

business



The reforms are expected to boost foreign direct investments into UAE, attract professionals, and increase inflows into the property market. Photo- Pawan Singh / The National

UAE on 7th spot in competitiveness

● **72pc of survey respondents believe the most appealing trait of Dubai economy is its business friendly environment**

The National | Dubai

The UAE rose three places in a global competitiveness ranking as the country pressed on with reforms and benefited from increased trade and investment.

The UAE clinched the seventh spot out of 63 ranked countries, the highest of any Arab state, moving up three places from last year, according to Swiss business school IMD's World Competitiveness Yearbook released on Wednesday. Underpinning the country's leap are improvements in



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CHRISTOS CABOLIS

the export of commercial services and goods, employment, the current account balance, higher education achievement and business expenditure on research and development, according to the report.

"The UAE has benefitted tremendously from the increase in the international trade and also in the increase in international investment, which strengthened its position," Christos Cabolis, chief economist and head of operations at the IMD's World Competitiveness Centre told The National. "It has a very efficient government and business sector. It has also a business friendly environment."

The Arab world's second largest economy is undertaking wide-ranging reforms to become more competitive, streamlining the process of setting up a business to attract more foreign investors. The country is also relaxing regulations aimed at boosting non-oil growth and contribution to the gross domestic product to 80 per cent by 2021 from 70 per cent now. Foreign direct investment increased 6.7 per cent to \$10.3 billion in 2017, according to government data and the country is keen to woo international money.

This week, the government announced plans to grant up to 10-year visas to certain professionals compared with the current maximum of three years. It also plans to relax investment regulations that will allow 100 per cent foreign ownership of a business outside freezones from the current limit of 49 per cent.

Electricity Minister receives delegation from energy firms

TDT | Manama

Electricity and Water Affairs Minister Dr. Abdullhussain Mirza yesterday received a delegation from a consortium of companies specialised in lighting and energy, led by Al-Ansari Company for Lighting and Energy Solutions General Manager Abdulkarim Al-Ansari and Azalea Consulting Company Managing Director Dr. Raed Sarhan.

The minister was briefed on their activities and projects in various fields, in particular the rationalization of consumption and energy-saving techniques in the LED system as well as their investments in solar energy.



Electricity and Water Affairs Minister Dr. Abdullhussain Mirza with the delegation

The visitors expressed their desire to open areas of joint cooperation with the Electricity and Water Authority and the Sustainable Energy Unit. The

minister welcomed the cooperation from local and international companies specialised in these areas and to study their offers for possible cooperation with

them. He provided a detailed account on the projects of the Electricity and Water Authority and its sustainable energy projects.

Aramco IPO likely in 2019

Timing of world's largest IPO will depend on readiness of market: Saudi Minister

● **For almost two years, Saudi officials said repeatedly the IPO was "on track, on time" for the second half of 2018**

● **But for the first time in March they suggested it could be delayed until 2019, pushing back a plan to modernise Saudi economy**

Bloomberg | London

The initial public offering (IPO) of Saudi Aramco will "most likely" happen in 2019, the Kingdom's oil minister said yesterday, confirming a delay for what's likely to be the world's largest ever share sale.

"The timing, I think, will depend on the readiness of the market, rather than the readiness of the company or the readiness of Saudi Arabia,"



Saudi Aramco is valued more than \$2 trillion

\$100

billion is expected to be raised through the IPO by selling a 5 per cent stake in the company. The IPO would be a once-in-a-generation event for markets

was "on track, on time" for the second half of 2018.

But for the first time in March they suggested it could be delayed until 2019, pushing back a central plank of Saudi Crown Prince Mohammed bin Salman's plan to modernise the economy.

"Most likely it will be in 2019 but we will not know until the announcement has been made," Al-Falih said. "All I can say is stay tuned."

The Aramco IPO would be a once-in-a-generation event for financial markets. Saudi officials said they hope to raise a record \$100 billion by selling a 5pc stake, valuing the company at more than \$2-trillion and dwarfing the \$25 billion raised by Chinese retailer Alibaba Group in 2014.

Others have poured cold water on the valuation, suggesting a figure much closer to \$1-trillion, basing their calculations in part on the first set of company accounts revealed earlier this year by Bloomberg News.

Alizz Islamic Bank and Oman Arab Bank in merger talks

Several banks in Gulf are exploring merger possibilities and collaborations as low oil prices squeeze profit margins

● **The chairman of Alizz Islamic has received a letter from the chairman of Oman Arab Bank requesting to explore the possibility of a strategic alliance**

The National | Muscat

Muscat-listed Alizz Islamic Bank and Oman Arab Bank, a subsidiary of Omani conglomerate Ominvest, said they



Oman Arab Bank is a unit of Ominvest. Jochen Tack/arabianEye/Corbis

are exploring the possibility of a merger, as an increasing number of regional banks opt to consolidate their operations.

The chairman of Alizz Islamic received a letter from the chairman of Oman Arab Bank requesting that the two banks "explore the possibility of a strategic collaboration that may lead to an eventual merger of the two entities", the bank said in a statement to the Muscat Securities Market on Thursday.

The deal is subject to final approvals from the respective boards, shareholders and reg-

ulators, the statement added. Alizz, which has a market capitalisation of \$200 million, said its board has agreed to proceed and explore the opportunity.

Banks in the Arabian Gulf are increasingly looking at mergers and collaborations as low oil prices in the past three years have squeezed their profit margins. Regional banks are set to see a stronger performance in the coming year as macroeconomic conditions improve, according to reports by rating agencies including Moody's and Standard & Poor's, but banks are still seeking

cost efficiencies to drive growth. The announcement of a possible merger between the two Omani banks comes one week after subsidiaries of HSBC and Royal Bank of Scotland in Saudi Arabia reached an initial agreement on the terms of a possible merger.

The two banks, Alawwal Bank, which is 40 per cent owned by RBS, and Saudi British Bank, said in a statement to the Tadawul stock exchange on May 16 that merger discussions were in an "advanced" stage and both lenders had reached a "preliminary, non-binding agreement".