

AMCHAM IS COMMITTED TO SUPPORTING SMES

Manama

The American Chamber of Commerce Bahrain has recently hosted a business networking luncheon at the Ritz Carlton attended by Zayed Al Zayani, Minister of Industry, Commerce and Tourism. US Ambassador William Roebuck was in attendance as well as a room full of leading businessmen and businesswomen representing some of the over 200 US businesses in Bahrain as well as the many Bahraini companies with US business interests.

"AmCham was honored to host the Minister at our Business Networking Luncheon and our members and guests appreciated His Excellency's candid presentation and to learn about the initiatives that the Ministry is undertaking to support business and make setting up and doing business easier," American Chamber of Commerce Bahrain President, Qays H. Zu'bi commented.

Mr. Zu'bi explained, "Zayed R. Alzayani spoke on the importance of supporting SMEs and entrepreneurs and developing the next generation of business leaders who will shape Bahrain's future. Some of the



initiatives mentioned by the Minister included adapting the bankruptcy law and creating a culture that encourages responsible risk taking without a fear of failure, similar to the business culture in the United States that has been an engine for entrepreneurial growth."

"Many new businesses are web-based or very small and not needing a traditional office. The idea of

virtual CRs mentioned by the Minister will greatly help bring these businesses forward."

The Minister stated that the US-Bahrain Free Trade Agreement, now in its 9th year, has been a success. In 2014, US-Bahrain bilateral trade was over US\$2 billion, a 22% increase over 2013. In 2014, US exports to Bahrain were reported at US\$1.06bn, up from US\$350.8m

in 2005 the year before the FTA went into effect, and exports from Bahrain to the US were up to \$965m from \$431.6m in 2005.

However, the Minister also noted that the FTA could be utilized more and that an Export Assistance Center would be created to help companies in Bahrain increase their export markets to the US as well as to the region and beyond.

The Minister cited the garment & textile industry as an example of FTA's success – growing from small low quality productions before the FTA to now state-of-the-art factories manufacturing top quality garments and textiles for leading brands in the US, representing 24% - the second largest category - of exports from Bahrain to the US, employing 8000 people in good clean well paying jobs – 1000 of these jobs employ Bahrainis, mostly women. He also spoke about his trips to Washington DC and his ongoing efforts to extend the TPL provision in the FTA allowing this industry to be able to continue to export duty free. Without an extension the TPL provision is due to expire in July 2016.

Mr. Zu'bi commented, "AmCham has been working closely with the garment industry and the Ministry on the TPL extension. It is challenging but we are optimistic that a positive arrangement can be found. AmCham is committed to supporting SMEs and helping grow bilateral trade between the US and Bahrain and we look forward to continuing a fruitful collaboration with the MOIC."

SEI report: Regional CFO's and HR heads expecting strong growth

DUBAI

Eighty percent of companies expect to see an increase in headcount over the next three years despite mounting macroeconomic and operational challenges, according to SEI's (NASDAQ: SEIC) third annual End of Service Benefits (EoS) report, released yesterday. The report revealed that 53% of respondents expect Expo 2020 to impact them positively, as opposed to 45% in last year's poll – while 63% of respondents claim that they have felt no negative impact as a result of the change in oil prices. Only 5% of companies surveyed expect major restructuring as a direct result of changes in oil prices.

As per the survey findings, finance executives, under continuous pressure to maintain profitability, cited operational costs as a key challenge and cost reduction as a top priority for the year. Coupled with the expected increase in headcount and salaries, and in turn liabilities, this helps to explain why Financial Executives and Chief Financial Officers are now taking a more active role in HR decisions. For instance, 63% of finance executives now believe talent management is one of their functions' strategic goals.

The report findings go on to show that employees are now beginning to stay longer and as a result, accumulating a



Samer Abdel Kader

greater share of End of Service Benefits. But despite the pressure to maintain profits and control risk, companies may still not be managing their EoS liabilities efficiently. 73% of respondents either do not separate EoS funds from their working capital or don't know how their EoS liabilities are being managed. In fact, only 13% have set up enhanced EoS plans, even though companies that have these in place seem to enjoy better attrition rates than those that do not. However, given the increasing alignment between finance and HR functions, the potential talent retention benefits of enhanced EoS schemes were

not lost on the respondents: 36% stated that they would be interested in a cost effective EoS or Savings scheme, or both, while 40% would consider outsourcing investment management services of their entire EoS scheme.

Commenting on the results of the survey, Samer Abdel Kader, Head of SEI Investments (Middle East), said:

"In an employment environment that has remained competitive despite increasing challenges across the region, End of Service Benefit plans have proven to be a valuable mechanism in not only retaining, but also attracting key talent. While they remain underutilized, we're beginning to notice a change in perception, as employers- under pressure to control costs- begin to recognise their unique ability to reduce their financial risk while providing a potentially lower-cost alternative to traditional methods of retaining staff."

The survey, conducted in May and June 2015, was completed by 110 C-level executives, Finance heads and HR department heads across a variety of sectors within the GCC. Some of the survey participants are clients of SEI. To receive a full copy of the survey results please email SEIMiddleEast@seic.com. For more information about SEI's End of Service Benefit Solutions, please visit www.seic.com

DUBAI HOLDING RECORDS 24% INCREASE IN NET PROFIT

Dubai:

Mohammad Abdulla Al Gergawi, Chairman of Dubai Holding announced yesterday the financial results of its business group, Dubai Holding Commercial Operations Group ('DHCOG'), for the first half of this year ending 30th June 2015. DHCOG continued to see good operational progress with all businesses performing well and contributing to the Group's profitability. Net profit increased to around AED 2.6 billion up 24% from AED 2.1 billion in the equivalent period last year, and it is expected to exceed AED 5.5 billion for the financial year 2015.

Ahmad Bin Byat, Vice Chairman and Managing Director of Dubai Holding, said: "As Dubai gears up to become the most productive and innovative hub in the world, we have embarked on several initiatives to continue to develop strategic sectors vital to Dubai's economy.

Dubai Holding will continue to reinforce its successful strategy of investing in innovation, knowledge, technology, content and business clusters to support Dubai's efforts in setting up advanced infrastructure, which in turn will attract top global talent."

Commenting on the financial results, Fadel Al Ali, Chief Executive Officer of Dubai Holding, said: "We continue to improve the quality of DHCOG's earnings by driving recurring revenue streams across all our businesses. These solid results demonstrate the company's sound strategic planning and prudent financial management. Strong business performance boosted by a range of new projects are expected to further support the company's long-term growth. At Dubai Holding, we are proud of our achievements and remain fully committed to the vision of Dubai."