reserve to work out a solution that would prevent a global financial crisis in the bond market.

The Eurozone has also increasingly received news indicating a slowdown in the economies across the common market over the fourth quarter of 2008 and the early half of 2009. This sign places the valuation that the market has put on it at risk, as the recent hike in interest rates may be the last in the current cycle.

There have been some comments from officials of ECB-member central banks suggesting that they are currently in watch and wait mode. The impact of oil prices, higher commodity prices and higher industrial metal prices are all impacting industry and retail consumers alike. As these circumstances feed further down into the retail system, the economies across the Eurozone will also slide further, with the risk of inflation always being initially high. The euro has tried breaking up near the 1.5950 area, but its failure for the second time in the last six months has left it vulnerable to a deeper correction. The downside for the euro is near 1.56335, 1.410, 1.5020 and 1.4700, though we may see some buying stepping initially near the 1.5410 area, which has worked as the support area for the last few months.

The UK economy has seen additional inflationary pressures, with mixed signals coming from different sectors of the economy. While the real estate market is still in a corrective phase and should take more time to recover, some of the retail sectors are holding out hope of a plateau in consumer sentiment. This desire may not really support the Bank of England's policy on interest rates and real returns, with the sterling now poised for its own level of correction. The sterling is looking for a break below 1.9770, with the nearest support near 1.9680, 1.9340 and 1.8920. We may see more buying coming in near the 1.9340 area, which has seen some buying support in recent breakdowns.

The interest rate environment in yen remains largely unchanged, with the higher cost of imported oil keeping consumer demand on the defensive. The low interest rate environment is seeing some speculation on the carry trades between the low interest rates in yen and the higher ones in Australian dollars, Kuwaiti dinars and sterling. This circumstance may keep the yen weaker against some of the other majors, as the US dollar/yen is now looking to move higher with a clear move above 107.90, leading to 110.60 and onwards to 114.50. The euro/yen is looking to make new highs in the 169.50 region, with further potential to touch 170.15 and 171.30. It needs a lot more momentum to keep it there, though; a correction back to 1675.50 and further back to 164.35 is possible on the way down.

The writer is head of Mashreq Gold & Investments at Mashreq.

Views expressed are his own and not necessarily those of Mashreq. Data and comments are as of July 6, 2008.

Is the bull run finally over?

Commodities have stumbled over the US dollar's resurgence, an increasingly weakening global macro-economic view and rising inventories. An **MF Global** report.

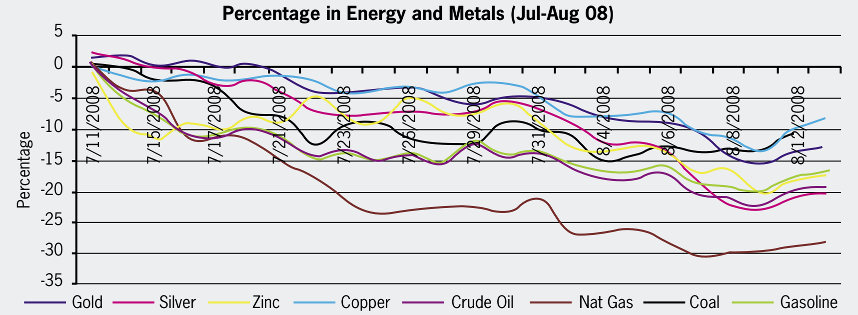
The dollar's gain of almost six per cent against the euro and three per cent against the yen has caused a sharp slide in commodities, considered a hedge to US-dollar-denominated investments. Over the past month, gold (Comex, near-month futures contract) has fallen by over 13 per cent to around US$834/ounce. Silver has borne the brunt of being both an industrial and precious metal, declining to US$14.92/ounce – down 20 per cent in a month.

Many investors of precious metals have been baffled by just how rapidly the greenback has risen, given the gloomy view of the US economy, which has yet to come out of the subprime crisis. But with the inflation rate clocking its fastest growth in 17 years at 0.8 per cent in July, there are concerns that the Federal Reserve may not simply halt a cut in interest rates; rather, it may be forced to raise them. A hike in key interest rates or even the expectations of such a hike are seen as supportive of the dollar. A sharp move in gold prices has also impacted investment demand, as reflected in the decline in the holdings of gold exchange-traded funds.

Gold exchange-traded funds have been constantly trying to duck the gyrations in gold prices. Since July 16, holdings of SPDR gold shares have declined by around 1.3 million ounces to 21.88 million. Higher gold prices earlier in the year also hurt the demand from the world's largest gold consumer, India. According to the World Gold Council, jewellery demand has fallen over 47 per cent to 118 tonnes on year, while investment has declined to 43.4 tonnes in the period from April to June, down 43 per cent on year.

Moving over to base metals complex, there is an uncertainty over demand from China, post Olympics. The Chinese demand, which has fuelled the rally in this complex to a large extent, has dropped going into the world's greatest sporting extravaganza. The Chinese government is increasingly focussing on reducing the production of polluting and energy-intensive metals and products.

In addition, news from the EU has not been particularly heartening for base metals. The EU is now showing signs of a slowdown after struggling with a strong surge in the euro and high crude oil prices. According to the EU's statistics agency, Eurostat, the Eurozone GDP fell 0.2 per cent in the second quarter of 2008 over the first quarter of 2008. This drop is a sharp reversal from the 0.7 per cent growth rate recorded in the period from January to March. Certain EU countries that had seen a boom in the construction sector, like Spain, are now struggling. Spain's second quarter growth rate has been the slowest in 15 years, at 0.1 per cent on quarter and 1.8 per cent on year. Spain, a driver of the EU's economic growth, grew at 3.7 per cent in 2007. In light of the ensuing housing crisis in the US and the sharp slowdown in the EU's construction sector, the prognosis for base metal demand does not look good.



Source: Bloomberg, MF Global Commodities

Base metals have also been impacted by short-term developments. Tin has fallen by over 20 per cent on month to around US$18,200/tonne, pulled down by the news that workers in Bolivia's Huanuni mine called off their two-week strike.

For zinc, the breather from China's cut in export tax rebates was temporary, as it fell 17 per cent on month to around US$1,670/tonne. Base metals like copper and zinc have seen a sharp jump in inventories at the London Metal Exchange's global warehouses, which represent around 14 per cent of global inventories and are largely used by traders for tracking trends in demand. Copper's inventories rose to 151,575 tonnes, up by 22 per cent on month, while zinc's inventories rose by 11 per cent to 167,425 tonnes.

The energy complex has also witnessed a sharp slide on month. Natural gas (28 per cent), heating oil (23 per cent), gasoline (17 per cent), crude oil (19 per cent) and coal (10 per cent) have declined on softening consumption, slightly warmer than normal July weather in the US, the dollar's strength and the buildup in inventories. Crude oil prices had received some support from the conflict between Russia and Georgia, as the supplies from BP's Baku-Supsa oil pipeline were shut as a precaution, while the larger Baku-Tbilisi-Ceyhan line remained out of action after a fire earlier on the Turkish section of the line.

However, the declining demand from the world's largest consumer, the US, has overshadowed these events, resulting in a slide in crude oil. Do these events imply that the commodities boom is about to see a turnaround? Commodity investors are struggling to find an answer, as the price volatility has increased with a host of indicators like slowing economic growth, the dollar's strength, the lesser price impact of geopolitical tensions and uncertainty over demand from the world's largest economies, as well as from its fastest growing economies.

The information in this column is provided by MF Global. For further details, write to: contactdubai@mfglobal.ae or call +971 4 3325 052. ***Source:*** *MF Global Commodities India Pvt Ltd, Bloomberg.*

OFFSHORE SAVERS SELECTION

Provider	Telephone Number	Account	Notice/Term	Deposit	% Gross	Interest Paid
No Notice US Dollar Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	kaupthing-edge.co.in	Edge Savings	None (W)	$2,000	4.55%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	$20,000	4.25%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	$5,000	3.50%	fiYly
Landsbanki Guernsey	01481 726885	Easy Access	None	$20,000	3.00%	Yly
Halifax International	Via website	Web Server	None (W)	$5,000	3.00%	Yly
No Notice Euro Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	kaupthing-edge.co.in	Edge Savings	None (W)	€1,500	5.00%	Yly
Landsbanki Guernsey	01481 726885	Easy Access	None	€15,000	5.00%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	None	€5,000	4.95%	fiYly
Nationwide International	01624 696000	Euto Tracker Premium	None	€50,000	4.65%	Yly
Northern Rock (Guernsey) wef 01.08.08	01481 728555	Offshore Euro Direct Saver	None (P)	€5,000	4.55%	Yly
No Notice Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	kaupthing-edge.co.in	Edge Savings	None (W)	£1,000	6.65%	Mly
Landsbanki Guernsey	01481 726885	Easy Access	None	£10,000	6.50%	Yly
Alliance & Leicester Int Ltd	www.alil.co.im	eSaver Offshore 2	None (w)	£15,000	6.50%	Yly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access II	None	£5,000	6.40%	fiYly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	None (I)	£10,000	6.40%	Yly
Notice Accounts						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 90	90 Day (I)	£10,000	6.82%	Yly
Landsbanki Guernsey	01481 726885	International 45	45 Day	£10,000	6.75%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 32	32 Day (I)	£10,000	6.72%	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore 60	60 Day (I)	£10,000	6.65%	Yly
Alliance & Leicester Int Ltd	www.alil.co.im	eSaver Offshore Notice 50	50 Day (w)	£25,000	6.65%	Yly
Monthly Interest						
Kaupthing Singer & Friedlander (IOM) Ltd	kaupthing-edge.co.in	Edge Savings	None (W)	£1,000	6.65%	Mly
Landsbanki Guernsey	01481 726885	Easy Access	None	£10,000	6.55%	Mly
Alliance & Leicester Int Ltd	www.alil.co.im	eSaver Flexible Income 1	60 Day (w)	£25,000	6.46%	Mly
Anglo Irish Bank Isle of Man	01624 698000	Privilege Income II	7 Day	£5,000	6.40%	Mly
Landsbanki Guernsey	01481 726885	International 45	45 Day	£10,000	6.31%	Mly
Fixed Rates						
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Fixed term bond	1 Yr Bond	£10,000	7.10% F	OM
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Fixed term bond	2 Yr Bond	£10,000	7.10% F	Yly
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Fixed term bond	3 Yr Bond	£10,000	7.10% F	Yly
Irish Nationwide (IOM)	01481 724353	1 Year Fixed Rate Bond	1 Yr Bond	£100,000	7.10% F	OM
Landsbanki Guernsey	01481 726885	Fixed Rate Bond	3 Yr Bond	£10,000	7.06% F	Yly
Current Accounts						
Clydesdale Bank International	01481 711102	Current	None	£2,500	3.89%	Mly
Royal Bank of Canada (CI)	01534 283000	Executive Plus	None	£50,000	3.375%	Mly
Abbey International	01534 885000	Offshore Gold	None	£50,000	3.20%	Qly
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	None	£5,000	3.00%	Mly
Fairbairn Private Bank	01624 64500	Reserve	None	£5,000	2.50%	Qly
Accounts for Non UK Residents						
Bradford & Bingley Int. Ltd.	www.bbi.co.im	eAccess 2	None (W)	£1,000	6.50%	Yly
Abbey International	01534 885000	Tracker Term 8	05-05-09	£10,000	5.30%*	OM
Standard Bank	01534 881188	Expatriate Savings	90 Day	£10,000	5.15%	Yly
Lloyds TSB Offshore Banking	01534 881188	International Savings A/C	None	£50,000	2.80%	Mly
HSBC International	01534 61600	Offshore Bank	None	£50,000	1.10%	Mly

All rates are shown gross. * = Introductory variable rate for limited period. B = Operated by Post or Telephone. F = Fixed Rate. I = Operated by Internet, Post or Telephone OM = On Maturity. P = Operated by Post
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OFFSHORE CHEQUE ACCOUNT RATES

	Telephone	Account Name	£5K	£10K	£25K	£50K	£100K	£250K	£500K	£1m	Int paid	Cash card
Abbey International	01534 885100	Offshore Gold	1.55	2.05	2.55w	3.20	3.95	4.00	4.00	4.20	Qly	Yes
Bank of Scotland International Ltd	01534 613500	Flexible Plus Current	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	Mly	Yes
Barclays	01534 880550 01481 723176	International Cheque International Premier Chq	0.10i 0.10	0.10 0.10	0.10 0.10	0.75 0.75	0.75 0.75	0.75 0.75	0.75 0.75	0.75 0.75	Qly Qly	Yes Yes
Close Wealth Management Group	01481 746333 01624 643270	Advantage Advantage Plus	2.85 2.85e	2.85 2.85	2.85 2.85	2.85 2.85	3.35 3.35	3.65 3.65	3.65 3.65	3.65 3.65	Mly Mly	No No
Fairbairn Private Bank	01624 645000	Accumulation High Interest Accumulation Reserve	2.50 - 2.50	2.50 - 2.50	2.50 - 2.50	2.50 4.00 2.50	2.50 4.25 2.50	2.50 4.50 2.50	2.50 4.65 2.50	2.50 4.75 2.50	On Closure On Closure Qly	Yes No Yes
HSBC International	01534 616000	Offshore Bank Premier Offshore Banl	0.10 0.30	0.15 0.35	0.55 0.90	1.25 1.60	1.45 1.85	1.45 1.85	1.45 1.85	1.45 1.85	Mly Mly	Yes Yes
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	0.05	0.10	0.75	1.00	1.00	1.00	Qly	No
Isle Of Man Bank	01624 63700	Gold Account	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Money Market Currency	2.00	2.00	2.00	2.375	2.75	2.812	2.812	2.812	Qly	Yes
Lloyds TSB Offshore Banking	01624 638000	International Sterling	0.55	1.55	2.00	2.85	3.65	3.85	3.85	3.85	Mly	Yes
NatWest	01534282828	Advantage Cheque	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	3.375	3.625	4.375	4.375	4.375	Mly	Yes
Royal Bank of Scotland Intl. Ltd	01534724356	Royalties Cheque	0.75	1.25	1.25	1.25	1.25	1.25	1.25	1.25	Mly	Yes
Standard Bank	01534 881188 / 01624 643643	Optimum	1.50k	1.50	2.25	2.50	2.75	3.00	3.00	3.00	Qly	Yes

k = Rate applies from £3K. w = Rate applies from £20K. All rates are shown gross. All rates and terms subject to change without notice and should be checked before finalising any arrangement. No liability can be accepted for any direct or consequential loss arising from the use of, or reliance upon, this information. Readers who are not financial professionals should seek expert advice. Figures compiled on: August 1, 2008 Source: Moneyfacts

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€URO ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	€5K	€10K	€25K	€50K	€100K	€250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore Euro Call	0.85	1.35w	2.00	2.00	2.25a	2.50	Yly	No
		Offshore Gold	-	0.50	1.00j	1.00	1.00	1.50	Qly	Yes
Alliance & Leicester Intl. Ltd	01624 663566	Euro Savings	3.68	3.68	3.68	3.68	3.68	3.68	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	4.95	4.95	4.95	4.95	4.95	4.95	Half Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Euro	2.90	2.90	3.00	3.10	3.25	3.55	Yly	No
Bank of Scotland International Ltd	01534 613500	Halifax Int G'teed Reserve	-	-	-	4.50h	4.50	4.50	Yly	No
		International Savings	1.75	1.85	1.95	2.20	2.40	2.40	Yly	No
Barclays	01534 880550	International Cheque	0.10	0.10	1.65e	1.65	1.40	1.65	Qly	No
		International Tracker	-	-	2.70e	2.70	3.00a	3.50b	Qly	No
Close Wealth Management Group	01481 746333	Advantage	-	1.80	1.80	1.80	1.80	2.30	Mly	No
	01624 643270	Advantage Plus	1.80	1.80	1.80	1.80	1.80	2.30	Mly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	3.90	3.90	3.90	3.90	3.90	Yly	No
		Current	2.86	2.86	2.86	2.86	2.86	2.86	Mly	No
		Instant Savings	-	3.83	3.83	3.83	3.83	3.83	Mly	No
Fairbairn Private Bank		Accumulation	-	1.75	1.75	1.75	1.75	1.75	On closure	Yes
		High Interest Accumulation	-	-	-	-	3.25a	3.50b	On closure	No
	01624 645000	Reserve	-	1.75	1.75	1.75	1.75	1.75	Qly	Yes
Halifax International	01534 846501	International Web Saver	4.35	4.35	4.45	4.45	4.45	4.45	Yly	No
HSBC International	01534 616000	Offshore Bank	0.00	0.10	0.10	0.32	0.32	0.79	Mly	No
		Online Saver	-	-	3.59j	3.59	3.59	3.59	Mly	No
		Premier Offshore Bank	-	0.45	0.45	0.72	0.72	1.19	Mly	No
		Premier Online Saver	-	-	4.08j	4.08	4.08	4.08	Mly	No
		Premier Serious Saver	-	2.615	2.615	3.265	3.265	3.665	Mly	No
		Serious Saver	-	2.165	2.165	2.815	2.815	3.215	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.10a	0.25b	Qly	No
Irish Permanent International	01624 641641	Instant Access	3.40	3.40	3.40	3.40	3.75	3.75	Yly	No
		Instant Access	3.35	3.35	3.35	3.35	3.69	3.69	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	-	-	4.50e	4.50	4.50	4.50	Yly	No
		Call	0.75r	0.75	0.75	1.25u	1.437m	1.875n	Qly	No
		Kaupthing Edge - Savings	5.00	5.00	5.00	5.00	5.00	5.00	Mly	No
Landsbanki Guernsey	04181 726885	Deferred Interest	-	-	5.00e	5.00	5.00	5.00	On closure	No
		Easy Access	-	-	5.00e	5.00	5.00	5.00	Yly	No
		Easy Access	-	-	4.89e	4.89	4.89	4.89	Mly	No
Lloyds TSB Offshore Banking	01624 638000	Euro Intl. Account (Expatriates only)	0.70	1.55	1.55	1.80	1.80	1.80	Half Yly	No
Nationwide International Ltd	01624 696000	Euro Savings	2.75	2.75	2.80	2.80	2.80	2.85	Yly	No
		Euro Tracker Premium	4.35	4.35	4.35	4.65	4.65	4.65	Yly	
NatWest	01534 282300	Advantage International	2.45	2.55	2.65	2.85	3.10	3.25	Qly	No
Northern Rock (Guernsey) Ltd	01481 714600	Offshore Euro Direct Saver	4.55	4.55	4.55	4.55	4.55	4.55	Yly	No
		Offshore Euro Direct Saver	4.30	4.30	4.30	4.30	4.30	4.30	Mly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	2.45	2.50c	Mly	No
Royal Bank of Scotland Intl.Ltd	01534 286850	Royalties International	2.45	2.55	2.65	2.85	2.10	3.25	Qly	No
Standard Bank	01624 643643	Offshore Reserve	1.87	1.87	1.87	2.37	2.62	2.74	Half Yly	No
	01534 881188	Optimum	0.75	0.75	0.75	1.50	1.75	2.25	Qly	No
		Offshore Moneymarket Call	-	-	-	3.50	3.60	3.60	Mly	No
Woolwich Guernsey	01481 715735	Euro International Gross	-	-	2.08j	2.33	2.575	3.06	Qly	No
Zurich International Ltd	01624 671666	Zurich Euro Reward	4.50	4.50	4.50	4.50	4.50	4.50	Yly	No
		Call	3.00	3.00	3.00	3.00	3.00	3.00	Qly	No

a = Rate applies from €75K. b = Rate applies from €150K. c = Rate applies from €200K. e = Rate applies from €15K. g = Rate applies from €37.5K. j = Rate applies from €20K.
m = Rate applies from €80K. n = Rate applies from €160K. r = Rate applies from €3K. u = Rate applies from €40K w = Rate applies from €7.5K.

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US$ ACCOUNTS - NO NOTICE OFFSHORE ACCOUNTS

	Telephone	Account Name	$5K	$10K	$25K	$50K	$100K	$250K	Int paid	Chq. Book
Abbey National	01534 885100	Offshore US$ Call	0.00	0.25	0.25	0.50	1.00	1.10	Yly	No
		Offshore Gold	-	0.00	0.00	0.25	0.50	0.50	Qly	Yes
Alliance & Leicester International Ltd	01624 663566	US$ Savings	2.00	2.00	2.00	2.00	2.10	2.10	Yly	No
Anglo Irish Bank Isle of Man	01624 698000	Privilege Access	3.50	3.50	3.50	3.50	3.50	3.50	fi Yly	No
Bank of Ireland (I.O.M.) Limited	01481 720609	Easy Access Dollar	0.75	0.75	0.75	1.00	1.25	1.25	Yly	No
Bank of Scotland International Ltd	01534 613500	Base Rate Tracker	-	-	-	2.25	2.25	2.25	Yly	No
		International Savings	0.40	0.40	0.55	0.60	0.75	0.85	Yly	No
Barclays	01534 880550	International Cheque	0.00	0.00	0.00	0.00	0.00	0.00	Qly	No
		International Tracker	-	-	0.30u	0.30	1.30	1.50x	Qly	No
Close Wealth Management Group	01481 746333	Advantage	-	-	-	-	-	0.35	Mly	No
	01624 643270	Advantage Plus	-	-	-	-	-	0.35	Mly	No
Clydesdale Bank International	01481 711102	Instant Savings	-	2.60	2.60	2.60	2.60	2.60	Yly	Yes
		Current	1.60	1.60	1.60	1.60	1.60	1.60	Mly	Yes
		Instant Savings	-	2.57	2.57	2.57	2.57	2.57	Mly	Yes
Fairbairn Private Bank	01624 645000	Accumulation	-	0.10	0.10	0.10	0.10	0.50	On Closure	Yes
		High Interest Accumulation	-	-	-	-	1.00v	1.25x	On Closure	No
		Reserve	-	0.10	0.10	0.10	0.10	0.10	Qly	Yes
Halifax International	01534 846501	International Web Saver	2.90	2.90	3.00	3.00	3.00	3.00	Yly	No
HSBC International	01534 616000	Offshore Bank	-	0.10	0.15	0.15	0.20	0.25	Mly	No
		Online Saver	-	-	1.49u	1.49	1.49	1.49	Mly	No
		Premier Offshore Bank	-	0.15	0.25	0.35	0.45	0.55	Mly	No
		Premier Online Saver	-	-	1.88u	1.88	1.88	1.88	Mly	No
		Premier Serious Saver	-	0.35	0.50	0.65	1.20	1.35	Mly	No
		Serious Saver		0.10	0.30	0.45	0.80	0.95	Mly	No
Investec Bank (CI) Ltd	01481 723506	Private Interest Current	-	-	-	0.05	0.05	0.05	Qly	No
Irish Permanent International	01624 641641	Instant Access	1.00	1.50	1.50	2.00	2.10	2.10	Yly	No
		Instant Access	1.00	1.49	1.49	1.98	2.08	2.08	Mly	No
Kaupthing Singer & Friedlander (IOM) Ltd	01624 699222	Platinum Offshore Access	-	-	4.25u	4.25	4.25	4.25	Yly	No
		Call	0.125k	0.125	0.125	0.125	0.125	0.25m	Qly	No
		Kaupthing Edge - Savings	4.55	4.55	4.55	4.55	4.55	4.55	Mly	No
Landsbanki Guernsey	01481 726885	Deferred interest	-	-	3.00u	3.00	3.00	3.00	On Closure	No
		Easy Access	-	-	3.00u	3.00	3.00	3.00	Yly	No
		Easy Access	-	-	2.96u	2.96	2.96	2.96	Mly	No
Lloyds TSB Offshore Banking	01624 638000	US International Acc.(Expatriates only)	0.00	0.10	0.10	0.20	0.50	0.80	fi Yly	No
Nationwide International Ltd	01624 696000	US Dollar Savings	1.05h	1.05	1.10	1.20	1.65	1.65	Yly	No
		US Dollar Tracker Premium	2.20	2.20	2.20	2.50	2.50	2.50	Yly	No
NatWest	01534 282300	Advantage International	0.20	0.30	0.40	0.60	0.85	1.00	Qly	No
Royal Bank of Canada (Channel Islands) Ltd	01534 283000	Executive Plus	-	-	-	-	1.155	1.405x	Mly	No
Royal Bank of Scotland Int Ltd	01534 286850	Royalties International	0.20	0.30	0.40	0.60	0.85	1.00	Qly	No
Standard Bank	01534 881188	Offshore Reserve	0.20	0.20	0.20	0.40	0.70	1.00	Half Yly	No
	/01624 643643	Optimum	0.10	0.10	0.10	0.20	0.30	0.35	Qly	No
		Offshore Moneymarket Call	-	-	-	1.50	1.60	1.60	Mly	No
Woolwich Guernsey	01481 715735	US$ International Gross	-	-	0.10u	0.10	0.30	0.55	Qly	No
Zurich Bank International Ltd	01624 671666	Call	0.00	0.00	0.50	1.00	1.25	1.50	Qly	No

h = Rate applies from $1K. k = Rate applies from $3K. m = Rate applies from $150K. t = Rate applies from $15K. u = Rate applies from $20K. v = Rate applies from $75K.
x = Rate applies from $200K.

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For more information visit Moneyfacts

EXPATRIATE MORTGAGE TERMS - SEPTEMBER 2008

LENDER	INTEREST RATE%	MAX.% ADVANCE	ARRANGEMENT FEE	SPECIAL FEATURES
Bank of Scotland	Libor+/-1%	70	0.25%	Special schemes GBP70,000 minimum.
BM Solutions	5.69% 3 year fix	75	2.5%	Applicant must work for Govt Agency or Multi National Company. 2% early repayment charges
Cheltenham & Gloucester	5.49% 2 year Fix 5.69% 3 year Fix 5.75% 5 year fix 5.95% full term tracker bank base plus 0.95%	75 75 75	GBP1995 GBP1995 GBP995 GBP995	Every case has to be agreed with an underwriter before submission. Unlikely to lend to Self employed expat applicants. Employed applicants need to work for large companies. New build flats 65% maximum
Dresdner Kleinwort Benson	Cost of funds +1-1.5%	80	0.5%	Currency switching. Minimum loan GBP100,000. Life assurance required. Minimum earned income GBP75,000.
Fortis Bank Group	Sterling mortgage LIBOR + 1.25% Family occupation, LIBOR + 1% Foreign currency mortgage Cost of funds +1.5-2.0%	75 70	GBP500 GBP500	Min. loan GBP150,000, 80% owner/family occupation. Loans to offshore companies and trusts. Multi-currency mortgages available.
Halifax PLC	5.84% 3 year fix	75	GBP999	Very restrictive terms. No capital raising allowed. Must be returning to UK in a short period. 6 months bank statements required. Redemption penalties. Fixed rate 2% in first 3 years. Free valuation/legals on re-mortgages
Heritable Bank	6.99% 3 year discount	75	0.5%	Maximum loan amount 250,000. No new build property
HSBC	Under review	80 Repayment basis only 75% Interest only	Varies	Life insurance must be assigned to HSBC bank. Applicants need to be in salaried employment or professional occupations such as Dr's, Dentists, Solicitors or Accountants. 130% rent to interest ratio difficult to match.
Ipswich Building Society	6.49% via discount to 2 years	80	GBP695	Maximum of five properties to GBP1 million borrowing. Flexible mortgage.
Irish Permanent (Isle of Man)	Temporarily withdrawn	85	1%	Same rate second asset loans Also 2-10 year FIXES with repayment penalties. Loans to offshore companies and trusts.
Royal Bank of Scotland International	Base +1.25%	80	1%	Terms can vary via different Royal Bank operations areas.
Saffron Building Society	Temporarily withdrawn	UK Expats 85% Foreign Nationals 75%	Loans to GBP350,000 GBP595 Loans to GBP500,000 GBP795	Maximum holding £1.5 million. Up to five buy to let properties.
Stroud & Swindon	6.79% 2 year discount	75	GBP695	No repayment penalties at any time. Up to four buy to let properties. Totally flexible BTL overpayments/ underpayments.
TMW	6.29% 2 year tracker	70	1.25%	No new build flats, No first time buyers Maximum loan 350,000

This table is for information purposes only and is not to be viewed as a recommendation.

Notes: Some Lenders have onerous redemption penalties for fixed and discounted terms.

A usual penalty is 6 months interest in the first 5 years. Loans are, however, portable, but proportionate penalties would apply unless similar amount loans were taken. There are also proportionate penalties on partial repayments. BANK OF SCOTLAND, FORTIS, KLEINWORT BENSON and ROYAL BANK OF SCOTLAND all offer loans via offshore trusts and offshore companies. Arrangement fees can be as much as 1per cent of the loan. Some lenders make life assurance cover obligatory. Others insist on their "in-house" buildings and contents insurance as a loan condition. **Arrangement Fees** - All fees quoted are payable to the lender and are usually added to the loan, although some require payment with the application. IMP will charge an arrangement fee of .25 per cent subject to a minimum of GBP250 and a maximum of £500 but this can be waived where associated financial products, such as mortgage protection, are effected through the company's agencies. Most lenders have now settled on a base variable rate of circa 7%-7.25%. Bank rate @ 28/08/08 - 5% 3 month LIBOR 5.83%. IMP are authorised and regulated by the Financial Services Authority (302775) for mortgage advice and hold Consumer Credit Licence No: 592583.

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Credit Cards — SAUDI ARABIA

PROVIDER	CARDS OFFERED	ANNUAL FEE (SAR)	INTEREST/PROFIT RATE	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Al Rajhi Bank	Visa (Silver, Gold, Business, Electron) Mini Visa	Silver – 220 Gold - 420	N/A for purchases, SAR36 for cash withdrawals	45 days	Shari'ah compliant, photo-sign card, customer privilege booklet, Al Rajhi rewards programme, supplementary cards for dependents.	800 124 1222 www.alrajhibank.com.sa
AMEX	Blue/Gold/Platinum	Blue – 200, Gold – 400, Platinum – 900	2.25% on purchases, 3.5% or SAR40 on cash withdrawals	25 days	Free supplementary cards, 1% cash back on purchases, worldwide emergency assistance, travel accident insurance, security chip	800 124 2229 www.americanexpress.com.sa
Arab National Bank	Visa/MasterCard (Al Mubarak Silver, Al Mubarak Gold, ANB Silver, ANB Gold, ANB Internet Card), ANB Platinum (SAR and GBP)	Al Mubarak Classic Option 1 SAR 75 Al Mubarak Classic Option 2 SAR 130 Al Mubarak Gold SAR 180	Al Mubarak cards: N/A on purchases and cash withdrawals ANB cards: 1.97% on purchases, 3.5% or SAR45 on cash withdrawals	51 days	Cash on demand, ongoing merchant discounts, free supplementary cards Payment Holiday Program and Credit Shield. Al Mubarak cards are Shari'ah compliant.	800 124 4141 www.anb.com.sa
Bank Aljazira	Visa Islamic Gold Card	N/A	N/A on purchases, SAR30 for cash withdrawals	45 days	Free supplementary cards, cash advances available.	www.baj.com.sa
Banque Saudi Fransi	Visa/MasterCard (Silver, Gold) MasterCard Platinum	Silver – 150 Gold – 300 Platinum – Invitation only	1.99% on purchases, 3% on cash withdrawals	25 days	Free emergency medical and legal referral services, purchase protection, lost luggage insurance, 1% cash back.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer AlAhli (Classic, Gold), Tayseer AlAhli Titanium, AlFursan Credit Card, Internet Card	Free for the first year	SAR30-50 per transaction	50 days	Purchase protection, travel protection, credit shield, exclusive offers and discounts. 2% cash back on purchases with AlAhli Titanium. Earn Saudi Airlines miles with AlFursan card.	800 244 1005 www.ncb.com.sa
Riyad Bank	Visa/MasterCard (Silver, Gold) MasterCard Platinum Islamic Card	Classic – 115, Gold – 225, Platinum – 700, Islamic - 900	Silver, Gold and Platinum cards: 1.75% on purchases, 3.5% on cash withdrawals Islamic card: N/A on purchases, SAR75 for cash withdrawals	45 days	Signature card, emergency card replacement. For Platinum cardholders, airport lounge access, concierge services, travel services, emergency medical and legal referrals.	800 124 2020 www.riyadbank.com
SABB	Visa/MasterCard (Silver, Gold), SABB Amanah Credit Card, Internet Card	Silver – 225, Gold – 350, Amanah - 350	Silver and Gold cards: 2% on purchases, SAR75 on cash withdrawals Amanah card: 2% on purchases and cash withdrawals	25 days	Free supplementary cards, cash advances (up to 60% for silver card, up to 75% for gold card), purchase protection, travel insurance, SABB rewards programme.	800 124 8888 www.sabb.com.sa
SAMBA	Visa (Silver, Gold), MasterCard (Silver, Gold, Platinum, Titanium), Samba Co-branded Credit Card (Silver, Gold), Samba Al Khair Credit Card (Silver, Gold)	Silver cards – 150 Gold cards - 300	Al Khair card: N/A on purchases and cash withdrawals Other cards: 1.95% on purchases, SAR45 for cash withdrawals	21 days	Up to four free supplementary cards, credit shield, credit limit increase, emergency card replacement, Bonanza programme for exclusive deals and services, special hotel and car rental rates for gold members. Al Khair card is Shari'ah compliant.	800 124 1010 www.samba.com
Saudi Hollandi Bank	SHB Smart Credit Card (Classic, Gold)	Free for life	Classic: N/A on purchases, 4.5% on cash withdrawals Gold: N/A on purchases, 3.5% on cash withdrawals	21 days	Daily draws to win free trip to Dubai, airline discounts (up to 18% on Emirates Airlines tickets), up to 100% cash advance limit, Smart Reward Points Programme.	800 124 2525 www.shb.com.sa

Personal Loans — SAUDI ARABIA

PROVIDER	PRODUCT	MAX. LOAN AMOUNT (SAR)	MIN. SALARY	PAYMENT TERMS	VALUE ADDED	CONTACT
Arab National Bank	Personal Finance Al Arabi Mubarak Finance Al Tawaruq Finance	1,000,000	Govt. sector: 2,300 Private Sector: 2,500 Pensioners: 1,750	Up to 60 months	Personal Finance: Free credit card for one year, top-up option, cash assist credit facility available. No penalty on early pay-offs. Al Arabi Mubarak and Al Tawaruq schemes are Shari'ah compliant.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Personal Loan Murabaha or Tawarruq	1,200,000	3,500	Up to 60 months	Murabaha and Tawarruq schemes are Shari'ah compliant.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Tayseer Al Ahli (Cash) Murhaba Al Ahli (Goods)	1,500,000	3,000 for nationals, 4,000 for expatriates	Up to 60 months	Both schemes are Shari'ah approved. Possible top-up finance. Supplier price discounts for goods.	800 244 1005 www.ncb.com.sa
Riyad Bank	Personal Loan Murabaha or Tawaruq	1,500,000	2,500	Up to 60 months	Murabaha and Tawaruq schemes are Shari'ah compliant. Remaining installments waived in case of death.	800 124 2020 www.riyadbank.com
SABB	MAL (Islamic Personal Finance)	1,500,000 with salary transfer, 50,000 without salary transfer	3,000	Up to 60 months	Shari'ah compliant (based on Tawarruq concept). No guarantor required. Outstanding loan waived in case of death.	800 124 5557 www.sabb.com.sa
SAMBA	Personal Finance Al Khair Personal Finance	Up to 15 times monthly salary	2,500	Up to 60 months	Al Khair scheme is Shari'ah compliant. No guarantor required. Outstanding loan waived in case of death.	800 124 1010 www.samba.com
Saudi Hollandi Bank	Loanlink Morabaha Installment Sales	1,000,000	Govt. sector: 3,000 Private sector: 4,000	Up to 60 months	No guarantor required. New finance after 25% repayment of existing finance. Outstanding loan waived in case of death.	800 124 2525 www.shb.com.sa

Car Loans — SAUDI ARABIA

PROVIDER	PRODUCT	INTEREST RATE	LOAN TENOR	DOWN PAYMENT	CONDITIONS/RESTRICTIONS	CONTACT
Al Rajhi	Car Financing	8-8.5%	Up to 60 months	None	Approved companies only. Must have been with current employer for six months. Minimum salary SAR3,00.	800 124 4141 www.alrajhibank.com.sa
Arab National Bank	Auto Lease	From 4.7%	Up to 60 months	5%	Minimum salary SAR3,000. At least three months service with the current employer and minimum 20 years old.	800 124 4141 www.anb.com.sa
Banque Saudi Fransi	Murabaha	Starts at 3.5% yearly	Up to 60 months	None	Minimum salary: 3,500. Must have been with current employer for six months.	800 124 0006 www.alfransi.com.sa
National Commercial Bank	Auto Lease	Starts at 5%	Up to 60 months	None	Minimum salary: 3,000. Three months service with current employer. 4,000 for expats with one year service	800 244 1004 www.ncb.com.sa
Riyad Bank	Murabaha Finance	Starts at 4.95% yearly	Up to 60 months	None	Minimum salary: 2,500 At least three months with current employer	800 124 2020 www.riyadbank.com
Saudi Hollandi Bank	Sayarat Al Yusr	Starts at 3.99%	Up to 60 months	None	Must be 21 years old. Minimum salary: SAR3000 Minimum of three months with current employer	800 124 3000 www.shb.com.sa

Personal Loans — OMAN

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (OMR)	PAYMENT TERMS	MIN. SALARY (OMR)	CONTACT
Bank Dhofar	Consumer Loan	8%	Up to 71 times salary for nationals, 75% of end of service benefits for expats (depends on salary)	Up to 107 months for nationals, up to 60 months for expats	120	800 766 66 www.bankdhofar.com
Bank Muscat	Consumer Loan	8%	Up to 54 times salary for nationals, up to six times salary for expats	Up to 132 months for nationals, up to 24 months for expats	Nationals – 150 Expats - 250	800 795 555 www.bankmuscat.com
HSBC	Personal Loan	8%	Depends on salary	Up to 96 months for nationals, up to 72 months for expats	300	800 7 4722 www.oman.hsbc.com
National Bank of Oman	Personal Loan	8%	Up to 51 times salary	Up to 132 months for nationals	250	800 77077 www.nbo.co.om
Oman Arab Bank	Personal Loan	8%	Up to 50 times salary for nationals, depends on end of service benefits for expats	Up to 108 months for nationals, up to 36 months for expats	150	247 06 265 www.omanab.com
Oman International Bank	Basma Personal Loan Scheme	8%	Up to 50 times salary for nationals, depends on salary for expats, up to 24 months salary	Up to 72 months	200	246 85252 (Head office) www.oiboman.com

Credit Cards — OMAN

PROVIDER	CARDS OFFERED	ANNUAL FEE (OMR)	MIN. SALARY (OMR)	INTEREST RATE	INTEREST FREE CREDIT	CONTACT
Bank Dhofar	Visa (Classic, Gold) MasterCard (Standard, Gold, Platinum) Al Noor Interest Free Credit Card Ecomcard	Free for the first year	Classic/Standard: 250, Gold: 800, Platinum: 2,000	1.5% on purchases, 3%+OMR1 on cash withdrawals	52 days	800 766 66 www.bdof.org
Bank Muscat	Visa/MasterCard (Classic, Gold, Platinum) Sultan Qaboos University (SQU) Card	Classic: 30 Gold: 50 SQU Card: 10	Classic: 200 Gold: 500 Platinum: Invitation only	1.5% on purchases, 3%+OMR1 on cash withdrawals	52 days	2479 5555 www.bankmuscat.com
HSBC	Visa/MasterCard (Classic, Gold) In-Site Virtual Card	Classic: 30 Gold: 50 In-Site: 10	Classic: 400 Gold: 700	1.5% on purchases, 3%+OMR1 on cash withdrawals	56 days	800 7 4722 www.oman.hsbc.com
National Bank of Oman	NBO Visa/MasterCard (Silver, Gold); Al Amiyal MasterCard (Silver, Gold); NBO-Oman Air Card (Silver, Gold); NBO Webshopper Card	NBO Visa/MasterCard (Silver: 30, Gold: 50) Al Amiyal (Silver: 35, Gold: 55) NBO-Oman Air card (Silver: 15, Gold: 30) NBO Webshopper card: 10	Silver cards: 200 Gold cards: 350 for nationals, 500 for expats	1.5% on purchases, 3%+OMR1 on cash withdrawals	52 days	800 77077 www.nbo.co.om
Oman Arab Bank	Visa (Classic, Gold, Platinum)	Classic: 30, Gold and Platinum: 50	Classic: 200, Gold: 700, Platinum: 1,500	1.5% on purchases, 3%+OMR1 on cash withdrawals	40 days	797 432 www.omanab.com
Oman International Bank	MasterCard (Classic, Gold) Visa (Classic, Gold, Platinum, Business Card, Cyber Card)	Classic: 30 Gold: 50 Platinum: 70 (By invitation only) Business: 25 Cyber: 10	Classic/Cyber cards: 300 Gold cards: 700 Platinum: 1,400	1.5% on purchases, 3%+OMR1 on cash withdrawals	45 days Business - 37 days	246 85252 (Head office) www.oiboman.com

Personal Loans — QATAR

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (QAR)	MIN. SALARY (QAR)	PAYMENT TERMS	CONTACT
Ahli Bank	Personal Loan for nationals Expat Loan	Fixed rate: 10.25% 8% for nationals if salary more than 7,000	Up to 47 times monthly salary Up to 33 times monthly salary	3,000 5,000	Up to 18 years Up to 84 months	4324327 www.ahlibank.com.qa
Arab Bank	Personal Loan	9.99% fixed rate	Up to 80 times monthly salary	4,000	Up to 86 months for national Up to 60 months for expats	4387777 www.arabbank.com.qa
Commercial Bank of Qatar	Personal Loan	Starting from 9.99%	Up to 20 times monthly salary Up to 2.5 million	1,500	Up to 84 months	4490000 www.cbq.com.qa
Doha Bank	Personal Loan	Fixed rate: 7.5%	Up to 16 times monthly salary	3,000	Up to 48 months for expats, up to 72 months for nationals	4456000 www.dohabank.com.qa
HSBC Bank Middle East	Personal Loan	9.24-10.24%, depends on the loan tenor	Depends on salary	3,000	Up to 96 months for nationals, up to 72 months for expats	4382100 www.qatar.hsbc.com
MashreqBank	Al Hal Loan for nationals Personal Loan for expats	Al Hal loan 8.5-11.5% 8.75-11.50%	Up to 50 times monthly salary Up to 250,000	4,000 3,000	72 months	4418880 www.mashreqbank.com
Qatar National Bank	Personal loan	Fixed rate: 9.99-10.74%	Up to 350,000	2,000	Up to 84 months for nationals and 72 months for expats	4407777 www.qnb.com.qa
Standard Chartered	Personal Loan	Fixed rate: 8.99%	Up to 500,000 for nationals, 200,000 for expats	2,000	Up to 84 months for nationals, up to 48 months for expats	4658555 www.standardchartered.com/qa

Credit cards — QATAR

PROVIDER	CARDS OFFERED	ANNUAL FEE (QAR)	MIN. SALARY (QAR)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahli Bank	Visa (Classic, Gold) MasterCard (Standard, Gold)	Free for the first year	3,000	1.75% on purchases, 2% on cash withdrawals	45 days	4324327
Arab Bank	Visa (Silver, Gold), Internet Shopping Card	Silver – 200, Gold – 300	Silver - 3,500, Gold - 5,000	2% on purchases, 4% on cash withdrawals	45 days	4387878
Commercial Bank of Qatar	Visa WOW, Visa/MasterCard Classic, Visa/MasterCard Diners Club (Gold, Platinum)	WOW – free for life, Other cards free for the first year	WOW/Classic - 1,500, Gold - 7,500, Platinum-10,000	2% on purchases, 4.5% on cash withdrawals	45 days	4490000
Doha Bank	Visa/MasterCard Dream credit card (Classic, Platinum)	Free for life	Classic - 3,000, Platinum - 25,000	1.75% on purchases, 4.5% on cash withdrawals	55 days	4456000
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold) Visa Platinum In-site Virtual MasterCard	Classic – 200, Gold – 300, Platinum – 450, In-site – 50	Classic and In-site - 2,000, Gold - 7,000, Platinum - 12,000	Classic 2%, Gold 1.9%, Platinum 1.8%, in-site 1.75% on purchases and 4.5% on cash withdrawals	56 days	4382100
Mashreqbank	MasterCard/Visa (Classic, Gold)	Classic – 150, Gold - 400	Classic - 2,000, Gold - 6,000	2.49%, on purchases, 2.75% on cash withdrawals	55 days	4418880
Qatar National Bank	Visa (Classic, Gold), MasterCard (Standard, Gold, Platinum), Qatar Airways Co-branded MasterCard, e-card	Free for first year	Standard 2,000 for account holders otherwise 5,000, Gold - 6,000, Platinum - 12,000 -	2% on purchases, 4.5% on cash withdrawals	45 days	4407777
Standard Chartered	Visa (Classic, Gold) MasterCard (Standard, Gold)	Visa: Classic - 200, Gold - 400 MasterCard Standard – 250, Gold – 500	3,000 (Salary must be transferred)	2.25% on purchases, 4.5% on cash withdrawals	50 days	4658555

Home Contents Insurance — QATAR

INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QAR)	EXCESS (QAR)	COVER (QAR)	COVER INCLUDES	CONTACT DETAILS
AXA Insurance Home Comfort	250	250	50,000	Household contents, personal belongings and legal liability in the GCC countries up to QAR250,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; optional coverage includes worldwide cover, domestic helpers, loss of passport/ driving license/residence and work permits	+973 17 210 778 www.axa-gulf.com
Qatar General Insurance and Reinsurance Company Household Comprehensive Insurance	200	500 for each and every loss	50,000	Cover against fire, lightning, explosion, earthquake, volcanic eruption, subterranean fire, aircraft damage, bursting or overflowing of water tanks or pipes or heating apparatus, burglary house breaking and impact by road vehicle; Jewelry up to QAR4,000	+974 428 2222 qgirc-tec@qatar.net.qa
Qatar Insurance Company HomeCare Household Insurance	500 650 750 750 + 0.50%	250	50,000 (minimum per policy) 75,000 100,000 Above 100,000	Household possessions against damage or theft ; all platinum, gold and silver articles, jewelry and furs will be limited to 20 per cent of the total sum insured on contents; option for risk extension cover to insure valuable items while traveling locally or internationally (rates for above QAR100,000: Qatar - 2.5 per cent and worldwide - 4 per cent on the value)	+974 449 0476 www.qatarinsurance.com onestop@qic.com.qa
Qatar Islamic Insurance Company Household Comprehensive	500 to 700	250	50,000	Cover against fire, burglary, allied perils; extra charge for jewelry and personal belongings, covered in Qatar home only	+974 465 8880 www.qiic.net

Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. ***Disclaimer:*** These listings are **NOT** meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during August 2008. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEY***works* recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Medical Insurance — QATAR

INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (QR)	EXCESS	COVER	COVER INCLUDES	CONTACT
AXA Insurance *In reference to ages 0-10, cheaper premium for ages 11-20 by up to 500 depending on plan	**Global Area 1:** From 10,801 (ages 11-21) to 29,098 up to age 65. **Global Area 2:** From 3,638 (ages 11-21) to 9,541 up to age 65. **Regional Plus:** From 2,078 (ages 11-21) to 5,433 up to age 65. **Regional:** From 1,787 (ages 11-21) to 4,673 up to age 65		**Global Area 1:** QAR5 million **Global Area 2:** QAR2.5 million **Regional Plus:** QAR1 million **Regional:** QAR500,000	**Global Area 1:** Worldwide **Global Area 2:** Worldwide excluding USA , Singapore, Japan, Hong Kong & Switzerland **Regional Plus:** Regional cover plus India, Pakistan, Sri Lanka, Bangladesh, Korea, the Philippines, Indonesia, Nepal & Bhutan **Regional: AGCC:** Arabian Gulf Cooperation Council member countries being Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman	+973 17 210 778 www.axa-gulf.com
Qatar General Insurance and Reinsurance Company Interglobal Healthcare Plan MedicalCare Health Insurance Plan	**Interglobal Healthcare Plan** **Ultracare Plus:** From 3,298 (child) to 107,663 up to ages 70-74 **Ultracare Comprehensive:** From 2,565 (child) to 87,710 up to ages 70-74 **Ultracare Select:** From 2,341 (child) to 79,599 up to ages 70-74 **Ultracare Standard:** From 1,616 (child) to 55,211 up to ages 70-74 **MedicalCare Health Insurance Plan** (up to 65 years old only) In-patient treatment: 399, In-patient and out-patient treatment: 899	**Interglobal Healthcare Plan** Standard Excess US$42.50, Nil Excess 10% overload, US$85, US$170, US$425, US$850, US$1,700, US$4,250, US$8,500 **MedicalCare Health Insurance Plan** In-patient treatment: 10% of claim amount for each and every claim Out-patient treatment: QAR25 per visit	**Interglobal Healthcare Plan** **Ultracare Plus:** US$3.4 million Ultracare **Comprehensive:** US$1.7 million **Ultracare Select:** US$1,275,000 **Ultracare Standard:** US$850,000 **MedicalCare Health Insurance Plan** In-patient: QAR100,000 Out-patient: QAR50,000	**Interglobal Healthcare Plan** *With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide. **Ultracare Plus:** Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage. **Ultracare Comprehensive:** In and out-patient benefits, 45 days emergency coverage outside of chosen area. **Ultracare Select:** In-patient benefits. **Ultracare Standard:** Limited out-patient benefits, 30 days emergency coverage outside of chosen area **MedicalCare Health Insurance Plan** (selected hospitals and clinics in Qatar) **In-patient treatment:** Hospital accommodation, surgical, medical and nursing, services and supplies, private room and board, ambulance services. **Out-patient treatment:** Consultation (general medicine, pediatric, obstetrics and gynecology, ophthalmology and dermatology), lab tests, x-ray and ECG diagnostics, prescribed drugs and medicines. **Optional:** Worldwide coverage in case of emergency excluding Canada and USA while on trip not exceeding 30 days and treatment in home country excluding Canada and USA up to QAR25,000	+974 428 2222
Qatar Islamic Insurance Company	**Balsam Gold:** From 3,826 (child) to 7,699 up to age 60. **Balsam Silver:** From 2,114 (child) to 4,199 up to age 60. **Ordinary Balsam:** From 1,067 (child) to 2,118 up to age 60	50 per out-patient consultation	**Ordinary Balsam:** QAR100,000 **Balsam Silver:** QAR300,000 **Balsam Gold:** QAR500,000	**Ordinary Balsam:** Qatar **Balsam Silver:** Worldwide excluding Europe, USA and Canada **Balsam Gold:** Worldwide excluding USA and Canada	+974 4413 413 www.qiic.net qiic@qatar.net.qa

Disclaimer: All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Covers specified are those deemed to be significant only as point of comparison among the plans. Other insurance companies offer the same plans as above. For example, Doha Insurance also offers the Interglobal Healthcare Plan. You may contact them at +974 433 5000. The annual premiums listed are simply an overview of how much an individual has to pay for an insurance plan for various age ranges. Discounts are available for those who would like to purchase plans by groups or companies. Premium rates quoted in US$ are converted to QAR using the 3.68 conversion rate for consistency purposes. Please contact the insurance providers for more information.

Personal Loans — BAHRAIN

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (BHD)	MIN. SALARY (BHD)	PAYMENT TERMS	CONTACT
Ahli United Bank	Consumer Loan	Reducing balance rate: 8.5-9%	Up to 22 times monthly salary	250	Up to 72 months	17221999
Bahrain Credit	Personal Loan for nationals only	Reducing balance rate: 12%	Up to 30 times monthly salary (maximum 30,000, minimum 1,000)	350	Up to 84 months	8000 8000
Bahraini Saudi Bank	Personal Loan	Reducing balance rate starts at 9.90% (depends on salary)	Up to 40,000	200	Up to 84 months	17578888
Bank of Bahrain and Kuwait	Consumer Loan	Reducing balance rate: for national 9%, for expats 9.5%	Up to 50,000	200	Up to 84 months for nationals, 60 months for expats	17207777
Citibank	Personal Loan Personal Installment Loan (PIL) - without salary transfer	Reducing balance rate: 10% for locals 11% for expats	Up to 15,000, depends on salary	300 300	Up to 72 months Up to 48 months	17582484
HSBC Bank Middle East	Personal Loan	Reducing balance rate: 9.5 – 12%. Depends on company status	Up to 40,000 for nationals, up to 20,000 for expats	200	Up to 84 months for nationals Up to 60 months for expats	1756999
National Bank of Bahrain	Personal Loan	9%	Up to 51 times monthly salary for nationals Up to 10 times monthly salary for espats	200	Up to 84 months for nationals, up to 60 months for expats	17214433
Shamil Bank	Personal Finance (Tamweel Al-Shamil)	Fixed rate: starts at 3.99% (Depends on the salary and the loan amount)	Up to 100,000	200	Up to 84 months	17878777
Standard Chartered	Personal Loan	Fixed rate: starts at 4%	Up to 38 times monthly salary for nationals, up to 16 times monthly salary for expats	200	Up to 84 months	Toll free: 80001802

Credit Cards — BAHRAIN

PROVIDER	CARDS OFFERED	ANNUAL FEE (BHD)	MIN. SALARY (BHD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	CONTACT
Ahli United Bank	Visa/MasterCard (Standard, Gold)	Free for the first year	Standard - 300, Gold - 400	Standard - 2.5% and Gold – 1.75% on purchases, 4% on cash withdrawals	52 days	17221999
Bahraini Saudi Bank	Visa (Classic, Gold)	Free for life	Classic - 550, Gold - 800	1.6% with account, 2.25% without account on purchases, 4% on cash withdrawals	52 days	17578999
Bank of Bahrain and Kuwait	CrediMax Visa/MasterCard/ JCB (Classic, Gold)	Free for life	Classic - 300, Gold - 700	1.85% on purchases, 3% on cash withdrawals	25 days	17207777
Citibank	Visa/MasterCard (Silver, Gold) Emirates-Citibank card (Silver, Gold)	Visa/MasterCard: Silver – 25, Gold – 50, Emirates-Citibank card: Silver – 30, Gold - 55	Silver - 300, Gold - 800 Emirates-Citibank card - 800	Visa/MasterCard – 2.5% Emirates-Citibank card – 2.5% on purchases, 4% on cash withdrawals	52 days	17582484
HSBC Bank Middle East	Visa/MasterCard (Classic, Gold), MasterCard In-site virtual, Premier MasterCard	Classic – 20; Gold – 30; In-site – 10; Premier free	Classic without salary transfer - 400, Classic with salary transfer - 400 for locals and 500 for expats, Gold - 750, In-site - 250	Classic – 2.25%; Gold – 2%; In-site – 2.25%; Premier - 1.75% on purchases, 4% on cash withdrawals	56 days	17569999
National Bank of Bahrain	Visa (Standard, Gold) MasterCard (Classic, Gold)	Free for the first year	200	1.84% on purchases. 3% on cash withdrawals	21 days	17214433
Shamil Bank	Al-Rubban MasterCard (Classic, Gold)	Classic – 15; Gold – 25	300	One-off fee on garantee of 6.5% or 0.6% per month on purchases, US$10 on cash withdrawals	51 days	17878777
Standard Chartered	MasterCard/Visa (Classic, Gold)	With salary transfer Classic 10, Gold 25, otherwise 20 and 60	Classic - 200, Gold - 800	Classic 2.25% with salary transfer, otherwise 2.95% - Gold 1.7% with salary transfer, otherwise 2% on purchases, 5% on cash withdrawals	50 days	Toll free: 80001802

Home Contents Insurance — BAHRAIN

INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS (BHD)	COVER (BHD)	COVER INCLUDES	CONTACT DETAILS
Saudi National Insurance Company BSC	Minimum 20	100 for every claim	5,000	Household contents against theft, perils, etc.; furniture – 20 per cent of actual market value, jewelry up to BHD5,000 as long as they are in a safe	+973 17 563 377
AXA Insurance Home Comfort	25	25	5,000	Household contents, personal belongings and legal liability in the GCC countries up to BHD25,000 plus free additional benefits like tenants' liability, valuables, new for old, alternative accommodation, temporary removal, locks replacement, frozen food, money, visitor's personal effects, domestic helper's personal effects, mirrors and glass; excludes jewelry and personal belongings; optional coverage includes worldwide cover, domestic helpers, loss of passport/driving license/residence and work permits	+973 17 588 222 www.axa-gulf.com
Arabia Insurance Householders Insurance	23-25	250 per claim	5,000	Full value of household goods and personal effects excluding valuables such as jewelry, furs, cameras and accessories; losses against fire, lightning, burglary and all other allied perils	+973 17 211 174 www.arabiainsurance.com aicbn@batelco.com.bh
Royal & Sun Alliance Insurance Homeshield Insurance	Minimum 25-35, depends on policy	50-100	5,000	Contents while in your home only including fire, theft, (by forcible means), flood, storm/hail, leakage of any water apparatus, impact damage; excludes riot, strike, malicious damage, sabotage and terrorism; extra damage cover includes sum insured excluding valuables, valuables (gold, silver, jewelry, works of art, carpets/rugs, coin/stamp or medal collections, curios), landlords furnishings; optional covers include personal possessions while outside your home in Bahrain and/or worldwide (loss or damage by fire or theft and accidental loss or damage to personal belongings such as jewelry, watches, cameras, binoculars and musical/sports equipment etc.) and small boats (accidental loss or damage to your boat and third party liability up to BHD50,000)	+973 17 581 661 www.royalsunalliance.com
Bahrain Kuwait Insurance Company Homeowners Insurance	Minimum 35	250 per condition	5,000	Cover against fire, domestic explosion, aircraft, earthquake or volcanic eruption, storm and tempest, flood, escape of water from any tank, apparatus or pipes, impact by any road vehicle or animal, theft, breakage of fixed glass and sanitary fixtures; can be taken only if you are a tenant in a building or an apartment, extra charge for jewellery, which should be kept in a safe.	+973 17 875 021 www.bkic.com info@bkic.com
Takaful Insurance Home Owners / Householders Takaful Scheme	Minimum 20	100	5,000	Cover against losses due to fire and perils such as storm, theft, flood, earthquakes, escape of water from fixed tanks, apparatus or pipes, impact damage, accidental damages to certain specified household items (TV, fixed glass, sanitary fittings etc); Jewelry in locked safe and personal effects have extra charge	+973 1756 5656 www.takafulweb.com
Protection Insurance Services W.L.L .	30	50	5,000	Cover against fire, theft, water; Insured jewelry should be in a safe	+973 1721 1700 www.alhimaya.com
Bahrain National Insurance	25	250 for each and every loss	5,000	Cover against fire, special perils and theft for furniture, electrical appliances, electronic equipment, decorative items, personal belongings, watches and jewelry as long as kept in a locked safe	+973 1758 7333 www.bnhgroup.com bnl@bnhgroup.com

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Medical Insurance — BAHRAIN

INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (BHD)	EXCESS	COVER	COVER INCLUDES	CONTACT
Royal & Sun Alliance Insurance	**Almas:** From 275 (child) to 1,042 up to age 65 **Dana:** From 148 (child) to 582 up to age 65 **Delmon:** From 141 (child) to 564 up to age 65	BHD5 per hospital consultation	Almas: BHD50,000 Dana: BHD25,000 Delmon: BHD10,000	**Almas:** Worldwide Excluding USA and Canada, travel worldwide **Dana:** Bahrain, Arab countries, Southeast Asia, travel worldwide **Delmon:** Bahrain, Southeast Asia, travel worldwide	+973 1758 1661 www.royalsunalliance.com *Plans also offered by: Saudi National Insurance Company BSC +973 1756 3377
Fakhro Insurance Services W.L.L. - International Health Insurance (IHI)	*Ages 0-9 has no premium **Hospital Plan:** From 847 (ages 10-25) to 1,631 up to age 60+	None, US$400, US$1,600, US$5,000 or US$10,000	Hospital Plan: US$1.8 million	**Hospital Plan:** comprehensive inpatient cover (hospitalisation expenses such as hospital ser vices, childbirth, organ transplant, rehabilitation and emergency room treatment) with optional modules such as non-hospitalisation benefits (US$35,000), medicine and appliances (US$2,500), medical evacuation and repatriation, dental (US$5,000) and optical (US$7,500) covers	+973 1727 5000 www.fakhro.com www.ihi.com
Interglobal Healthcare Plan	**Ultracare Plus:** From 332 (child) to 10,825 up to ages 70-74 **Ultracare Comprehensive:** From 258 (child) to 8,819 up to ages 70-74 **Ultracare Select:** From 235 (child) to 8,003 up to ages 70-74 **Ultracare Standard:** From 162 (child) to 5,551 up to ages 70-74	Standard Excess US$42.50, Nil Excess 10% overload, US$85, US$170, US$425, US$850, US$1,700, US$4,250, US$8,500	**Ultracare Plus:** US$3.4 million Ultracare **Comprehensive:** US$1.7 million **Ultracare Select:** US$1,275,000 **Ultracare Standard:** US$850,000	*With optional coverage of Australia and New Zealand, Europe, Worldwide not including the USA or Worldwide **Ultracare Plus:** Extended in and out-patient benefits, 45 days emergency coverage outside chosen area, dental coverage **Ultracare Comprehensive:** In and out-patient benefits, 45 days emergency coverage outside of chosen area **Ultracare Select:** In-patient benefits **Ultracare Standard:** Limited out-patient benefits, 30 days emergency coverage outside of chosen area	Protection Insurance Services W.L.L . +973 1721 1700 www.alhimaya.com www.interglobalpmi.com **Bahrain National Life** +973 1758 7333 www.bnhgroup.com bnl@bnhgroup.com
AXA Insurance	* In reference to ages 0-10, cheaper premium for ages 11-20 by up to 50 depending on plan **Global Area 1:** From 1,080 (ages 11-21) to 2,909 up to ages 60-65 **Global Area 2:** From 363 (ages 11-21) to 954 up to ages 60-65 **Regional Plus:** From 207 (ages 11-21) to 543 up to ages 60-65 **Regional:** From 179 (ages 11-21) to 467 up to ages 60-65		**Global Area 1:** BHD500,000 **Global Area 2:** BHD250,000 **Regional Plus:** BHD100,000 **Regional:** BHD50,000	**Global Area 1:** Worldwide **Global Area 2:** Worldwide excluding USA , Singapore, Japan, Hong Kong & Switzerland **Regional Plus:** Regional cover plus India, Pakistan, Sri Lanka, Bangladesh, Korea, the Philippines, Indonesia, Nepal & Bhutan **Regional:** AGCC: Arabian Gulf Cooperation Council member countries being Saudi Arabia, Kuwait, Bahrain, Qatar, UAE and Oman	+973 17 210 778 www.axa-gulf.com
Bahrain Kuwait Insurance Company	**Shefa'a Gold:** From 520 (child) to 1,636 up to ages 60-65 **Shefa'a Max:** From 305 (child) to 957 up to ages 60-65 **Shefa'a Plus:** From 190 (child) to 598 up to ages 60-65 **Shefa'a:** From 44 (child) to 141 up to ages 60-65		Shefa'a Gold: BHD50,000 Shefa'a Max: BHD35,000 Shefa'a Plus: BHD10,000 Shefa'a: BHD10,000	**Shefa'a Gold:** In-patient and out-patient treatment, family doctor treatment, prescription medication , home nursing, maternity, dental and optical treatment; Elective treatment worldwide except Canada or USA **Shefa'a Max:** Out-patient consultations, diagnostic tests and in-patient hospital treatment; Elective treatment worldwide except in Europe, Canada or USA **Shefa'a Plus:** In-patient and daycare treatment as well as out-patient consultations in Bahrain **Shefa'a:** In-patient and daycare treatment in Bahrain	+973 1753 1555 www.bkic.com info@bkic.com

Disclaimer: All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Covers specified are those deemed to be significant only as point of comparison among the plans. The annual premiums listed are simply an overview of how much an individual has to pay for an insurance plan for various age ranges. Discounts are available for those who would like to purchase plans by groups or companies. Premium rates quoted in US$ are converted to BHD using the 0.37 conversion rate for consistency purposes. Please contact the insurance providers for more information.

Personal Loans — KUWAIT

PROVIDER	PRODUCT	INTEREST RATE	MAX. LOAN AMOUNT (KWD)	MIN. SALARY (KWD)	PAYMENT TERMS	CONTACT
Bank of Kuwait and Middle East	Consumer Loan	8.75%	Up to 15 times	250	60 to 72 months	812000
Burgan Bank	Consumer Loan	8.75%	Up to 15,000	200	Up to 12-60 months	804080 www.burgan.com
Commercial Bank of Kuwait	Personal Loan for nationals only Consumer Loan	8.75%	Up to 70,000 minimum 10,001 Up to 15,000 or 15 times salary, whichever is less	350 150	Up to 24- 80 months	888225 www.cbk.com
Gulf Bank	Consumer Loan Al Afdal Loan for Nationals	8.75%	Up to 15,000 for Nationals Up to 10,000 for expats	200	Up to 60 months Up to 180 months	805805 www.e-gulfbank.com
National Bank of Kuwait	Consumer Loan Expatriate Loan	8.75%	Up to 15,000	400	Up to 60 months for expats, Up to 72 months for nationals	801801 www.nbk.com

Credit cards — KUWAIT

PROVIDER	CARDS OFFERED	ANNUAL FEE (KWD)	MIN. SALARY (KWD)	INTEREST/PROFIT RATES	INTEREST FREE CREDIT	VALUE ADDED	CONTACT
Bank of Kuwait and Middle East	Visa/MasterCard (Standard, Gold) Visa Platinum, MasterCard CyberSmart Card	Free for the first year, afterwards Standard 25, Gold 40, Platinum 75, CyberSmart 5	With salary transfer: Standard 250, Gold 700; otherwise Standard 300, Gold 750; Platinum 1,000	1.18% on purchases, 5% on cash withdrawals	32 days	Discounts on airline tickets purchased with your card, global purchase protection worth US$10,000 annually, travel insurance, free auto assist, travel services, discounts of up to 40% at select retail outlets	812000
Burgan Bank	Visa/MasterCard (Classic, Gold)	Free for first year, afterwards Classic 20, Gold 30	Classic – 200, Gold – 500	N/A on purchases, 4% on cash withdrawals	35 days	Photo-sign card, online banking, can earn rewards, discounts and promotions every time card is used	804080
Commercial Bank of Kuwait	Visa Classic, MasterCard (Classic, Gold, Platinum), StarNet Card	Classic – 15, Gold – 25, Platinum – 35, StarNet Card 10	Classic – 200, Gold – 550, Platinum – 750, StarNet card 150	1.23% on purchases, 4% on cash withdrawals, 5% on other banks	35 days	Emergency funds if card is lost or stolen, ongoing promotions for prizes, travel benefits, STAR assist insurance coverage	888225
Gulf Bank	Visa/MasterCard (Classic, Gold) MasterCard Platinum, MTC Co-branded MasterCard (Classic, Gold)	Free for the first year, thereafter, Classic 25, Gold 40, Platinum 40	Classic – 350, Gold – 1,000, Platinum – 1,750	1.33% on purchases, 4% on cash withdrawals, 5% on other banks	30 days	Photo card option, 24hr card replacement, discounted supplementary card, discounts at select retail outlets, MTC CO-branded Card - 3-5% discount of monthly mobile bills and Free International roaming service	805805
National Bank of Kuwait	MasterCard/Visa (Classic, Gold, Platinum), Visa Internet Shopping card	Classic 30, Gold 40, Internet Shopping Card 5	Classic – 250, Gold – 600, Platinum – invitation only	1.1% on purchases, 4% on cash withdrawals	32 days	Photo card option, free travel insurance if tickets are purchased with card, promo - apply for 2 cards and pay full fee for first card and half fee on second card	801801

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular personal loan provider. The table was thoroughly checked for accuracy with each provider called individually for information during August 2008 and was correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres. Note: Many banks operating in the GCC require you be an account holder before approving personal loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

Medical Insurance — UAE

PROVIDER	STANDARD ANNUAL PREMIUM (AED)	EXCESS	COVER	COVER INCLUDES	CONTACT
AXA/Norwich Union Insurance (Gulf) BSC(c)	* In ref. to ages 0-10, cheaper premium for ages 11-20 by up to AED500 depending on plan **Global Area 1:** From 10,801 (11-21) to 29,098 up to ages 60-65, **Global Area 2:** From 3,638 (ages 11-21) to 9,541 up to ages 60-65, **Regional Plus:** From 2,078 (ages 11-21) to 5,433 up to ages 60-65, **Regional:** From 1,787 (ages 11-21) to 4,673 up to ages 60-65		**Global Area1:** AED5million **Global Area2:** AED2.5 million **Regional Plus:** AED1 million **Regional:** AED500,000	**Global Area 1:** Worldwide **Global Area 2:** Worldwide exc. USA, Singapore, Japan, Hong Kong, Switzerland **Regional Plus:** AGCC countries, major trading nations of the Indian subcontinent and South East Asia **Regional:** Close to home (India, Pakistan, Sri Lanka, Bangladesh, Korea, Philippines, Indonesia, Nepal, Bhutan) * Additional benefits for Global and Regional Plans	Toll free: 800 4845 www.axa-gulf.com
Alliance Insurance (P.S.C.)	*With deductibles **Global Area 1:** From 4,561 (ages 0-17) to 18,428 up to age 65 **Global Area 2:** From 3,071 (0-17) to 12,270 up to ages 61-65 **Global Area 3:** From 2,048 (0-17) to 7,045 up to ages 61-65 **Regional Plus:** From 1,782 (0-17) to 6,675 up to ages 61-65 **Regional:** From 1,752 (0-17) to 6,464 up to ages 61-65	Deductibles of: **Global Area 1:** AED200/150, **Global Area 2:** AED200/150/100, **Global Area 3:** AED150/100/75, **Regional Plus and Regional:** AED150/100/75/50	**Global Area 1:** AED1 million **Global Area 2:** AED1 million **Global Area 3:** AED1 million **Regional Plus:** VIP: AED1 million A: AED500,000, B: AED250,000 **Regional:** VIP: AED300,000 A: AED150,000, B: AED75,000	**Global Area 1:** Worldwide **Global Area 2:** Worldwide exc. USA and Canada **Global Area 3:** UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines **Regional Plus:** UAE, Arab countries, sub-Asian Continent, Sri Lanka, Korea, Philippines **Regional:** UAE	04 605 1111 alliance@alliance-uae.com www.alliance-uae.com
BUPA International	**Essential:** From 2,598 (ages 0-15) to 33,650 up to age 82-120, **Classic:** From 3,743 (ages 0-15) to 46,707 up to age 82-120, **Gold:** From 4,725 (ages 0-15) to 59,380 up to age 82-120	Options of US$160/US$400/US$800/US$1,600	**Essential:** US$900,000 **Classic:** US$1.2 million **Gold:** US$1.6 million	**Essential:** Hospital treatment as in/day-care patient **Classic:** Plus specialist medical treatment **Gold:** Plus home nursing, accidental dentistry, preventative health checks * All plans exc. USA	04 331 8688 info@bupa-intl.com www.bupa-intl.com
Expat Services GmBH	**Individual Policies** **Expat Executive:** From 1,530 (ages 0-18 years) to 5,210 up to age 65, **Expat Superior:** From 1,750 (ages 0-18) to 8,490 up to age 65 **Group Policies** - Standard, Executive and Superior: Subject to individual quotation	Standard Excess Standard and Executive: AED50 or AED75 Superior: No excess	**Standard:** AED100,000 p.a. **Executive:** AED1,835,000 p.a. Superior: Unlimited	**Standard Group:** Covers Arab countries, Indian subcontinent, Philippines **Executive and Superior (Group and Individual):** Covers worldwide excluding USA and Canada. Cover may be extended to worldwide including USA and Canada at additional premium. Policies cover out and inpatient treatment, prescribed medicaments, dental treatment/replacement, pregnancy and childbirth, preventive check-ups, etc.	04 341 5580 info@expatservices.ae www.expatservice.ae
Goodhealth Worldwide	**Major Medical Plan:** From 1,921 (ages 0-17) to 11,298 up to age 64 **Foundation Plan:** From 4,037 (ages 0-17) to 23,673 up to age 64 **Lifestyle Plan:** From 4,663 (ages 0-17) to 29,634 up to age 64 **Lifestyle Plus Plan:** From 5,892 (ages 0-17) to 34,577 up to age 64	**Major**: Nil, 1,000/5,000 **Foundation**: Nil, 50/100/250/500/1,000/2,000/5,000 **Lifestyle**: Nil, 50/100/250 **Lifestyle Plus**: Nil, 50/100/250	**Major Medical Plan:** US$1.6 million **Foundation Plan:** US$1.6 million **Lifestyle Plan:** US$1.6 million **Lifestyle Plus Plan:** US$1.6 million	**Major Medical Plan:** Psychiatric treatment, complications of pregnancy, emergency transportation, evacuation and additional travel expenses, mortal remains, AIDS, reconstructive surgery, home nursing **Foundation Plan:** Plus traditional Chinese medicine, hormone replacement therapy **Lifestyle Plan:** Plus evacuation extension to the country of your choice **Lifestyle Plus Plan:** Plus routine and major restorative dental treatment, pregnancy and childbirth	04 324 0040 enquiries@goodhealth.ae www.goodhealthworldwide.com
InterGlobal Limited (Middle East)	*Depends on area of cover (your country of residence and home country if you require the option of returning to your home country for treatment): Europe, Worldwide excluding/ including USA, Australia and New Zealand **Plus:** From 3,298 (Child) to 107,662 up to ages 70-74 **Comprehensive:** From 2,565 (Child) to 87,709 up to ages 70-74 **Select:** From 2,340 (Child) to 79,598 up to ages 70-74 **Standard:** From 1,616 (Child) to 55,211 up to ages 70-74	Standard Excess US$42.50, Nil Excess 10% overload, US$85, US$170, US$425, US$850, US$1,700, US$4,250, US$8,500	**Plus:** US$3.4 million **Comprehensive:** US$1.7 million **Select:** US$1,275,000 **Standard:** US$850,000	**Plus:** Psychiatric treatment, wellness benefit, emergency medical treatment outside area of cover **Comprehensive:** Compassionate emergency visit **Select:** Compassionate emergency visit, emergency medical treatment outside area of cover **Standard:** In-patient and day care treatment, emergency local ambulance	04 272 5505 info@interglobal.ae www.interglobalpmi.com
National General Insurance Co. PSC	*Higher premium for females than males except for ages 1-16, which have same rate **Emirates Plan:** From 1,603 (1-16) to 3,018 up to age 55 **Emirates Plus Plan:** From 1,775 (1-16) to 3,353 up to age 55 **International Plan:** From 1,978 (1-16) to 5,780 up to age 55 **Global Plan:** From 2,750 (1-16) to 9,741 up to age 55	AED40-75 on medical services	**Emirates Plan:** AED100,000 **Emirates Plus Plan:** AED250,000 **International Plan:** AED1 million **Global Plan:** AED2 million	**Emirates Plan:** UAE **Emirates Plus Plan:** UAE and up to 45 days per annum in Middle East, India, Bangladesh, Pakistan, Sri Lanka, Singapore, Philippines and Malaysia **International Plan:** UAE and up to 60 days per annum while traveling worldwide exc. USA, Canada and the Caribbean **Global Plan:** UAE and up to 60 days p.a. while traveling world-wide *Additional benefits for International and Global plans	04 222 2772 www.ngi.ae
National Health Insurance Company – Daman	**Basic (Abu Dhabi Plan):** For less than AED4,000 or AED 3000 plus accommodation monthly salary – fixed premium AED600 Enhanced (UAE, Regional, International, Global Plans): **UAE:** from 1,400 (ages 1-15) to 8,000 up to ages 66-99; **Regional:** from 1,700 (ages1-15) to 9,500 up to ages 66-99; **International:** from 2,200 (ages 1-15) to 13,000 up to ages 66-99; **Global:** from 4,000 (ages 1-15) to 29,000 up to ages 66-99 For more than AED4,000 monthly salary – premium is quoted per individual depending on age, gender, health conditions, preferred health benefits (e.g. maternity AED1,800/ dental AED300/ etc.)		**Abu Dhabi Plan In & Out-Patient:** AED250,000 **UAE Plan In & Out-Patient:**AED250,000 **Regional Plan:** AED500,000 **International Plan:** AED2.5 million **Global Plan:** AED5 million	**Abu Dhabi Plan In & Out- Patient:** Abu Dhabi and life-threatening emergency outside Abu Dhabi at public providers only **UAE Plan In & Out- Patient:** Life-threatening outside UAE, emergency cover in Arab Countries, India, Sri Lanka, Pakistan, Bangladesh, Philippines (Blue Collar Home Country) **Regional Plan:** UAE, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide **International Plan:** UAE, Europe, Arab Countries, Iran, Afghanistan, India, Pakistan, Bangladesh, Philippines (Blue Collar Home Country), life-threatening emergency worldwide **Global Plan:** Worldwide, life-threatening emergency worldwide	800 4 DAMAN (800 4 32626) www.damanhealth.ae
Oman Insurance Company	*In ref. to ages 14 days to 30 years, lower premium for ages 18-25 by up to AED300 depending on plan **Plan 1:** From 1,470 (14 days-45 years) to 2,980 up to age 60 **Plan 2:** From 2,170 (14 days-45 years) to 4,380 up to age 60 **Plan 3:** From 2,350 (14 days-45 years) to 4,730 up to age 60 **Plan 4:** From 3,630 (14 days-45 years) to 7,290 up to age 60 **Plan 5:** From 4,180 (14 days-45 years) to 8,400 up to age 60 **Plan 6:** From 3,800 (14 days-45 years) to 7,650 up to age 60 **Plan 7:** From 4,390 (14 days-45 years) to 8,810 up to age 60	AED25 deductible on out-patient consultation fees	**Plan 1:** AED50,000 **Plan 2:** AED100,000 **Plan 3:** AED100,000 **Plan 4:** AED200,000 **Plan 5:** AED200,000 **Plan 6:** AED300,000 **Plan 7:** AED300,000	**Plan 1:** UAE, **Plan 2:** UAE, **Plan 3:** UAE, Arab countries, Indian sub-continent, Philippines **Plan 4:** UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA, Canada **Plan 5:** UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada **Plan 6:** UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide exc. USA and Canada **Plan 7:** UAE, Arab countries, Indian sub-continent, Philippines, extended to worldwide inc. USA and Canada	Toll Free: 800 4746 oicem@tameen.ae www.tameen.ae
Royal & SunAlliance UAE	*Higher premium for females aged 16-60 than males and lower premium for males aged 66-99 by up to 800 depending on plan **Visit www.fasterquote.ae for personalised quote. **Columbus:** From 2,727 (ages 0-20) to 14,879 up to age 99 **Ulysses:** From 2,353 (ages 0-20) to 12,631 up to age 99 **Marco Polo:** From 2,040 (ages 0-20) to 10,756 up to age 99 **Local Health:** From 1,991 (ages 0-20) to 10,457 up to age 99	AED50 deductible on physician's consultation	**Columbus:** AED1 million **Ulysses:** AED500,000 **Marco Polo:** AED300,000 **Local Health:** AED100,000	**Columbus:** Worldwide **Ulysses:** Worldwide exc. USA and Canada **Marco Polo:** UAE, Arab Countries, South East Asia, Iran and Afghanistan **Local Health:** UAE, South East Asia, Iran and Afghanistan	04 334 4474 fasterquote@notes.royalsun.com www.royalsunalliance.ae www.fasterquote.ae

Disclaimer: All medical insurance policies include the standard in-patient and out-patient services generally provided by insurance companies. Cover specified is deemed to be significant only as point of comparison among plans. Please note that some insurance companies offer the same/similar plans - for example, Arab Orient Insurance Company and Nasco Karaoglan Dubai have plans offered by Royal & SunAlliance UAE as part of their medical insurance proposals. The annual premiums listed are simply an overview of how much an individual may have to pay per insurance plan. Premium rates quoted in US$ are converted to AED using a conversion rate of 3.68 for consistency purposes. Please contact providers direct for more information. ***Tip:*** Discounts are available for those who would like to purchase group of corporate plans as well as, in some cases, for annual or online payments - or example AXA offer a three per cent discount for annual payment and Royal Sun Alliance offer 10% per cent when you purchase online. As ever, it doesn't hurt to ask. ***Notes:*** These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. They are NOT meant as a recommendation of a particular provider and listings are simply in alphabetical order and updated during August 2008. All information included tables is subject to confirmation and is provided as an overview only. As with all financial decisions **MONEY***works* recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. This list is not an exhaustive list, Any errors and/or omissions are regretted. Additions/corrections, if any, should be forwarded by fax to 00971 4 391 2173, or by email to info@moneyworks.ae. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Home Contents Insurance — UAE

INSURER/ PRODUCT	STANDARD ANNUAL PREMIUM (AED)	EXCESS (AED)	COVER (AED)	COVER INCLUDES	CONTACT DETAILS
Abu Dhabi National Insurance Company – Householders Comprehensive Insurance	350 minimum	None	50,000	Cover against loss or damage caused by fire, theft, water damage, earthquake and other allied perils; excluding jewelry and money	02 626 4000 www.adnic.ae
Al Dhafra Insurance – Householder's contents policy	500 minimum, 350 in special cases, depends on the value	500	50,000	Contents while contained in the buildings against the risks of fire, lightning, explosion, thunderbolt, subterranean fire, earthquake, volcanic eruption, aircraft or other aerial devices or articles dropped, bursting or overflowing of water tanks, apparatus or pipes, theft, Impact by any third party road vehicles, horses or cattle, storm, tempest, flood or overflow of the sea; all kinds of declared household items and jewelry; contents temporarily removed from the building while in any bank safe deposit or private dwellings where the insured or members of his family are residing or employed are covered; reasonable costs of the alternative accommodation in the event of building being rendered uninhabitable; standard policy may be extended to cover legal liability to landlord and third parties	02 672 1444 www.aldhafrainsurance.com
Al Ittihad Al Watani General Insurance Company – Householders Comprehensive Insurance	1,500-2,000	250	50,000	Cover against fire and perils. 10,000 limit on money are jewellery	04 282 3266 www.unic.ae
Arab Orient Insurance Company – Home Contents Insurance	750 minimum	1,500 for every claim	50,000	Furniture, fixtures, AC; optional – clothing, jewellery (2,500 for each item), excluding cash	04 209 3705 www.insuranceuae.com
AXA / Norwich Union Insurance (Gulf) BSC(c) – Home Comfort Insurance	800	250	200,000	Home contents (0.4 per cent), personal belongings (1.4 per cent) lap top (2.5 per cent) plus tenants and legal liabilities, alternative accommodation, new for old, unexpected events and natural calamities, while you are away, Theft of keys AED1,000, frozen food AED2,500, contents in the open AED2,500, household removals; optional coverage includes domestic helpers, against loss of important documents, money and credit cards, accidental damage	Toll Free 800 4560 (HSBC) www.axa-gulf.com
Lebanese Insurance Company – Home Contents Insurance	1,500 minimum	3,000	100,000	Furniture, fixtures; safes, antiques, jewelry have additional charge	04 222 5323 www.lebaneseinsurance.com
Dubai Islamic Insurance & Reinsurance Company (AMAN) – Householders Comprehensive Insurance	1,500 and up to 2,000 if including all options	1,000 of each and every loss	1 million	Anything insurable in the house against material damage. Can be extended to people living in the house against personal accidents, third party liability, loss of accommodation. Also includes clothes, jewelry and other items, safe in the house, gold as long as kept in a safe.	04 319 3111 www.aman-diir.ae
Gargash Insurance – Home Contents Insurance	200	250	50,000	Cover against accidental damage, fire, and theft; everything inside the house such as furniture, landlord's fittings, permanent fixtures and fittings, interior decors, safety locks up to AED1,000, jewelry up to AED2,500, servants with extra charge (AED150 per person)	Dubai – 04 337 9800 Sharjah – 06 572 3434 www.gargashinsurance.com
National General Insurance – Home Contents Insurance	500 minimum	1,500	50,000	Home contents against fire, principal perils, theft. Jewellery has extra charge.	04 222 2772 www.ngi.ae
Oman Insurance Company – Home Umbrella	200 minimum	250	50,000	Household contents covered against fire and allied perils, escape of water, theft or attempted theft, riot, strike and civil commotion, storm, flood and malicious damage, etc.; contents temporarily removed up to 10 per cent of contents sum insured within the geographic limit not exceeding 30 consecutive days; audio/video equipments, home computers, mirrors and glasses against accidental damage occurring in the private dwelling; loss or damage to goods contained in a deep freezer maximum of AED1,500; cost of alternate accommodation/loss of rent up to 50 per cent of contents sum insured for maximum period of six months; legal liability towards domestic servants maximum AED150,000, public liability maximum AED1 million, and tenant's legal liability for material damages caused to property of the landlord maximum AED200,000; personal accident (death) caused by fire or thieves for the insured and spouse max AED50,000 per person; all risks cover for jewelry, valuables and laptops is optional	Toll Free 800 4746 www.tameen.ae
Oriental Insurance Company LTD – Home Contents Insurance	250	2,000	50,000	Home contents against fire, natural calamities, theft including jewelry	04 353 8688
Qatar Insurance Company – Home Contents Insurance	500 minimum	250	50,000	Home contents against fire and burglary, optional - jewellery and valuables	04 222 4045
Royal & Sun Alliance Insurance Group – HomeShield Cover	250	Standard excess option - 250 Double excess option - 500	50,000	Household goods and other articles owned by any of your household members for which you are responsible as occupier of the house – everything inside the house, optional - specified/unspecified items (which you take with you when you go out), even while on holiday for 60 days including jewellery and personal belongings	04 334 4474 www.royalsunalliance.ae www.fasterquote.ae
Wehbe Insurance Services - Homeshield Insurance	500 minimum	250	50,000	Household goods possessions and fixtures and fittings for which you are responsible against loss or damage whilst in the home (0.4 per cent), with choice of two covers: **(1) Standard** – against loss or damage caused by fire/ smoke/explosion, theft or malicious damage, lightning, storm or flood, falling trees, impact, burst oil or water pipe (full cost of repair irrespective of age or original cost of articles except clothing and household linen where deduction may be made to allow for age and condition of items); For accidental damages to TV's/Hi-Fi's/Videos/home computers/fixed glass/ceramic hobs, deterioration of food in freezer if it breaks down but not if more than 10 years old, legal liability as occupier for injury to other people or damage to their property, liability to domestic servants, contents temporarily in the garden excluding damage caused by storm and flood, replacement of external locks in your home if your keys are stolen and **(2) Extra damage option** – including accidental damage; policy can extend to personal belongings you take outside the house (1.4 per cent) such as unspecified valuables, clothing, personal effects up to AED2,500, money up to AED1,500, credit cards, specified items for items worth more than AED2,500 individually, sports equipment up to AED4,000, pedal cycles that are securely locked while unattended, small boats against loss or damage anywhere in UAE and up to 60 days anywhere in the world	04 324 2345 www.wisgroup.com

Discounts are offered for listed companies, brokers and online applications. For more details, check with the provider. These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. ***Disclaimer:*** These listings are **NOT** meant as a recommendation of a particular provider; listings are simply in alphabetical order and updated during August 2008. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEY***works* recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained above is freely available and was obtained directly from provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider direct for further information.

Credit cards — BY INTEREST/PROFIT RATE — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	INTEREST/PROFIT RATES	INTEREST/PROFIT FREE CREDIT	CONTACT
Commercial Bank of Dubai	Visa (Classic, Gold) e-Tijari Web Card	Classic-200, Gold-400, e-Tijari Web Card-100	2% on purchases, 3% on cash withdrawals and 1.5% for e-Tijari Web Card for both	52 days	Toll-free: 800 223 www.cbd.ae
Commercial Bank International	MasterCard (Silver,Gold)	Free for life	1.5% on purchases, 3% on cash withdrawals	45 days	Toll-free: 800 224 www.cbiuae.com
Dubai Bank	Visa Covered Cards (Silver, Gold, Platinum)	Free for life	0% profit rate for first three months. Afterwards, 1.5% on purchases and 3% or AED25 (whichever is higher) on cash withdrawals	55 days	Toll-free: 800 5555 www.dubaibank.ae
Dubai Islamic Bank	Visa Islamic cards (Classic, Gold, Gold Premium and Platinum)	Fixed monthly fee: Classic-75, Gold-150, Gold Premium-300, Platinum-500	N/A on purchases and AED60 for cash withdrawals	50 days	04 609 2222 www.alislami.ae
Emirates Islamic Bank	Visa Islamic Credit Cards (Classic, Gold, Platinum, Infinite)	Monthly fee: Classic-100, Gold-233, Platinum-467, Infinite-700	N/A on purchases, AED90 for cash withdrawals of AED100 - 5,000	55 days	04 316 0234 www.emiratesislamicbank.ae
Habib Bank AG Zurich	MasterCard (Silver, Gold)	Silver-200, Gold-350	1.75% on purchases and 3% on cash withdrawals	40 days	04 221 4535 www.habibbank.com
LloydsTSB	Visa (Classic, Gold)	Free for life	0.99% per month or 11.9% per annum	55 days	04 342 2000, www.lloydstsb.ae
RAKBANK	Visa (Classic, Gold)) MasterCard (Standard, NMC, Titanium) Géant Hypermarket co-branded card	Free for life	1.7% on purchases for MasterCard cards, 1.95% for Visa cards; 2.25% on cash withdrawals; Géant card - 0% interest for first three months	56 days	04 213 0000 www.rakbank.ae
SAMBA	Visa-Master card (Silver, Gold, Titanium)	Silver: free for life; Gold and Titanium-300	0% on purchases, 3% on cash withdrawals	21 days	Toll-free: 800 SAMBA
United Bank Limited	MasterCard (Silver, Gold)	Free for the first two years	1.5% on purchases and 2% on cash withdrawals	55 days	Toll-free: 800 4847

Credit cards — BY VALUE ADDED FEATURES — UAE

PROVIDER	CARDS OFFERED	ANNUAL FEE (AED)	VALUE ADDED	CONTACT
ABN Amro	Visa (Classic, Gold), MasterCard Smart Traveller (Classic, Gold), MasterCard Al Ameera Ladies Card, MasterCard Jumbo co-branded card, MasterCard Non-resident Indian Card, Platinum MasterCard	Visa: Classic-200, Gold-400 MasterCard: Classic-400, Gold-500 MasterCard Al Ameera-300, MasterCard Jumbo co-branded card -200, Platinum MasterCard-650	Chip card for enhanced security, easy payment plan for up to 18 equal monthly instalments at an interest rate of 0.99%, credit shield, Smart Points/Flyer, purchase protection, dining card, travel benefits and discounts in certain cinemas and Wild Wadi, free travel inconvenience insurance, access to utility bill payment, payment deferral for one month. Al Ameera card provides discounts in many retail outlets. MasterCard Traveller Gold - 10% cash back on air tickets. Free Samsung products, double rewards for gold card holders. Jumbo special offers for Jumbo card holders. NRI cards: Redeemable benefits such as free domestic flights on Kingfisher Airlines, rent-free mobile SIM cards and dining discounts at outlets in India.	04 308 0000 www.abnamro.ae
Abu Dhabi Commercial Bank	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold, Platinum)	Classic/Standard-150, Gold-300, Platinum-800	Free supplementary cards, travel insurance, purchase protection for 90 days, credit shield, 24-hour road assistance, balance transfer facility, up to 5% discount on airline tickets purchased with ADCB card, free ticket delivery and Pearls reward programme whereby cardholders receive AED5 for every 1,000 'pearls' collcted. Platinum cardholders receive global emergency service, concierge service and extended warranty of up to 24 months on many retail products.	Toll-free: 800 2030 www.adcb.com
American Express	Dubai Duty Free (DDF), AMEX Blue, Gold, Gold Damas, SmartGold, Dollar Credit Card Charge Cards: Green, Gold, Platinum, BMW co-branded card	DDF-175, AMEX Blue -250, AMEX Gold-295, Gold Damas-395, SmartGold-395, Charge Cards: Green-US$120, Gold-US$210, Platinum-US$750, BMW-550	Gold/Blue offers 1% cash back, Dubai Duty Free Card - 10% off items at DDF, Millenium Millionaire special offers, retail protection, online fault protection and airport lounge access, travel insurance and benefits, express cash and travellers cheques while travelling, emergency cheque cashing and free companion credit card. Corporate cards, selected cards available in US Dollars. Damas card offers jewellery benefits and more, exclusive benefits for BMW co-branded members at BMW service centre and BMW accessories, emergency card replacement and membership rewards programme.	Toll-free - 800 4931 www.americanexpress.co.ae
Barclays Bank	Barclaycard (Classic, Gold, Platinum)	Preferred option (available on classic and gold cards: No annual fee; Priority option (available on all cards): 300; Prestige option (available on platinum cards): 550	All cards: One reward point for every AED1 spent on card (reward points can be redeemed for movie tickets, airline tickets, electronics, groceries, etc.), 24/7 roadside assistance, credit shield, travel benefits, free travel insurance, restaurant offers, free movie ticket offers. Priority and prestige cards: Barclays Butler service, double rewards on weekend spend, free magazine subscription, Barclays Pamper (50% discounts at select spas and salons), free air ticket for AED75,000 spend on card.	Toll-free - 800 4286000 www.barclaycard.ae
Citibank	Visa, MasterCard (Silver, Gold, Emirates-Citibank Silver/Gold Card, Citibank eCard). Citibank/Emirates Ultima Card. Citibank/Emirates Ultimate, Citi Travel Pass	Silver-250-300, Gold-500-550, Eppco-Citibank card-250, Citibank eCard-50 (Free to Emirates cardholders), Citibank/Emirates Ultima Card-3,000, Citibank/Emirates Ultimate-1,000, Citi Travel Pass-400	Purchase protection, credit shield, Citidollars, photo-sign card, travel/rental insurance, Bon Voyage travel services, exclusive travel privileges and banking services, easy installment plan up to 36 months, online and phone banking services and utility bill payment, discounts at selected retail outlets, fraud early warning block. Eppco cards - double Citidollars, Emirates cards - Skywards points, Citibank's new Ultima card offers numerous high-end exclusive benefits for high net worth individuals in addition to the benefits listed above. Worldwide emergency assist "CitiAssist", lost card protection. Free Motorola mobile phone, priority pass and Citidollars with Ultimate. Citi Travel Pass points can be redeemed for flight vouchers.	04-311 4653 www.citibank.ae
Dubai First	Visa (Silver, Gold) MasterCard (Classic, Gold) Visa Business Card Royale MasterCard	Visa: Silver – 200, Gold – 400 MasterCard: Classic – 200, Gold – 400 Business Card – 1% of credit limit Royale MasterCard – Invitation only	Free travel accident and inconvenience insurance on baggage loss, baggage/flight delay, personal liability, emergency hospitalisation and assistance. Free life insurance up to AED20,000 to gold card members and AED20,000 to silver card members. Loan on phone up to 80% of credit limit. Free household insurance up to AED25,000 to gold card members and AED10,000 to silver card members. One year purchase protection, special price of AED100 for UAE-GATE Card, free supplementary cards, photo card for instant recognition and security, up to 80% of your credit limit cash withdrawal, 24-hour contact center, entry to DubaiDinar Millionaire draw, 5% cash back on all air bookings, complimentary travel benefits, utility bill payment service. MasterCard: Can get up to 2.5% cash back with classic cards and up to 4% cash back with gold cards.	04 506 8888 www.dubaifirst.com
Emirates Bank/ meBANK	Visa, MasterCard (Silver, Gold), OPTIONS Instalment Card, MasterCard foreign currency card (Silver, Gold), MasterCard meNETPAY, Visa meUNI, Infinite Credit card	meUNI - free for students and staff of approved universities, Silver - 150, Gold-400, OPTIONS - 250, MasterCard foreign currency Silver-100 and Gold-300, meNETPAY/Emirates IPAY - 50. Silver cards free for first year, Infinite by invitation only	Students benefits for meUNI cards, photo-card and signature, discounts and privileges at over 1,600 outlets, meMILES loyalty programme, free travel insurance up to US$75,000 and assistance services, Intro APR - 0% interest rate for 1st three months. Convenient balance transfer at low interest rates, OPTIONS offers easy repayments in 12 to 24 installments at 0.8% per month, free meAutoAssist and meAccount with zero balance, ATM card and cheque book. For Infinite cards, high credit limit, customised concierge service, free access to first class airport lounges, travle and medical insurance options, rewards programme.	04-3160316 www.me.ae
HSBC Bank Middle East	Visa (Classic, Gold, Platinum), MasterCard (Classic, Gold, Premier), MasterCard Etihad co-branded card (Classic, Privilege, Exclusive), In-site virtual MasterCard	Visa Classic-150, Gold-400, Platinum-600 MasterCard Classic -150, Gold-400, Premier - free for account holders, Etihad Classic-150, Privilege-400, Exclusive-750, In-site - 50	Two free supplementary cards, air miles reward programme, autopay service, purchase protection, travel protection, credit shield, 24-hour roadside vehicle assistance. Platinum cardholders receive worldwide discounts/special offers and Dial-a-Gift service for a wide range of gift vouchers. Etihad cardholders can receive priority pass membership, e-gate card and guest miles to be exchanged for airline tickets, cruises and safaris, hotel accomodation, shopping rewards, etc.	Toll-free: 800 4440 www.uae.hsbc.com
National Bank of Abu Dhabi	Visa, MasterCard (Classic, Gold, Platinum) MasterCard nbad@surfer card, ADDF Visa (Classic, Gold), Visa Dubai E-government Prepaid Card	Classic and Gold are free for life, Platinum -1,000, nbad@surfer card - 25 for accountholders, otherwise 50, ADDF Visa Classic - 250, Gold - 350, Dubai E-government Prepaid Card - 100 to 5,000	1% interest for balance transfer, photo-card, purchase protection, personal accident and travel insurance, access to Golden class at Abu Dhabi International Airport and Murhaba services in Dubai International Airport, discounts and rewards programmes in many outlets, emergency medical and legal expenses, free road side assistance and credit shield facility, free gifts, NBAD points programme. Dubai E-government Card can be used for government transactions.	Toll-free: 800 2211 www.nbad.com
National Bank of Dubai	Visa (Classic, Gold, Platinum) MasterCard (Standard, Gold), NBD-Dnata MasterCard (Classic, Gold), WebShopper MasterCard	Classic - 100, Gold - 300, Platinum - 700, NBD-Dnata MasterCard - Classic-250, Gold-500, WebShopper MasterCard - 50	Free supplementary cards, 24-hour roadside assistance, travel inconvenience insurance, credit shield, travel express service. Gold cardholders receive cash advance of up to 75% credit limit. With Dnata cards, reward points worth 1.5% can be earned on all purchases. Points earned can be redeemed for airline tickets, yacht cruises, holiday packages or desert safaris. Platinum cardholders receive local concierge service, valet parking service at selected malls, discounts at UAE restaurants, complimentary room upgrades at leading hotels, retail discounts; until August 10, 5% cash back on all retail purchases, 2% after promotion.	Toll-free: 800 4444 www.nbd.com

These tables are compiled using specific criteria widely considered by consumers as important when choosing a specific financial product. *Disclaimer:* These listings are **NOT** meant as a recommendation of a particular bank/provider; listings are simply in alphabetical order and updated during August 2008. Information contained in these tables is subject to confirmation and is provided for information only. As with all financial decisions, **MONEY***works* recommends that you make enquiries and, if necessary, take appropriate advice before entering into any transactions. All rates were checked prior to publication and are subject to change without notice. All information contained below is freely available and was obtained directly from bank/provider printed materials and websites, as well as direct from helplines and/or call centres. Please call your chosen provider/bank direct for further information.

Know of a better offer? We'd like to hear from you. Fax us on 00971 4 391 2173 or email info@moneyworks.ae

Car Loans

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	DOWNPAYMENT	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Car Loan	New cars starting at 4.5%, used cars staring at 4.99%	Up to 500,000 (Depends on salary)	Nil downpayment option for new cars, min. 10% for used cars	New cars - 72 months Used cars - 60 months	Approved companies 2,500; otherwise 3,000	No
Abu Dhabi Islamic Bank	Sahel Murabaha	Profit rate - 3.99% for new cars, 4.99% for used cars	Up to 400,000 with salary transfer, up to 350,000 otherwise	Nil for new cars, minimum 5% for used cars	Up to 84 months	3,000 for account holders; otherwise 4,000	No
Bank of Baroda	Car Loan	4.25% flat rate or 8.40% on reducing balance	New cars: up to 90% Used cars: up to 70%, subject to maximum AED500,000	10-30%	Up to 48 months	4,000	No
Commercial Bank of Dubai	Tam-wheel Car Finance	4.5% for new cars	Up to 250,000	Optional	Up to 60 months	3,500	No
Commercial Bank International	Sayaraty	3.99% for new cars, 4.25% for used cars (depends on make and model)	Up to 300,000	Nil	Up to 72 months	3,500	No
Habib Bank AG Zurich	HBZAuto loan	4.25% for new cars, 4.5% for used cars	Up to 500,000	Minimum 10%	Up to 48 months	3,000	Yes
Mashreqbank	Mabrook Auto loan	4.5% for new cars, 5.5% for used cars (Flat rates basis)	Up to 500,000	Nil downpayment option.	12 - 60 months	3,000	No
National Bank of Abu Dhabi	Sayyarati	With salary transfer 3.90% for new and used cars, otherwise 4.5%	Up to 350,000	10% (Depends on the brand of the car)	Up to 72 months - new cars, up to 48 months - used cars	With salary transfer 3,000, otherwise 4,000	No
Noor Islamic Bank	Noor Drive	4.5% for new cars, 5% for used cars	Up to 500,000	10% for used cars	Up to 84 months for new cars, up to 72 months for used cars	3,000	No
Sharjah Islamic Bank	Vehicle Murabaha	News cars: 3.99%, used cars 4.25% Without salary transfer: 5% for for used cars	Up to 250,000	Nil for new cars, minimum of 10% for used cars	Up to 72 months	5,000	No

Personal Loans

PROVIDER	PRODUCT	INTEREST/PROFIT RATE	MAX. LOAN AMOUNT (AED)	ACCOUNT NECESSARY	PAYMENT TERMS	MIN. SALARY (AED)	SALARY TRANSFER
Abu Dhabi Commercial Bank	Personal Loan	8-10%	Up to 250,000 (depends on salary)	Yes	Up to 72 months	With salary transfer 2,500, otherwise 4,000	Yes
Abu Dhabi Islamic Bank	Goods Finance	Profit rate: 5% fixed rate	Up to 15 times monthly salary, maximum 250,000 (Depends on salary)	Yes	Up to 60 months	4,000	Yes
Dubai Bank	Sanad Personal Finance	Profit rate: 6% for 10 years	Up to 25 times monthly salary, maximum 250,000	Yes	Up to 120 months	4,000	Yes
Dubai Islamic Bank	Al Islami Personal Finance (For goods and services)	Profit rate: 4.55%	Up to AED250,000 with salary transfer, otherwise AED100,000	No	Up to 84 months, depends on goods or services required	3,000 with salary transfer, otherwise 2,000	No
Emirates Islamic Bank	Goods Murabaha	Profit rate: 7.50% fixed rate	Up to AED250,000 for Nationals up to AED150,000 for expats	Yes	Up to 72 months for nationals, up to 60 months for expats	5,000	No
HSBC Amanah	Amanah Personal Finance	Profit rate: Depends on the company listing	Up to AED250,000	Yes	Up to 96 months for nationals, up to 72 months for expats	5,000	Yes
HSBC Bank Middle East Ltd.	Personal Loan		Up to AED250,000	Yes	Up to 84 months for nationals, up to 72 months for expats	5,000	Yes
Mashreqbank	Personal Loan	Reducing balance rate, depending on loan term and company status and the loan amount	Up to 63 times of the monthly salary	Yes	Up to 200 months for nationals Up to 72 months for expats	4,000 for Nationals 3,000 for expats	Yes
Sharjah Islamic Bank	Goods Finance	6% profit rate	Up to AED250,000	Yes	Up to 60 months for Nationals Up to 48 months for expats	3,000	Yes
United Arab Bank	Consumer Loan	Starts at 5%	Minimum AED80,000, maximum AED250,000,	Yes	Up to 72 months (depends on the company and length of service)	3,000	Yes
United Bank Limited	Personal Loan	9-15%	Up to AED250,000 for nationals, 150,000 for expats (Depends on salary	Yes	Up to 84 months for nationals, 48 months for expats	3,000	Yes

Note: Many banks operating in the UAE require you be an account holder before approving loan applications. In many cases a salary transfer is compulsory and, where not possible, an assignment letter of salary and benefits may also be necessary. For further information, check with your chosen bank/provider direct. Don't forget to watch out for special deals available.

UAE

CONDITIONS/RESTRICTIONS	ACCOUNT NECESSARY	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Used cars must be 2000 model or newer	No	3% of outstanding loan for cash and 5% for bank transfer	Free ADCB credit card, free roadside assistance for ADCB credit card holders, insurance finance option	Minimum of AED350 charged as processing fee	Toll-free: 800 2030 www.adcb.com
Used cars must be 2000 model or newer for German and Japanese cars 2003 model onwards for other cars	No	None	90 days grace period for first installment, up to two postponements per year. Insurance can be financed. With salary transfer, free Islamic Visa card and family welfare plan.	No processing fee	Toll-free: 800 2288 www.adib.ae
	No	1% of outstanding loan		1% processing fee	04 354 0340 www.bankofbarodauae.ae
Used cars must not be older than 2003 model.	No	None for cash, 3% of outstanding loan for bank buyout	Option for three yearly deferments	1% processing fee	Toll-free: 800 223 www.cbd.ae
Cars must not be older than 2003 model	No	2% for cash, 5% for bank transfer of the outstanding loan	60 day deferral on first installment, free for life credit card, insurance finance option.	No processing fee for new cars, AED250 charged as processing fee for used cars	Toll-free: 800 224 www.cbiuae.com
New cars only	Yes	2% of outstanding value of the loan		AED50 charged as processing fee	04 221 4535, www.habibbank.com
Used cars must be less than 8 years old at loan maturity	No	2.5% of outstanding loan for cash, 5% for bank transfer	Free credit card for the first years, insurance finance option, free AAA membership for roadside assistance.	AED100 charged as processing fee	04 217 4800 www.mashreqbank.com
3 months in service is required for expats. Used cars must not be older than 6 years	No	2% outstanding value of the loan for cash, 5% for bank buyout	100% insurance financed, 60 days grace period, free for life credit card	0.50% of loan amount or minimum AED250 charged as processing fee	Toll-free: 800-2211 www.nbad.com
	No	None			Toll-free: 800 NOOR www.noorbank.com
	No	None		No processing fee	Toll-free: 800-742 www.sib.ae

Criteria: Interest rate of 4.5 per cent or less (new cars)

UAE

CONDITIONS/RESTRICTIONS	EARLY REDEMPTION PENALTIES	VALUE ADDED	OTHER	CONTACT
Approved companies only. Must provide salary certificate, passport copy and three months bank statement.	3% for cash, 5% for bank transfer	Free ADCB credit card, credit life insurance, up to three times salary overdraft for nationals and up to two times for expats.	1% of the loan amount processing fee plus 0.5% for credit life insurance	Toll-free: 800 2030 www.adcb.com
Company you work for needs to be on bank's approved list. Must provide three to six months bank statement, original passport, salary certificate and a quotation of the goods that need financing.	Rewarded for early redemption	Intallment postponement available, subject to bank's approval	No processing fees. Shari'ah compliant and Murabaha structure.	Toll-free: 800 2288 www.adib.ae
Approved companies only. Need to provide salary certificate, bank statement and passport copy with valid residence visa.	None	Insurance coverage, unlimited cheque book with a zero balance current account and free ATM card, take over facility available, top up facility up to 18 installments	1% processing fee of the loan amount or minimum AED500	Toll-free: 800 5555 www.dubaibank.ae
Approved companies only. Should be over 21 years old. Need to provide, quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	Rewarded for early redemption	Payment postponement available	No processing fee. Al Islami Personal Finance is based on Ijarah (for services) and Murabaha (for automobiles and goods)	Toll-free: 800 4008 www.alislami.ae
Approved companies only. Must have been with current employer for at least six months. Need to provide quotation of the goods to be purchased, salary certificate, three months bank statement and passport copy.	None	Free Islamic account with zero minimum balance requirement	No processing fee	04 316 0101 www.emiratesislamicbank.ae
Must provide original passport, latest salary transfer letter and two months bank statement.	Rebate is offered	Free credit card for the first year, current account with minimum balance waived.	Processing fee is 1% of the loan amount to a maximum of AED750	Toll-free: 800 4792 www.hsbcamanah.com Toll-free: 800 4440 www.uae.hsbc.com
Approved companies only. Salary certificate, passport copy and bank statement should be provided.	2% of the outstanding balance for cash and 5% for bank buyout	Zero balance current account, free ATM card and credit card for the life on the loan, installment postponement, deferral facility	1% processing fee, minimum AED250 and maximum AED2,500. Insurance is 0.465% of loan amount	04 217 4800 www.mashreqbank.com/uae
Must be at least 21 years old and under the age of 60. Passport copy, three months bank statement and salary certificate are required.	Profit returned		AED400 processing fee. Minimum loan amount AED7,000	Toll-free: 800 742 www.sib.ae
Approved companies only. Must have been with current employer for at least one year. Need to provide last three months bank statement and valid passport (with residency visa for expatriates).	2% of outstanding balance for cash and 5% for bank transfer	Life insurance up to the loan amount, overdraft facility, zero balance current account, postponement of two installments in one year, free credit card for the first year	Processing fee is 1 % of the loan amount, minimum AED250 and maximum AED750	04 332 2032 www.uab.ae
Approved companies only. At least one year service with the current employer. Salary transfer letter, salary certificate and security cheque	5% of outstanding balance for cash or bank transfer	Personal loan insurance cover, hospital cash benefits, loss of employment cover, permanent/total disability and death covered	1% processing fee of the loan amount, minimum AED250	Toll-free: 800 4847

Criteria: Interest rate of less than nine per cent on a fixed rate basis

Disclaimer: These tables are meant ONLY as a guide and are not intended as a recommendation of a particular loan provider. The tables were thoroughly checked for accuracy with providers called individually for information during August 2008 and were correct at the time of going to press. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to +971 4 391 2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres.

Mortgages

PROVIDER	AVAILABLE TO	MORTGAGE TENOR	MAX. AGE ON LOAN MATURITY	INTEREST/PROFIT RATE	MAXIMUM LOAN AMOUNT	DEBT-TO-INCOME RATIO	DOWN PAYMENT
Abu Dhabi Commercial Bank	UAE residents (nationals and expats), non-residents	25 years for UAE residents 10 years for non-residents	65 years	6.75-7.5%	Salaried: Up to 90% of value with salary transfer, up to 85% without salary transfer Self-employed: Up to 80% of value Salaried non-residents: Up to 70% Self-employed non-residents: Up to 60% Up to AED10 million	Up to 65% for all	Nil
Amlak (Shari'ah compliant)	UAE residents (nationals and expats), GCC residents and non-residents	30 years for UAE nationals 25 years for non-residents	60 for salaried employees, 65 for self-employed	7.75% reducing balance rate	Up to 90% of property value for nationals and 80% for non-residents	Up to 50%	Minimum 10%
Arab Bank	UAE and GCC nationals, expats and non-residents	25 years for villas and apartments. Depends on age of the person	60 years	6.5% reducing balance rate	Up to 85% of the property market value up to AED5 million	65% for salaried employees with salary transfer, 60% for salaried employees without salary transfer, 55% for self-employed	Nil. AED3,000 as loan approval fee
Bank of Baroda	UAE nationals, expats	Up to 15 years	65 years	Starting from 7.5% reducing balance rate	Up to AED3 million	Up to 50% of gross monthly income	25% with salary transfer, otherwise 30%
Barclays Bank	UAE residents and non-residents	Up to 25 years	70 years	7.25 - 8.55% reducing balance rate	Up to 90% of market value for apartments, 90% for villas; minimum is AED500,000 and maximum is AED10 million	50% of the monthly income for UAE residents, 40% for non-residents	20% for apartments and 10% for villas
Commercial Bank of Dubai	UAE residents	Up to 25 years	68 years for nationals, 65 years for expats	6 - 8.3%	AED10 million for nationals AED2.5 million for expats	55% to 65% based on income levels	Min. 10% for salaried, min. 20% for self-employed
Dubai Bank (Mulki Property Finance)	UAE nationals, expats	Up to 20 years	65 years for nationals 60 years for expats	Starts from 8.5% fixed rate	Up to 90% of the property value	Depends on the salary	10%
Dubai Islamic Bank (Al Islami Home Finance)	UAE nationals, expats	Up to 25 years	70 years for nationals 60 years for expats	5.5%	Up to 90% of the property value, maximum up to AED5 million	Depends on loan amount and the salary	10% with salary transfer, otherwise 20%. Depends on property
Emirates Islamic Bank	UAE and GCC nationals, expats	Up to 10 years for Murabaha Up to 25 years for Ijara	65 years for nationals 60 years for expats	Ijara - 3 month EIBOR + 3.5% with salary transfer, + 3.75% without. Murabaha - reducing balance rate 11% with salary transfer, 11.5% without.	Maximum up to AED3.5 million	Not more than 50% of the salary	15-20%
First Gulf Bank	UAE nationals, expats and non-residents	25 years for nationals 20 years for expats 15 years for non-residents	65 years for nationals 60 years for expats	For Nationals with salary transfer 6% for expats 7%	Up to 90%; as much as AED5 million	Maximum 60%	10-20%
Habib Bank AG Zurich	UAE nationals and expats	Up to 15 years	60 years	7.5%	Up to 70% of the property value (Depends on income and liabilities)	Max. 60% of income including all loans	30%
HSBC Bank Middle East Limited	UAE residents and non-residents	25 years	65 years	EIBOR base rate + loan to value (LTV) 6.25-7.25%	Up to 85% of purchase price	60% overall debt on all regular commitments	Min. 15%
Lloyds TSB	UAE nationals, expats	Up to 20 years	60-65 years, depends on company	7.99% variable, straight re-payment mortgage	Up to 80% subject to terms and conditions	Should not exceed 50%	Depends on property
Mashreqbank	UAE residents and non-residents	Up to 25 years	65 years for salaried 70 years for self-employed	Fixed rate – 6.25% onwards Variable Rate – 3.75% + 6-month EIBOR onwards	Up to AED12 million; depends on salary and property	55% including all loans	Minimum 10%; depends on project
Mawarid Finance	UAE residents and non-residents	Up to 25 years	60-65 years	7.5% on reducing balance	AED6 million for ready property AED2,000/ sq.ft.	Depends on salary	5-20%
National Bank of Abu Dhabi	UAE nationals, expats only in Abu Dhabi/Dubai	Up to 20 years for expats and 25 for Nationals Up to 50 years for investors in Abu Dhabi	65 years	Variable rate: 7.25%	Up to 80% for expats, 90% for Nationals	Up to 50% of monthly salary for expats	Primary properties up to 20% in Abu Dhabi and Dubai Secondary properties up to 10% in Abu Dhabi and 20% in Dubai
National Bank of Dubai	UAE nationals, expats and non-residents	25 years for nationals, 20 years for expats, 12 years for non-residents	65 years for nationals, 60 years for expats and non-residents	With salary transfer, starts at 7%; afterwards, EIBOR rate + 3.5%. Without salary transfer, starts at 6.99%; afterwards, EIBOR rate + 3.5% (Also offers Offset Home Loan - allows you to fast forward repayment of your mortgage and save on interest.)	Up to AED250,000 to AED10 million	Residents: up to 60% Non-residents: up to 50%	Completed property:20% Incomplete property: 25%
RAKBANK	UAE nationals, expats and non-residents	25 years	60 years unless specified	With salary transfer: 6.9%, non-salaried 7.20%	Up to AED8 million for salaried	60% of monthly salary for salaried individuals	10-35% depending on property
Sharjah Islamic Bank	UAE and GCC nationals, expats from other Arab countries	Up to 15 years	65 years for UAE nationals, 60 years for others	Profit rate: 5.47%	Up to AED3 million depending on liabilities	50%	30%
Standard Chartered	UAE nationals, expats	25 years	65 years	Variable rate: 8.5%	Up to AED10 million	Depends on the salary	Minimum 10%
Tamweel (Shari'ah compliant)	UAE nationals, expats and non-residents	15 years for fixed rate financing and 25 years for flexible rate financing	65 years for nationals, 60 years for expats	7.4% - ready properties 7.9% - under construction	Up to 90%	55% of salary	10%
Union National Bank	UAE nationals, expats	Up to 25 years	65 years for UAE nationals, 60 years for expats	Nationals 6%; Expats 6.25 - 6.75%	Up to AED250,000 to AED5 million	Up to 65% of monthly salary	10-30%
United Bank Limited 'Baitna'	UAE residents and non-residents	Up to 20 years	65 years	EIBOR rate + 2% for residents, +2.5% for non-residents	As much as AED4 million; depends on salary	Up to 60% of monthly salary minus other monthly installments	As low as 10%; depends on development

NOTE: Some more UAE banks are actively lending in the market, although mortgage finance products are yet to be officially launched. It's also possible to finance properties on The Palm (for up to 10 years) directly from Nakheel. ***Documentation requirements*** vary from bank to bank. But, in general, the requirements are Passport, Labour Card, Khulasat Qaid (ID card), salary certificate, six months salary bank account statements, other income documents, copy of sale/purchase agreement, proof of downpayments, cheque for loan processing fee and application form. For business owners/directors - trade licence & audited company financials. Please check with your chosen mortgage provider for more details.

UAE

INSURANCE REQUIREMENTS	MINIMUM SALARY (AED)	BANK ACCOUNT NECESSARY	SALARY TRANSFER	CHARGES	PROPERTIES FINANCED	PREMIUM FINANCE	BUY-TO-LET	CONTACT
Life and Property insurance	For salaried: 8,000 for UAE nationals, 10,000 for expats and 25,000 for non-residents. For self-employed: 10,000 for UAE nationals, 20,000 for expats and 25,000 for non-residents	No	No, but necessary to obtain maximum loan amount	Processing fee of 1% of the loan amount with minimum AED5,000. Early discharge fee not allowed before six months. 6-60 months: 1% - 2% on outstanding loan amount, 3% (buyouts). No discharge fee after 5 years if settled through own funds.	**Abu Dhabi:** ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya **Dubai:** Deyaar, ALDAR, Al Fara'a, Al Nasser, Al Madar, Al Mazaya, Bando, Bonyan, DAMAC, Dubai Properties, Dheeraj & East Coast Group, EMAAR, Empire International Investments, ETA Star, Falcon City, Fortis Plus, Ilyas & Mustafa Galadari group, NAKHEEL, Rose Homes, Sama Dubai, Sourouh, Trident, Union Properties, V3 – Jumeirah Lake Towers	Yes	No	Toll-free: 800 2030 SMS HOME to 2626 www.adcb.com
Property insurance is compulsory. Can provide Islamic insurance solutions.	8,000	Yes; can be with any bank	Yes, to chosen bank	1% processing fee (min. AED7,500) for residents. 1.25% processing for non-residents. Valuation fee up to AED3,000. Early settlement and repayment charges: Partial payment AED3,000; full payment minimum AED15,000 or 2% of the outstanding balance	**Abu Dhabi:** Sourouh, ETS, Manazel, Emirates Financial Towers **Dubai:** Emaar, JBR, First Group, Nakheel, Abraj, Sabeel, RAK Properties, ARY, Falak, Al Fattan, Cayan, Star Group, Dubai Properties, Lootah, Mag Properties, Muafak, One Business Bay, Fortune Group	Yes	Yes	Toll-free: 800 26525 www.amlakfinance.com
Life and property insurance	6,000	Yes	No	Processing fee is 1% of financed amount, maximum AED10,000. Registration fees to be borne by the customer	Emaar, Nakheel, Deyaar, Union Properties, Damac, Dubai Properties and Ishraquaa	Yes	Yes	Toll-free: 800 27224 www.arabbank.ae
Property insurance	10,000	No	No	Processing fee is 1% of loan amount, maximum AED7,500. 1% of outstanding loan amount incase of repayment by own sources, 2% for bank buyout	Emaar, Nakheel, Damac and more	Yes	No	04 354 0041 www.bankofbarodauae.ae
Life and building insurance	Looked at on case-to-case basis	No	No	Application fee is 1% of the loan amount for AED mortgages, 1.25% for other currency mortgages. Early settlement fee is on a case-to-case basis; valuation fee is AED3,000. Agreement in Principle (AIP) fee of AED1,500-2,500 valid for 60 days	Emaar, Nakheel, Dubai Properties, ETA	Yes	Yes	Toll-free: 800BARCLAYS (22725297) www.barclays.ae
Life and property insurance	20,000	Yes	No	1% processing fee on the loan amount, subject to a maximum of AED10,000	Dubai Properties, Emaar, Nakheel, Union Properties, ALDAR, IFA Hotels and Resorts, KM Properties, ETA, Al Deyaar and more	Yes	No	Toll free: 800-CBD www.cbd.ae
Life and property insurance	20,000	No	No	Processing fee is 1% of financed amount, minimum AED15,000; no early settlement fees	Nakheel, Dubai Properties, Deyaar, IFA, Union Properties and Emaar	Yes	Yes	Toll-free: 800 5555 www.dubaibank.ae
Life and property insurance	7,000	No	No	Info not available	No Abu Dhabi properties financed **Dubai:** 'Real Estate' - Villas and apartments anywhere in the UAE. 'Freehold' - Emaar, Deyaar, Dubai Properties, Nakheel and selected properties in Dubai only	Yes	Yes	Toll-free: 800 4766 www.alislami.ae
Life and property insurance	8,000 for account holders, otherwise 10,000	No	No	Processing fee is 1% of financed amount, minimum AED5,000. Evaluation fee: AED1,500	**Abu Dhabi:** Manazel, Al Reef **Dubai:** Emaar, Nakheel, Tameer, Deyaar, Falcon City, Union Properties	Yes	Yes	04 316 0101 www.emiratesislamicbank.ae
Life and property insurance	10,000; depends on the price of the property	No	No	1% of the loan amount processing fee plus documentation fee for residents, otherwise 15%. AED1,000 commitment fee. Early partial settlement 1.5%; 3% for full settlement	Jumeirah Lake Shore Tower, Burj Al Nujoom and Jumeirah Bay in Dubai; Seashore Villas in officers City (only for nationals), Aldar, Sorouh, Hydra Properties, Ocean Terrace Residence in Al Reem Island in Abu Dhabi	Yes	Yes	Toll-free: 600 525500 www.firstgulfbank.ae
Life and property insurance	Case to case basis	Yes	Yes	1% of outstanding loan as early settlement charge. 1% charged as processing fee	Emaar, Nakheel, Union Properties and Dubai Properties	Yes	Yes	04 331 3999 www.habibbank.com
Life and property insurance	20,000	Yes	No, but interest rate will be 0.15% less with transfer	1% of the loan amount is levied as arrangement fee for the mortgage. No early settlement fees	Emaar Villas & Townhouses; The Palm Jumeirah and The Palm Jebel Ali (except Waterhomes), direct Nahkeel projects only; Green Community, Istithmar, Golf Real Estate, The Pad by Omniyat and Al Hamra in Ras Al Khaimah	Yes	Yes	04 329 6209 www.uae.hsbc.com
Life and building insurance	12,000	Yes	Yes	1% arrangement fee for mortgage loan; no penalties for lump sum reduction or early repayments; AED3,000 mortgage registration; AED2,500 valuation fee	Emaar, Dubai Properties (Jumeirah Beach Residence), Union Properties (The Green Community & UPTOWN Mirdif), Nakheel	Yes	Yes	04 342 2000 www.lloydstsb.ae
Life and property insurance (Approved companies only)	8,000	Yes	Yes	Processing fee: 1% of maximum of AED25,000 (Nil early redemption and buy-out options available)	Emaar, Dubai Properties, Nakheel, Damac, Deyaar, ETA Star, GIGA, JPIL and a lot more	Yes	Yes	04 217 4800 www.mashreqbank.com
Property and life insurance	10,000	No	No	1% processing fee for residents, 1.25% for non-residents. AED5,000 pre-approval fee, AED3,000 valuation fee.	Emaar, Nakheel, Dubai Properties	Yes	Yes	Toll-free: 800-Mawarid www.mawarid.ae
Property and life insurance	10,000	Yes	Yes, For expats, salary transferred atleast for 2 months	Processing fee: Min. AED1,500; max. AED5,000. Repayment penalty of 1% of outstanding loan amount or AED 15,000; whichever is greater. 5% for bank buyout	ALDAR, Sorouh, RAK Properties, Union Properties and more	Yes	Yes	Toll-free: 800 2211 www.nbad.com
Life and property insurance	8,000 for nationals, 10,000 for expats, 20,000 for non-residents	Yes	No	1% processing fee or AED5,000, whichever is higher. 1% of pre-paid amount for pre-payment charge for cash and 2% for bank buyout	Emaar, Nakheel and Dubai Properties	No	Yes	04 310 0222 www.nbd.com
Life and property insurance	10,000	No	No	Loan processing fee of 1% on loan amount. 1-5% early settlement fee	Nationals-open, Expats-Emaar properties, Dubai Properties, Nakheel	Yes	Yes	04 213 0000 www.rakbank.ae
Life and property insurance	8,000	No	No	AED1,500 charged as valuation fee for loan less than AED500,000 and AED2,000 for loan more than AED500,000. 1.5% of loan amount registration fee or minimum AED3,000; whichever is higher. Administration fee of 0.5% of loan amount	Only completed properties	Yes	Yes	Toll-free: 800 742 www.sib.ae
Life and property insurance	8,000	No	No	Processing fee of 1%. Early repayment penalty of 2% of outstanding for cash, 5% for a bank buyout	Emaar, JBR, Nakheel, Union Properties	Yes	Yes	04 352 0455 www.standardchartered.com/ae
Life and property insurance	10,000 for individuals or 12,000 as household income, subject to 8,000 minimum for one of the joint borrowers.	No	No	Mortgage processing fee of 1.25%; minimum of AED3,500 up to a maximum of AED15,000. Pre-payment charge up to 50% is 2% of outstanding loan, more than 50% is 4% of outstanding loan (subject to certain criteria)	**Abu Dhabi:** Al Raha, Manazel and Al Reef **Dubai:** JBR, Nakheel, IFA, Aber, Deyaar, Emaar, Bonyan, Best Homes, Jade, Tulip Sports City, 7 Tides, Asam, GGIC, Sondos and more. Tamweel offer mortgages on most UAE developer/developments, check for more details	Yes	Yes	Toll-free: 800 4354 www.tamweel.ae
Life and property insurance	8,000	No	No	Processing fee of 1%, min. of AED5,000. Early repayment penalty of 1% of outstanding loan amount, 1.5% for a bank buyout	Emaar, Nakheel, Estithmar, ETA Star, Damac	No	Yes	Toll-free: 800 2600 www.unb.com
Property and life insurance included in the loan	7,000	No	No	Processing fee of 1%, early settlement fee of 2%	Emaar, Nakheel, Dubai Properties and selected private developments	Yes	Yes	Toll-free: 800 4847

Disclaimer: This table is meant ONLY as a guide and is not intended as a recommendation of a particular mortgage provider. The table was thoroughly checked for accuracy with each provider called individually for information during August 2008 for MONEY*works* magazine and was correct at the time of going to press. Note that premiums are financed at the discretion of the lender. We recommend that, as with all financial documentation, you check the fineprint very carefully. Check for redemption clauses and/or penalties for early re-payment. Please note: information is subject to change without notice. Any errors or omissions are regretted. Corrections, if any, should be forwarded by fax to 04 391-2173, or by email to info@moneyworks.ae. All information contained is freely available from bank/provider printed information and websites, as well as direct from bank/provider helplines and/or call-centres.

Independent Financial Advisers — UAE

Licence: The UAE Central Bank					
Name	**Address**	**Telephone**	**Fax**	**E-mail**	**Website**
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma.ae	www.acuma.ae
Continental Financial Services	P O Box 62817, Dubai.	+971-4-3353433	+971-4-3352553		www.continental-intl.com
Elfina Financial Investment Consultancy	P O Box 29706, Dubai	+971-4-3551587	+971-4-3551606	info@elfina-invest.com	www.elfina-invest.com
Financial Consultancy Services Company	P O Box 7825, Dubai	+971-4-2663313, +971-4-2972222	+971-4-2663383	fcs@fcsdubai.com, fcs@emirates.net.ae	www.fcsdubai.com
InvestOne Financial Advisory - Abu Dhabi	P O Box 2970, Abu Dhabi, UAE	+971-2-6666760	+971-2-6668861	info@alsahel.com	www.alsael.com
Mondial (Dubai) L.L.C. (FPI)	P O Box 50060, Dubai	+971-4-3310524	+971-4-3314817	administration@mondialdubai.com	www.mondialdubai.com www.financial-partners.biz/dubai/Intro.asp
PIC (DeVere)	P O Box 75464 P O Box 6315, Abu Dhabi	+971-4-3433878 +971-2-6765588	+971-4-3433644 +971-2-6765558	dubai@pic-uae.com abudhabi@pic-uae.com	www.pic-uae.com
Synergy Financial L.L.C.	H.O: P O Box 47286, Abu Dhabi Dubai Office: P O Box 58032, Dubai	+971-2-6221121 +971-4-3431300	+971-2-6221120 +971-4-3431373	info@synergyfinancial.ae	www.synergyfinancial.ae
Union National Financial Consultancy LLC	11th Floor, UNB Head Office Building, Salam Street, Abu Dhabi, UAE.	+971-2-678-2822	+971-2-678-2825	unc@emirates.net.ae	www.unfc.ae/

Licence: MoE (Ministry of Economy)					
Name	**Address**	**Telephone**	**Fax**	**E-mail**	**Website**
Acuma Wealth Management	P O Box 23940, Dubai	+971-4-3328582	+971-4-3317572	info@acuma.ae	www.acuma.ae
Continental Financial Services	P O Box 62817, Dubai.	+971-4-3353433	+971-4-3352553		www.continental-intl.com
Globaleye	P O Box 24592, Dubai	+971-4-3489330	+971-4-3489331	admin@globaleye.com	www.globaleye.com
Holborn Assets	P O Box 333851, Dubai	+971-4-3369880	+971-4-3369961	rubina@holbornassets.com	www.holbornassets.com
LifeCare International	P O Box 71208, Dubai	+971-4-3318688	+971-4-3318001	information@lifecareinternational.com	www.lifecareinternational.com
Nexus Insurance Brokers LLC	P.O. Box 94455, Abu Dhabi, U.A.E P.O. Box 124422, Dubai, U.A.E	+971-2-626 6669 +971-4-397 7779	+971-2-626 3322 +971-4-397 4422		www.nexusadvice.com
Pioneer Insurance Brokers LLC	P O BOX 922, Dubai	+971-4-3599004	+971-4-3595535	pwealth@eim.ae	

Licence: DED (Dubai Department of Economic Development)					
Name	**Address**	**Telephone**	**Fax**	**E-mail**	**Website**
Citco Dubai	P O Box 58066, Dubai, UAE	+971-4-3432666	+971-4-3436613	fdsouza@citco.ae	www.citco.com
Prosperity Offshore Investment Consultants	P O Box 24459, Dubai	+971-4-3124334	+971-4-3124335	enquiries@prosperity-uae.com	www.prosperity-uae.com
Rasmala Investments	P O Box 31145, Dubai	+971-4-3301041	+971-4-3635635		www.rasmala.com

Licence: RAKFTZ (Ras Al Khaimah Free Trade Zone)					
Name	**Address**	**Telephone**	**Fax**	**E-mail**	**Website**
Candour Consultancy	P O Box 9168, Dubai	+971-4-3124410	+971-4-3124411	info@candourconsultancy.com	www.candourconsultancy.com

Others					
Name	**Address**	**Telephone**	**Fax**	**E-mail**	**Website**
OFS	P O Box 49388, Dubai, UAE	+971-4-3291614	+971-4-3291619	info@ofsdubai.com	www.ofsdubai.com

Notes: The following organisations are also listed on the UAE Central Bank website (as at September 30, 2002) but contact/further details were unavailable when this information was updated (June 12, 2007), despite repeated attempts to contact each organisation.

1. Inter Capital LLC - P O Box 14424, Dubai, Tel: 2940045, Fax: 2940048
2. Landmark International Consulting Services; 3. Network Corporate Services L.L.C
4. Regent Investment Consultants - P.O.Box 28472, Dubai. Tel: 3552055, Fax: 3552088

Licensed Financial Intermediaries — UAE

Note: Financial intermediaries are licensed to undertake brokerage in currencies, commodities and to deal with money market transactions, as per licence from the Central Bank. Main activities at present are brokerage in foreign exchange, futures, options and Contracts for Difference (CFDs) in global stock indices, major stocks, treasury notes and commodities.

Name	Address	Telephone	Fax	E-mail	Website
Century Financial Brokers LLC	P.O. Box 9126, Dubai, U.A.E	+971-4-351 6112	+971-4-355 9876	cfbinfo@centurybrokers.com	www.centurybrokers.com
Eastern Trust LLC	P.O. Box 25404, Dubai, U.A.E	+971-4-228 3003	+971-4-223 7237	eastrust@emirates.net.ae	www.easterntrustllc.com
Leader Middle East LLC	P.O. Box 21416, Dubai, U.A.E	800-4446/04 269 2848	+971-4-268 6844	info@lmedubai.com	www.lmedubai.com
Orient Financial Brokers	P.O. Box 2495, Dubai, U.A.E	+971-4-351 4900	+971-4-352 4996	info@orientfinance.com	www.orientfinance.com
Sterling Financial Brokers	P.O. Box 26652, Dubai, U.A.E	+971-4-221 3949	+971-4-224 3271	info@sfbme.com	www.sfbme.com
World Index Investment LTD	P.O. Box 111012, Dubai, U.A.E	+971-4-359 8882	+971-4-359 9030	info@world-index.com	www.world-index.com

Disclaimer: *This list is meant as a guide only and is NOT meant as a recommendation of any particular organisation - listings are simply in alphabetical order, by licence. All information contained herein is subject to change without notice. This listing was checked for accuracy and updated during August 2008. Any errors and/or omissions are regretted. Corrections, if any, should be forwarded by fax to 04-3912173, or by email to info@moneyworks.ae. (Source: UAE Central Bank Website, last updated March 31, 2003)*

Related Services — UAE

Name	Address	Telephone	Fax	E-mail	Website
Just Wills LLC	P O Box 75671, Dubai, UAE	+971-4-3116592	+971-4-3328810	mohammad@just-wills.net	www.just-wills.net

Letter of the Month

Write to MONEYworks - Reader's letters. All correspondence MUST carry a daytime telephone number (a mobile phone number will not suffice), there must be an address and the letter should be signed by the author. We cannot publish every letter, and those that are may be edited or excerpted. ***Post to:*** *PO Box 10656, Dubai, UAE, Fax to: 00971 4 391 2173.* ***Email to:*** *editor@moneyworks.ae.* *Make the subject 'Readers' and don't forget that telephone number. Letter of the month wins a complimentary annual subscription to MONEYworks.*

Dear Editor,

With oil trading at record prices in recent times and global food prices so high that it's led to riots in some countries, inflation is one of the main worries on the minds of those of us resident in the Gulf, where inflation has been far higher than in the US and Europe. But what is really causing inflation to rampage as it has in the UAE, where I'm living and working? Is it China, easy money or just greedy landlords? And what can the average person do about it? Are there any steps we can take? It's not as though we can all expect wage rises to take up the slack.
Dejected, Abu Dhabi

Unfortunately, there is not much that individuals can do to check inflation. The government has to act and come up with policy measures to check inflation. In the Gulf, governments have taken steps to check inflation in different ways. Introducing rent caps is one of the initiatives, while directing hypermarkets not to increase the prices of certain goods is another. There are those who will argue that the GCC governments should use specific monetary management tools to curb inflation or take policy decisions to do away with the dollar peg. But for the decision makers, there are many other considerations that need attention first, before they can embark upon giving up the peg or taking the revaluation route. So, in such a situation, one needs to be judicious while spending and always remain within one's means.

Advice to readers: *Information given here is checked for accuracy, but we strongly recommend that you make enquiries and, if necessary, take professional advice before entering any transactions. The value of many investments can go down as well as up and you may not get back the amount originally invested.*

The 100,000 dirham windfall

James Thomas has a number of ideas and pointers on what to do with an unexpected cash bonus.

QUESTION

"I won AED100,000 in a raffle draw. Can you please advise me on what is the best way to double this money?"
Andrew, Dubai

Firstly, congratulations! Winning this money must have been a very pleasant surprise. The next question, of course, is what are you going to do with it? Most people have a whole host of ideas about what they would spend a windfall like this on, such as cars or holidays, but your question raises another interesting use for the money.

Unfortunately, there is no simple answer to your question. If there was, we would all be rich and able to double our wealth whenever we wanted to! As with most questions that are raised in this column, there are a number of factors to consider. The two main ones are the investor's attitude to risk and the time scale he or she wishes to invest over.

The time scale is usually a relatively easy question to answer, as most investors know how long they wish to invest or have a goal for when the money will be needed – for example, children's education or retirement planning.

The attitude to risk part is often much harder to quantify and often evokes very different responses from clients. You need to try to understand what you are looking to achieve with your investments before you can really answer this question. It is possible for one investor to have many different attitudes to risk, depending on his or her objectives. In this case, since you have won the money, you may be prepared to go for higher risk investments, whereas with your own money that you have worked hard for, you may have a more conservative attitude.

It is generally accepted that low risk equals safer but lower returns. Conversely, higher risk is normally associated with higher potential returns. Therefore, you need to establish the correct balance of investments to suit your individual objectives. Attitude to risk can be expressed on a scale of one to 10 to put a number on the level of risk you are happy to take. Number one represents very secure investments, such as bank accounts, while 10 represents higher risk investments such as direct equities, options and very exotic funds.

If you were a gambling man and were in a country where you could gamble, then there would be the potential to double your money very quickly; what is probably more likely, though, is that you would lose all of it very easily. This approach is obviously a very high risk one and is not sound financial planning.

The example above highlights two key factors: how much risk do you want to take with the money and how quickly do you wish to achieve your goal? It is potentially possible to double your money very quickly, but there is also the chance that you could lose it equally as quickly.

It is possible to achieve your requirements by taking very little risk, but over a much longer time period. At the moment, some US-dollar bank savings accounts are offering five per cent interest rates, so the money would double in around 13 years without taking any risk with the capital. This process could be sped up if you moved the money into another currency – currently, sterling accounts are offering up to seven per cent interest, which would double the money in 10 years.

If you look further afield at other countries, eight per cent is available in New Zealand, nine per cent in India, 15.5 per cent in Iceland and even 16.75 per cent in Turkey. However, with the increased interest rate comes increased risk. The currency could well fluctuate and effectively remove any gains made when you convert the funds back into dirhams. Also, it may be difficult to open an account in the first place if you are not a resident or if the country has rules about foreign investment. Again, these factors increase the risk that your money will be exposed to.

Moving on to higher risk products, there are a huge number of funds that can be selected. These funds can invest in almost anything you wish; generally, though, the more specialised the fund, the higher the risk. The time scale for doubling your money will not be fixed – it could happen within three years if the performance is similar to what some funds in areas such as China, India, emerging markets in general and commodities have generated.

However, the performance of all these funds is not guaranteed; unfortunately, they can fall in value as well as rise, so you need to be fully aware and accept this fact.

There are also many alternative investments that you could consider. For example, fine wines have produced very good returns, as have classic cars, works of art and antiquities. But all of these investments are very specialised ones, and if you don't know exactly what you are buying, you can very quickly come unstuck. There may also be extra costs associated with these investments that need to be taken into account, or your returns may be significantly reduced.

Property has arguably produced the best returns over the past few years, especially in this region. However, as with the alternative investments mentioned above, you have to do your research, choose the right development and buy for the right price to make sure that you are able to double your money. There are also many extra costs that need to be considered before buying a property here or anywhere else in the world. MW

James Thomas joined Acuma Wealth Management, a company licensed and registered by the Central Bank of the UAE, in 2004, having worked as an independent financial consultant in the UK for six years. He is fully qualified and is a member of the Chartered Insurance Institute of London. Contact James at jthomas@acuma.ae

This article is provided for information purposes only and should not be regarded as financial advice. Always remember that investments can go down as well as up.

An investment lesson for all

Sheikh Sultan bin Saud Al Qassemi on why The Hermitage Fund's arrival is welcome news for GCC markets.

When William Browder speaks, the investment world listens. You get that kind of power when you administer more than US$8.5 billion of assets under management.[1] Bill Browder founded The Hermitage Fund, an asset management company that specialises in the Russian market, in 1996. According to Dow Jones, since the fund started investing, it has constantly beaten the Russian index by returns averaging 32.6 per cent versus the market's 29 per cent and has done so with considerably lower volatility.[2]

What is especially interesting about Browder's investment strategy isn't the fact that he does quite well, but rather the fact that he is one of the few so-called activist investors. These self-proclaimed torchbearers, like any other investors, seek to maximise returns, increase stock value and enhance company performance. Unlike passive investors, they are keen to unlock diminished stock value that they believe is due to governance factors.

For example, The Hermitage Fund states on its website that it aims to "increase the value of [its] investments by improving corporate governance, transparency and accounting practices of the portfolio companies".[3] Typically, activist investors start by conducting their own research on various firms' financial positions; they are usually attracted to ones that have hidden value. When such investors find "corporate malfeasance", because they own a significant amount of equity, they are able meet with top management and can attempt to rectify any wrongdoing. Finally, if the management declines to meet with these investors or correct what they see as shortcomings, they resort to the media to convey their message.

The Hermitage Fund has been so active in exposing corporate governance in Russia, especially in several state-majority-owned firms such as the Russian gas giant Gazprom, that Browder was famously detained in 2006 while entering the country and is now barred from re-entering Russia. This condition is probably due to Browder's outspokenness; for instance, he has stated that corporate governance in Russia "has been on the transition from horrible to bad".[4] This brings me to the GCC.

Although Browder's methods are considered unorthodox, many see them as a blessing to the rather bland stock markets of the Middle East. The GCC investment companies and banks that offer research have been too easy on listed companies for far too long. A large part of it is due to the GCC having a substantial amount of cross-share ownership. For example, investment bank A would not issue a 100 per cent genuine report on real estate firm B because there is an overlapping in board membership, familial relationship and sometimes what some people deem Arabian courtesy. Today, The Hermitage Fund has, to a large extent, exited the Russian market and has begun to concentrate on the emerging markets of the GCC.

In an interview with Abu-Dhabi-based The National, Browder stated that the fund has deployed via its new US$1.8 billion Hermitage Global Fund a significant amount in the GCC capital markets, with only US$600 million going to the UAE. Browder has also been singing the praises of certain UAE-based firms such as ALDAR, which he labelled "one of the cleanest, clearest stories I have ever seen" at a major investor's conference in New York. In fact, Browder is so bullish on the stock that it is his biggest holding in the UAE.

Browder argues that ALDAR ties in with the ambition of Abu Dhabi to become a leading cultural centre because it directly owns much of the land on which the hotels, museums and other attractions are to be based.[5]

Equally, Browder does not shy away from criticism; he has said that the biggest risk the UAE faces is that of incomplete real estate projects, warning that investors must be very picky when choosing where to invest.

Browder has spoken highly of the GCC, telling The Times of Britain: "Corporate governance is so much better [in the Gulf]. In Russia, it was all about fraud. We have never seen anything like that in the Middle East."[6] One of the main things that attracted him to the Gulf was the market crash of 2005. He believes the crash turned ALDAR into the "cheapest real estate developer in the world" and that "the best time to buy is after the crash".[7]

Although Browder has said that he does not see the need to use his fund position to expose wrongdoing in the Gulf, he has added that there is a "slight communications and information problem", which pundits argue is one of the causes of the 2005 crash.[8] The Gulf markets must welcome such candid criticism as his.

For the sake of the GCC stock markets, let's hope that when Browder speaks, the GCC investors listen. MW

(Footnotes)

1 http://hermitagefund.com/index.pl/asset_management/manager.html
2 http://www.efinancialnews.com/homepage/content/2448087208
3 http://hermitagefund.com/index.pl/shareholder_value/
4 http://www.washingtonpost.com/wp-dyn/content/article/2006/07/12/AR2006071201782.html
5http://74.125.39.104/search?q=cache:0vVkteXlpPIJ:www.hedgeworld.com/news/read_news.cgi%3Fsection%3Ddail%26story%3Ddail15005.html+%22Abu+Dhabi+looks+more+like+Omaha&hl=en&ct=clnk&cd=1&gl=ae&lr=lang_en&client=firefox-a
www.hedgeworld.com/news/read_news.cgi?section=dail&story=dail15005.html
6 http://business.timesonline.co.uk/tol/business/industry_sectors/banking_and_finance/article4453893.ece
7 http://jetfinvestments.blogspot.com/2008/05/hermitage-bets-on-abu-dhabi-real-estate.html
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