

DECEMBER 2020 ISSUE 100

# Forbes

Middle East

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HERZBERG**

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Electric

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recognition on the  
level of decision-  
makers that the  
current way of  
using energy is not  
sustainable"

## GLOBAL **MEETS** LOCAL

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**By Samuel Wendel**



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**By Claudine Coletti**



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Fresh from signing a new \$295 million deal in Egypt, Schneider Electric is capitalizing on digitization and sustainable energy trends in the Middle East thanks to its President for the Middle East and Africa, Caspar Herzberg.

By Samuel Wendel



Image and cover photo by Garage Studio for Forbes Middle East



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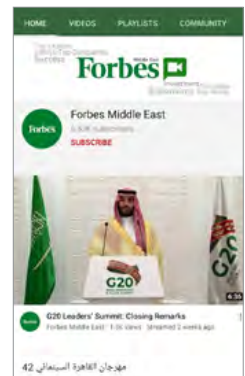
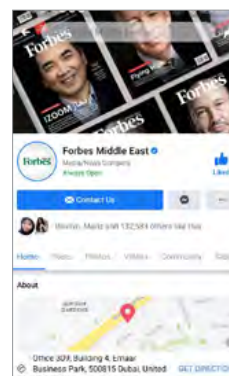
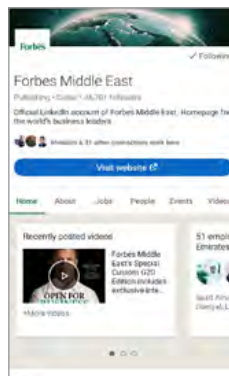
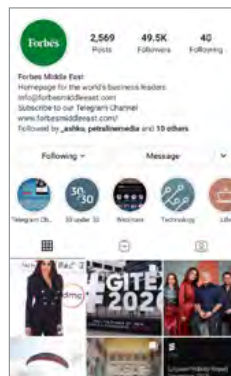
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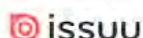
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## Digital Stores





## A New Era

**W**ell, it's finally here—the end of 2020. Thank goodness! What a crazy year it's been. On the one hand we've witnessed fires, riots, and the first new global pandemic in over ten years. On the other we've taken leaps in remote working, online comms and education, and generally embraced all things digital with even more enthusiasm than usual. Some industries, such as travel and tourism, (temporarily) came to a standstill. Others, such as online marketplaces and ecommerce, boomed. No matter how things have gone for you and your business, whether you've struggled or thrived, I think we can all agree that it's been a memorable and disruptive 12 months.

As we dust ourselves off, there are no doubt many things we'll be glad to see the back of, but also a few things that we will likely carry forward. One of the key takeaways for business leaders has been to say goodbye to traditional ways of working, which have arguably changed forever depending on your sector and appetite from senior management. Employers are now unable to deny the viability and benefits of working from home for large portions of the workforce, which could change the game for working parents and open the door for mass adoption of a gig-based economy. This not only gives employees more freedom to manage their time, save on commuting, and work in their comfiest clothes, it enables employers to save on their office bills and business travel costs. In future we could see certain companies and industries foregoing office space completely.

At Forbes Middle East, we're ending the year with one of our staple lists—our Global Meets Local ranking, highlighting the most senior leaders of the significant regional offices for the world's biggest international companies from the Forbes Global 2000 list. Many of these leaders have had to think on their feet this year, but one of the benefits of being part of a successful conglomerate is that you have a bit more of a cushion to support any falls. Some were even able to pivot to more 2020-appropriate models, such as 3M, which quickly became one of the world's biggest producers of N95 respirator masks, and Amazon, which saw its market value more than double over the year.

Looking ahead and the next big moneymaker seems to be in vaccine production. While government leaders globally grapple for doses, our first few steps into 2021 will still need to be cautious. Will you be among the first queuing for a vaccine, or will you be waiting as long as possible? Either way, we at Forbes Middle East wish you well. May 2021 bring you good health, wealth, and happiness. Goodbye 2020; it's been emotional. **F**

—Claudine Coletti, Managing Editor



# Forbes <sup>Middle East</sup> @10

INNOVATING SINCE 2010

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By Jamila Gandhi

# 2020's Biggest Mergers And Acquisitions In The Middle East

Despite the turbulent year that 2020 has been, some companies in the Middle East have managed to expand their businesses and secure acquisitions. Here's a look at some prominent mega-deals of 2020.



## ► ADNOC Gas Pipelines

**Deal value:** \$20.7 billion

In one of the largest ever global energy infrastructure transactions, the Abu Dhabi National Oil Company (ADNOC) announced in June a \$20.7 billion Energy Infrastructure Deal in its gas pipeline business, which will bring \$10.1 billion in foreign direct investment into the U.A.E. from a variety of international investors. ADNOC will still hold a 51% majority stake. ADNOC Gas Pipeline is a newly formed subsidiary of ADNOC with lease rights to 38 gas pipelines covering 982.3 kilometers.



## ► Saudi Aramco and the Saudi Basic Industries Corporation (SABIC)

**Deal value:** \$69.1 billion

Saudi Aramco acquired a majority stake of 70% in SABIC from the Saudi Public Investment Fund by signing a share purchase agreement in a deal valued at \$69.1 billion in June. The deal's loan payments will be paid between August 2, 2020, and April 7, 2028. Aramco has also agreed to put down an advance payment of \$3 billion in April 2022, depending on certain oil market conditions in 2021. The acquisition will enhance Aramco's chemical strategy by increasing the resilience of cash flow generation, expanding procurement capabilities, supply chain, manufacturing, and integrating upstream and refining with SABIC, among other benefits.





## ► Abu Dhabi Power Corporation (ADPower) and the Abu Dhabi National Energy Company (TAQA)

**Deal value:** Unknown

In July, TAQA announced the completion of its transaction with ADPower, creating one of the largest utility companies in Europe, the Middle East, and Africa. As part of the deal, ADPower will transfer most of its power and water generation, transmission, and distribution assets to TAQA and own 98.6% of the entire share capital of TAQA. With the completion of the transaction, TAQA, which is listed on the Abu Dhabi Securities Exchange, became the largest company in the U.A.E. with a market cap of \$44.65 billion, as of November 25, 2020.



## ► Tabreed and Emaar

**Deal value:** \$675 million

Tabreed's acquisition of an 80% stake in Emaar Properties PJSC's Downtown Dubai district cooling business marked the sale of the world's largest district cooling scheme. Emaar will retain a 20% stake as part of a long-term partnership with Tabreed. With this deal, Tabreed's extensive portfolio now includes the Burj Khalifa, Dubai Mall, Dubai Opera and the RTA's Dubai Metro.



## ► Oman Arab Bank (OAB) and Alizz Islamic Bank (AIB)

**Deal value:** Unknown

OAB completed its acquisition of AIB through a share swap in July, in a deal that will create a banking entity with more than \$8.3 billion in assets. The Oman International Development and Investment Company (Omnivest), the parent company of OAB, said that the bank's shares listed on the Muscat Securities Market. Upon the merger's completion, the business of Al Yusr, the Islamic Banking window of OAB, will be integrated with AIB, creating a larger full-fledged and licensed Islamic bank.



## ► Siraj Holding and Al Hilal Takaful

**Deal value:** Unknown

Siraj Holding, a private investment firm, acquired Al Hilal Takaful from ADCB Group's Al Hilal Bank in July for an undisclosed sum. The acquisition is expected to strengthen the Shari'ah-compliant insurance offerings in a market with a limited number of Takaful institutions with elevated clientele services. Siraj Holding plans to rebrand and align Al Hilal Takaful with its operating model on completion of regulatory formalities.



## ► National Commercial Bank (NCB) and Samba Financial Group

**Deal value:** \$14.8 billion

In October, Saudi Arabia's NCB and Samba Financial Group agreed to merge in a deal that is valued at \$14.8 billion. On completion, NCB's existing shareholders will own 67.4%, and Samba's shareholders will own 32.6% of the merged entity. The merger will create a regional powerhouse with \$223 billion in assets. The merged bank will become the largest bank in the kingdom and a leading bank in the Middle East with more than \$46 billion in market capitalization.



## ► Dubai Islamic Bank (DIB) and Noor Bank

**Deal value:** Unknown

DIB completed its acquisition of Noor Bank in November 2020 to become one of the largest Islamic banks in the region, with assets exceeding \$81.7 billion. DIB said the quality of planning and alignment of delivery capabilities helped it close the integration project in 283 days, well ahead of the projected deadline of one year. The merger forms the U.A.E.'s fourth biggest financial institution and the eighth largest bank in the GCC in terms of assets.

By Jason Lasrado

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LEADERBOARD • INVESTING

# Top 10 Heritage Hotels With Owners From The Middle East



Hotels of historical importance are dotted all across the world, showcasing the culture and history of their home countries. The value of these buildings lies not in their monetary worth, but in their founders and the stories behind them. A number of people from the Middle East have invested in these prestigious assets, especially in Europe, with London and Paris being the favorite destinations. Here is a list of heritage hotels owned by people from the Middle East.

## Methodology

We looked at major hotels owned by people or companies based in the Middle East and ranked them based on:

- Number of rooms • Price per room • Date of establishment
- Government classification • History • Famous regular guests

## 1 Ritz Paris

**Location:** Paris, France

**Owner:** Mohammed Al Fayed

**Nationality:** Egyptian

The Ritz Paris was built by Swiss businessman César Ritz in the Place Vendôme neighborhood in 1898. In 1979, Egyptian businessman Mohamed Al Fayed bought the Ritz for a reported \$30 million and invested another \$250 million to restore it to grandeur over the following decade.

Kiev Victor / Shutterstock.com



## 2 The Savoy

**Location:** London, UK

**Owner:** Kingdom Holdings / Katara Hospitality

**Nationality:** Saudi / Qatari

When it opened in 1889, The Savoy was the first purpose-built deluxe hotel in London. As such, it became a magnet for the wealthy, the famous, the glamorous, and the notorious, including Edward, Prince of Wales, later Edward VII. The Savoy closed for a major restoration in December 2007 and reopened in October 2010. HRH Prince Charles officially reopened the hotel in the presence of the owner of Kingdom Holdings, Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud, in November 2010.



## 3 Grosvenor House

**Location:** London, UK

**Owner:** Katara Hospitality

**Nationality:** Qatari

Before it became a hotel in 1929, Grosvenor House—a large, detached house located on the south side of Upper Grosvenor Street in London—had several prominent owners, including the Duke of Cumberland and the Duke of Gloucester. In 1806, Lord Grosvenor, Duke of Westminster, bought the building and sold it to A.O. Edwards, who built what is now the Grosvenor House Hotel between 1927 and 1929. In November 2018, the hotel was acquired by Katara Hospitality, the Qatar Investment Authority's hotel unit.

## 4 Great Scotland Yard Hotel

**Location:** London, UK

**Owner:** Twenty14 Holdings/ Adeeb Ahmed

**Nationality:** Indian

In Tudor times, Great Scotland Yard served as an embassy-style dwelling for the Kings of Scotland when they visited London. In 1829, Home Secretary Sir Robert Peel selected Great Scotland Yard as the headquarters of the newly-founded Metropolitan Police force, which was made famous by novelists including Charles Dickens and Sir Arthur Conan Doyle. In 1890 the police headquarters moved to a new location, which was named New Scotland Yard. The current hotel at 3-5 Great Scotland Yard, which opened in December 2019, is owned by Twenty14 Holdings—an Abu Dhabi based investment company—and managed by Hyatt.





## 5 Hôtel de Crillon

**Location:** Paris, France

**Owner:** Mutaib bin Abdullah bin Abdulaziz Al Saud

**Nationality:** Saudi

In 1758, King Louis XV of France, commissioned architect Ange-Jacques Gabriel, to build twin structures overlooking the Place de la Concorde. The private mansion was transformed into a luxury palace hotel in 1909. The property was bought by Saudi Prince Mutaib bin Abdullah bin Abdulaziz Al Saud in 2010. It closed for renovations in 2013 before re-opening in 2017. Lebanese interior designer, Aline Asmar D'Amman, and architect Richard Martinet designed the new building.



## 6 Mandarin Oriental Ritz

**Location:** Madrid, Spain

**Owner:** Olayan Family

**Nationality:** Saudi

The Mandarin Oriental first opened its doors in 1910. King Alfonso XIII of Spain wanted a world class hotel in Madrid for his guests and became one of the major shareholders of the newly created Ritz Development Company. In May 2015, the hotel was acquired under a joint venture ownership comprised of Mandarin Oriental International Limited and the Olayan Group—a Saudi Arabian-based multinational group owned by the Olayan family. The hotel is currently undergoing renovations and is slated to open in the spring of 2021.

## 7 The Lanesborough

**Location:** London, UK

**Owner:** Abu Dhabi Investment Authority

**Nationality:** Emirati

Lanesborough House was built adjacent to the grounds of Buckingham Palace in 1719 and opened as a hotel in 1991. The hotel's Royal Suite is the largest suite in London, extending to seven bedrooms. It is among the only hotels in London to have a 24-hour butler service. The hotel is owned by the Abu Dhabi Investment Authority and since its relaunch in 2015 has been managed by the German-based Oetker Collection.





## 8 The Ritz

**Location:** London, UK

**Owner:** Abdulhadi Mana Al-Hajri

**Nationality:** Qatari

The Ritz London opened its doors in 1906. Billionaire Paul Getty—the richest man in the world at the time—had a suite at the hotel. Winston Churchill, Dwight Eisenhower and Charles de Gaulle met in the Marie Antoinette Suite to discuss operations during the Second World War. The hotel was bought in 1995 by Ellerman Investments, a private company owned by British billionaires David and Frederick Barclay. In March 2020, the hotel was bought by Abdulhadi Mana Al-Hajri—the ruler of Qatar’s brother-in-law.



## 9 The Westin Excelsior

**Location:** Rome, Italy

**Owner:** Katara Hospitality

**Nationality:** Qatari

The Westin Excelsior Rome was established in 1906. In 1944, the hotel became the temporary headquarters of General Mark Clark after the US Army entered Rome. The hotel hosted the cast and crew of Ben-Hur in 1959. Starwood sold the hotel to Qatar-based Katara Hospitality in 2015.

## 10 Hotel Imperial

**Location:** Vienna, Austria

**Owner:** Khalaf Ahmad Al Habtoor/ Al Habtoor Group

**Nationality:** Emirati

Built in 1863 as Prince Philipp of Württemberg’s Viennese residence, the Hotel Imperial was transformed into a hotel to accommodate visitors of the 1873 Expo. The hotel has been owned by Al Habtoor Investment since February 2016, which is owned by Emirati businessman Khalaf Al Habtoor. It is also part of “The Luxury Collection” under a long-term management contract.



By Jamila Gandhi

# Billionaires On The SPAC Gold Rush

As investors look beyond merely buying shares of publicly-traded companies to reap gains, Special Purpose Acquisition Companies (SPACs), or blank-check companies, have gained in popularity this year.

A SPAC is essentially a firm with no operating history whose sole purpose is to list on stock exchanges to raise money to acquire other companies. They are formed by investors or sponsors who have a particular interest or expertise in a specific industry or business sector. At the time of their forming, they do not identify what their target acquisition is, so investors in a SPAC don't know what company they will ultimately be investing in and are instead investing in the people running the SPAC itself. If they cannot complete an acquisition within two years, a SPAC must return their funds to the investor.

Data by Whitecase has found that in 2020 alone, 133 SPACs raised more than \$50 billion in IPOs on U.S. bourses, making it the biggest year on record. The figure is more than half the total raised by SPACs in the past 10 years.

Here are some high-profile SPACs led by billionaires this year in hopes of raising money for potential investments—figures as of November 13, 2020.



## I Nassef Sawiris Net worth: \$7.3 billion

Source of wealth: Construction, chemicals

Egyptian billionaire Nassef Sawiris—the world's richest Arab—is hoping to raise \$600 million by listing his SPAC, Avanti Acquisition Corp., on the New York Stock Exchange. NNS Group, Sawiris's family office, and Sienna Capital plan to invest about \$100 million in the blank check firm. The investment vehicle is focusing on family and founder-led European targets to investors. It is on the hunt for high-growth companies in technology, healthcare, and retail, targeting those worth more than \$2.4 billion. Sawiris runs OCI, one of the world's largest nitrogen fertilizer producers, with plants in Texas and Iowa. It trades on the Euronext Amsterdam exchange.



## I Richard Branson Net worth: \$4.9 billion

Source of wealth: Virgin, self-made

Founder of the Virgin Group, Branson has begun raising \$480 million through a SPAC, according to his new company, VG Acquisition Corp. The new Virgin SPAC will focus on finding businesses from Virgin Group's core sectors—travel, leisure, financial services, health, technology, and renewable energy. In October 2019, the British billionaire took his aerospace firm Virgin Galactic public via a merger with a SPAC led by venture capitalist Chamath Paliapitiya, in an \$800 million deal.



## I Daniel Och Net worth: \$3.2 billion

Source of wealth: Hedge funds, self-made

Hedge fund investor Daniel Och raised \$750 million through his SPAC, Ajax I, with partner Glenn Fuhrman. The blank check company will cast a wide net for deals and mainly focus on software, Fintech, and the consumer industry. Och founded Och-Ziff Management, now a publicly traded hedge fund firm, 25 years ago. He stepped down as chairman in 2019 and no longer has a role with the hedge fund.



## I Bill Ackman Net worth: \$2.1 billion

Source of wealth: Hedge funds, self-made

American hedge-fund magnate Bill Ackman broke a record in July when he listed Pershing Square Tontine Holdings shares, raising \$4 billion in a blank-check offering and pledging to stump up another \$1 billion of his firm's own cash. As the driver of the largest IPO ever of a SPAC, Ackman said in an interview with Whitney Tilson he is not only looking at mature "unicorns" and private-equity sponsored firms but also family-controlled and employee-owned businesses.



## I Alec Gores Net worth: \$2.1 billion

Source of wealth: Private equity, self-made

Blank-check baron Alec Gores' Gores Group announced its plans in September to merge his fifth SPAC with mortgage lender United Wholesale Mortgage (UWM). The deal values UWM at \$16.1 billion, making the merger the largest SPAC transaction in history. The group has raised six SPACs since 2015 and has executed multiple multi-billion-dollar deals.

Nassef Sawiris, Bloomberg / Bloomberg via Getty Images; Richard Branson, PBMW / Shutterstock.com; Daniel Och, Kimberly White / Getty Images via AFP; William Ackman photo by Bryan Bedder / Getty Images via AFP; Alec Gores, image from The Gores Group

By Jamila Gandhi

# 2020's **Lost** Billionaires

Here are some notable billionaires we have sadly bid farewell to this year.

## I Whitney MacMillan

**Nationality:** American **Died:** March 11

**Net worth at the time of death:**

**\$5.1 billion**

MacMillan, the former chairman and CEO of agribusiness giant Cargill, passed away in Florida at age 90. He was the last member of the Cargill-MacMillan family to serve as CEO of Cargill, America's largest private company, retiring in 1995 at the company's mandatory age of 65. The family still owns the vast majority of Cargill, which operates food, agriculture, financial and industrial divisions.



## I Dmitry Bosov

**Nationality:** Russian **Died:** May 6

**Net worth at the time of death:**

**\$1.1 billion**

Coal mining billionaire Bosov died at age 52, reportedly of a gunshot wound to the head in the village of Usovo. He was best known for owning the Sibanthracite Group, which united several coal producers in Siberia and claimed to hold over 670 million tons of coal and anthracite reserves. In 2015, he and partner Alexander Isayev founded Blackspace, which got licenses for coal, nickel, manganese, and bauxite mining spots in Indonesia.



## I Eduardo Cojuangco

**Nationality:** Filipino **Died:** June 16

**Net worth at the time of death:**

**\$1.1 billion**

Politician-diplomat-businessman and Marcos era crony, Cojuangco, or "Boss Danding," died at age 85. From 1998 until his death, the Filipino was chairman of the powerful food and infrastructure conglomerate San Miguel, Southeast Asia's first brewery. Cojuangco made an unsuccessful bid for the 2012 presidency; before that, he served as a member of the Philippine's House of Representatives and Tarlac's governor.



## I Sumner Redstone

**Nationality:** American **Died:** August 11

**Net worth at the time of death:**

**\$3 billion**

Redstone, the billionaire who built a media empire that counted CBS and Viacom among its holdings, died at age 97. Once a World War 2 codebreaker, Redstone made his first foray into the media industry by joining his father's company, National Amusements, in 1954. He was made CEO in 1967. The tycoon infamously said he would never retire and would live forever. In 2012, Redstone was awarded a star on the Hollywood Walk of Fame.



## I Randall Rollins

**Nationality:** American **Died:** August 17

**Net worth at the time of death:**

**\$5.1 billion**

Atlanta resident Rollins, the long-serving chairman of one of the world's largest pest control companies, died at age 88 after a short but unspecified illness. Rollins Inc. was created by Rollins' father and uncle, who bought several local radio stations. Rollins Broadcasting went public in 1961. The family ventured into pest control when it purchased exterminator Orkin in 1964, in one of the first leveraged buyouts in American history.



## I Lee Kun-hee

**Nationality:** South Korean

**Died:** October 25

**Net worth at the time of death:**

**\$20 billion**

South Korea's richest man since 2007 and the ailing chief of the sprawling Samsung empire passed away at age 78. The second-generation heir of South Korea's largest conglomerate had been in a coma following a heart attack in 2014. Lee grew the tech firm since the death of his father and Samsung's founder, Lee Byung-chull, in 1987.





By Jamila Gandhi

# Entertainment Pandemic-Winners

Some media companies survived the stay-at-home economy better than others. Which of these pandemic-winners has entertained you?

## NETFLIX



### Netflix

**16 million**

people created Netflix accounts in the first three months of the year

Nearly 16 million people created Netflix accounts in the first three months of the year, almost double the number of new sign-ups it saw in the last months of 2019. Its first-quarter figures were the largest three-month jump in the streaming service's 23-year history. In September 2020, Netflix was the second-most popular entertainment app with 3.3 million downloads from global iPhone users. The widespread stay-at-home orders came alongside new releases like *Tiger King*, *Money Heist*, and *Love is Blind*. Netflix also added 44 iconic and critically acclaimed Arabic films to its extensive catalog, celebrating regional storytellers.



### Nintendo

**\$1 billion**

net profits in the first quarter of 2020

Japanese video game maker Nintendo racked up net profits of \$1 billion in the quarter ending June 2020, buoyed by a massive demand for video games during the lockdown period and the runaway success of its popular *Animal Crossing: New Horizons* game. The figures showed a six-fold jump from \$157.1 million from the same period a year ago. The Kyoto-based company is raising its Switch production target to around 25 million units this fiscal year from 22 million units set in April, according to Bloomberg.



### TikTok

**14.9 million**

daily active iOS users in September 2020

Amid ongoing global controversy, ByteDance-owned TikTok has amassed a large consumer base. The viral video-sharing platform recorded 14.9 million daily active iOS users in September 2020, up from 5.8 million from the same period a year ago. In the same month, it was the most-downloaded entertainment app for iPhone in the Apple AppStore worldwide. Analytics firm Anavizio found that the app has been listed this year as one of the top downloaded apps on the Google Play Store and Apple App Store in the U.A.E., Saudi Arabia, Bahrain, Kuwait, Oman, and Qatar.



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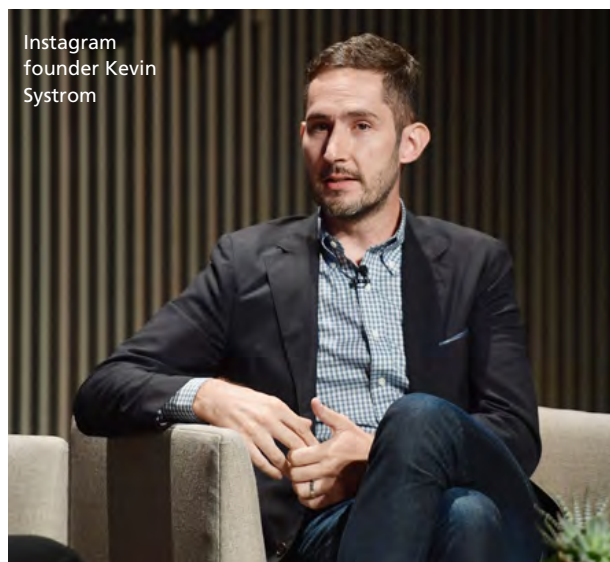
By Jamila Gandhi

# A Decade Of Instagram

In the decade since it launched in 2010, Instagram has transformed from its humble beginnings as a photo-sharing app to a necessity for businesses, celebrities, and social initiatives.

18

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Instagram founder Kevin Systrom

**Data firm Statista** projects that Instagram will surpass 988 million monthly active users by 2023, up from 855 million in 2019. Keen to make the most of their attention, in 2018 the platform hosted 3.7 million brand-sponsored influencer posts. Celebrities have also raked in millions from the social network. According to the Instagram Rich List 2020 compiled by HopperHQ, Dwayne Johnson currently reigns as the highest-paid individual poster globally, charging just over \$1 million for an Instagram post.

Here's a look at some of the highlights of the company's meteoric rise over the years.



On October 6, 2010, the Instagram app was launched for iOS, seven months after founders Kevin Systrom and Mike Krieger received \$500,000 seed funding from Baseline Ventures and Andreessen Horowitz. By December, the platform had a million users, according to TechCrunch.



In January, the social network added hashtags to help users discover photographs and other accounts. A month later, Instagram raised nearly \$7 million in Series A funding from a cohort of investors.



Mark Zuckerberg's Facebook acquired Instagram for around \$1 billion in cash and stock in April. In the same month, the app raised \$500 million from venture capitalists for a share of the company, hit 50 million monthly active users, and launched for Android phones. A new Explore page was also added to the app, enabling users to find accounts and content to engage with.



Mid-year, the platform introduced video-sharing of clips up to 15-seconds long. By December, Instagram launched its Direct feature to allow users to send photos to specific people directly from the app.



In the fourth quarter of the year, the platform hit 400 million monthly active users and launched the Boomerang feature – a silent video that plays forwards and reverses in a loop.



In March, Instagram controversially switched its feed from chronological to algorithmically-driven posts first. In May, where the app's

new icon showcased a simpler camera, and the rainbow switched to a gradient form. At the same time, Instagram announced new business tools to see audience demographics, post impressions, and reach. In August, the app launched Instagram Stories, inspired by Snapchat's disappearing stories feature. Three months later, it introduced live video, which allows users to broadcast live for up to an hour. By year-end, Instagram had 600 million active users.



In a bid to compete against YouTube, Instagram launched IGTV in June, enabling users to upload videos of up to 1 hour. By the month-end, the platform had hit a billion monthly active users. Both Instagram founders, Systrom and Krieger, quit the company in September.



To compete against viral short-form video app TikTok, Instagram launched Reels in August, its own short-form in-app video feature. In November, the app added a Shop tab to foster a seamless connection between brands, creators and customers.



Middle East  
**Forbes**  
**Growing  
In Strength**

— BAHRAIN REPORT —







# Bahrain's Evolving Economy

**From COVID-19 to Fintech, the Kingdom of Bahrain has had a tough but productive year.**

It has been a tough year for economies worldwide, and the gulf state of Bahrain, as well as much of the MENA region, was not immune to the economic impact of the COVID-19 pandemic. Bahrain and the Gulf states have been hit particularly hard as they had to withstand the dual shocks of a steep drop in oil prices earlier this year, in addition to the contraction in economic activity due to worldwide lockdowns.

## **COVID-19 challenges**

In August, Bahrain's credit rating was downgraded by Fitch to B+, down from

BB-, with a stable outlook. As is the case in many countries worldwide, Bahrain's real GDP growth declined by 8.9% year-on-year in the second quarter of 2020, while its non-oil economy contracted by 11.5%. The Bahrain All Share Index reached 1,277.61 points at the end of June 2020, a drop of 20.7% from earlier in the year, and 13.2% compared to the same period in 2019. On top of this, Bahrain's budget deficit almost doubled in the first half of the year, with government revenues falling 29% compared to the same period the year before as oil prices plummeted to negative territories earlier in the year.



# Fueling Growth With Technology

Jean-Christophe Durand, CEO of the National Bank of Bahrain (NBB), reveals how the bank has embraced digital solutions and managed to grow amidst a global pandemic.



## The operating income of NBB is up this year compared to 2019. What contributed to this growth?

The reason for NBB's growth over the past year has been the successful consolidation resulting from our recent acquisition of a majority stake in Bahrain Islamic Bank (BisB). Our successful execution of the acquisition enabled us to build a stronger group, with a diversified product and service offering, granting us a larger market share. Additionally, we've made it our mission to fortify the local economy by offering the necessary support to our corporate, retail and SME client-base via upgrading our services in line with our digital transformation agenda, and providing our existing and potential clients with advanced banking technologies designed to maintain business continuity and promote the necessary safety measures throughout these difficult times.

## How has NBB helped keep the Bahraini economy afloat through the pandemic?

As the nation's bank, we've adopted several initiatives to remain closer to our clients and contribute meaningfully to Bahrain's wellbeing. We offered further loan and mortgage payment deferments for retail, corporate and SME clients; credit card payment deferrals, all

without any additional fees or interest on interest; and restructuring services for corporates and SMEs post the six-month deferral period.

We've also contributed to Bahrain's National Fund to help combat the pandemic and lessen the financial burden on individuals and businesses and to Bahrain's Capital Governorate's campaign, which benefited 4,000 migrant workers through food and sustenance supplies, in addition to donating electronic equipment to the University of Bahrain to promote virtual learning as a result of the pandemic.

## How has the integration of NBB and BisB operations affected the two banks?

The key to the Group's success is agility. The joint powerhouse of our two entities was a strategic move to drive synergies and grow our market share as a diverse banking network, with a strong base for regional penetration.

Today, a bank's ability to invest, innovate and adapt to market regulations and conditions requires a strong market infrastructure achieved via the different teams within the group. We are applying a strategic operating model, integrating the different functions of both banks. By using the right personnel and tools available, we

are able to offer a more diverse portfolio of services and products.

## How is NBB leveraging technology and innovation in its services to customers?

Our aim is to remain focused on serving the evolving needs of every segment of our customer base, spanning retail, corporate, and SMEs, while maintaining high-level standards in risk management and a controls framework in line with our digital transformation agenda. We have introduced new digital services such as the "Tap & Go" service and contactless ATM features to maintain digital service continuity, and we have adopted Bloomberg solutions to streamline secure trading, in addition to introducing new point-of-sales terminals with advanced technology and direct cash deposit machines and cards. And we have developed an integrated, customer centric, advanced digital platform, with a soon-to-be-announced initiative to reward our loyal customers.



[www.nbbonline.com](http://www.nbbonline.com)



**In November, Bahrain granted emergency approval for the use of a Chinese COVID-19 vaccine on frontline workers that is currently in phase III trials. The vaccine is a partnership between Sinopharm's China National Biotec Group (CNBG) and Abu Dhabi-based artificial intelligence and cloud computing company Group 42 (G42).**

In an effort to procure financing to support its economy, the gulf state tapped the bond market twice this year and had also announced an \$11.9 billion stimulus package in support of the private sector, which included paying the salaries of Bahraini employees in full in the months of April, May, and June, and in half from July onwards for Bahraini employees in adversely-affected sectors. The stimulus package amounts to 29.6% of Bahrain's annual GDP.

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and Abu Dhabi-based artificial intelligence and cloud computing company Group 42 (G42).

It remains to be seen how the current economic disruptions have impacted Bahrain's foreign direct investment (FDI), which saw a steep increase in the last three years. According to UNCTAD, FDI inflows jumped from \$243 million in 2016 to \$1.4 billion in 2017, and to \$1.6 billion in 2018. Bahrain's FDI fell by 43% to \$942 million in 2019 due to the fact that Bahrain's investment profile focuses on the global economy-sensitive light manufacturing and services sectors. The Gulf state, however, has been working on enhancing its FDI inflows by focusing on non-traditional industries such as

healthcare and the digital economy. It has reached a milestone in FDI liberalization by allowing full foreign ownership in companies in the oil and gas sector in 2019.

Bahrain's investment promotion agency, the Bahrain EDB, said that the kingdom attracted \$868 million in new direct investment in 2019, and 162 new and expanding companies. This is forecast to generate more than 7,000 jobs in the next three years. The real estate sector contributed the most to this figure at around 31.5%, while manufacturing, transport and logistics contributed around 29.9%.

#### **Economic achievements**

While there have been many challenges, Bahrain has been able

to weather the storm by securing some economic, diplomatic, and enterprising achievements that could put it in a position for a strong recovery for the coming years.

On the economic front, its oil sector rose 3.2% year-on-year in real terms in the second quarter of 2020, driven by significant supply cuts and a rebound in oil prices, which have been hovering above \$40 for the last couple of months. This points to the beginning of recovery in several economic sectors in the third quarter as lockdowns lifted. As a result, a smaller decline in real GDP of around 5.8% is expected in 2020, with a rebound expected in 2021 of around 5% increase, according to Bahrain's Ministry of Finance and National Economy.



# Supporting The Community Takes Priority

**Batelco's General Manager of Corporate Communications & CSR, Shaikh Bader bin Rashid Al Khalifa, discusses how the company takes pride in supporting the community with consideration given to preparing a plan that positively impacts society.**



**B**atelco developed plans aligned with the leadership of the Kingdom of Bahrain in support of Team Bahrain initiatives.

Team Bahrain (#TeamBahrain) is an initiative of His Royal Highness Prince Salman bin Hamad Al Khalifa, Bahrain's Crown Prince and Prime Minister. It is about Bahrain's agile government working together and with the private sector to create bespoke solutions for investors and entrepreneurs looking to base their activities in Bahrain.

We are very pleased with the wide range of initiatives that we rolled out this year designed to benefit all sectors of society. One of our major campaigns was the provision of free face masks to labourers as wearing face masks is

mandatory while carrying out work duties in public areas. We achieved this through a shared value initiative in collaboration with 30 Bahraini Productive Families that we enabled to produce 60,000 face masks. The Productive Families project is important in Bahrain and it arises from being a source to gain or increase the income of families and women breadwinners with limited resources.

This year has been very challenging for businesses, especially for small businesses operating in the sectors most affected by the pandemic, so we gifted three months' free of charge fixed broadband to 500 of our SMEs to lessen their financial burden and provide them with some time to adapt to the new challenges. This support was very well received and praised by the SME community.

Internet access has grown massively in importance over the course of 2020 as working and studying from home has become the new norm. Everyone needs the service to be super-fast, so we thought what better way to support our customers than by boosting the speed of their service at no extra cost to them. Since the beginning of August all our fiber internet customers have been enjoying speed boosts from two times up to five times their usual speeds, depending on their package, and best of all they will continue to reap the benefits of this until the end of February 2021.

In responding to a countrywide call to action launched to support national efforts under the leadership of Bahrain's Crown Prince and Prime Minister, HRH, Prince Salman bin Hamad Al Khalifa, Batelco supported the Feena Khair campaign with \$9.3 million. Our support to Feena Khair, which translates to "There is Good in Us," added to the countrywide efforts of companies and individuals to support humanitarian programmes to care for the people of Bahrain and combat COVID-19.

We have completed numerous other initiatives since March this year, including providing free browsing on a number of educational websites to support e-learning, and giving unlimited free usage for all fixed broadband customers. At the very outset of the rise of the pandemic Batelco enhanced all its digital support channels and implemented same-day home delivery services, with the numbers of customers adopting the various channels continuing to grow.

We are proud to play our role and very proud of all that we have achieved. We hope we have made a difference to our customers and the community at large.



[www.batelco.com](http://www.batelco.com)

On the diplomatic front, Bahrain announced a historic peace deal with Israel, brokered by the U.S., which is set to see the return of “full diplomatic relations” between the two countries. The deal is set to benefit both countries in terms of economic, military, security, technological and technical cooperation.

Perhaps in its most significant achievement, Bahrain’s entrepreneurial and enterprising business environment has been recognized worldwide. This year the World Bank ranked Bahrain as one of its top destinations in the Arab world to invest in human capital, according to its report “The Human Capital Index 2020.” The gulf state also jumped 20 places to 75th in StartupBlink’s “Startup Ecosystem Rankings Report” as a top destination for startups around the world. It also ranked second in the Arab world and first among GCC countries in the “Economic Freedom of The World Index” published by Fraser Institute. Finally, it maintained second place in the UN’s “eGovernment Development Index 2020,” reflecting the state’s priority for maximum efficiency and transparency.

Despite the challenges, Bahrain’s continuous investment in its entrepreneurial ecosystem has been key to the country’s economic advancement in this year. This was shown by several key announcements.

In November, Bahrain began allowing SMEs and startups to raise funds through convertible notes by amending its Commercial Companies Law. Moreover, it has allowed closed shareholding companies to introduce employee share schemes, enabling them to retain talent and incentivize their employees.

According to the latest data released by the Gulf country’s Tender Board, Bahrain awarded 769 tenders worth \$1.7 billion in the first half of this year. The number of tenders in the first half of 2020 constitutes more than 74% of the total tenders



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awarded in the previous year, which stood at 1,034.

Most importantly, the Central Bank of Bahrain (CBB) launched the country’s first comprehensive digital fintech lab called FinHub 973, regulated by the CBB and in cooperation with the Bahrain Economic Development

Board, Bank ABC, ila Bank, BENEFIT, the National Bank of Bahrain (NBB) and the Bahrain Islamic Bank (BisB). The platform will offer a collaborative ecosystem in the Fintech sector and an open banking API sandbox that will enable fintech startups to develop, test and deploy fintech solutions.



# Building A Lifestyle

**Eng. Ahmed Ali Alammadi, CEO of Diyar Al Muharraq, explains the inspiration behind the new city and what makes the development so unique to Bahrain.**



**D**iyar Al Muharraq is one of Bahrain's largest fully-integrated master-planned cities, spanning an overall area of 12 square kilometers and comprising a vast archipelago of seven man-made islands spread across 10 square kilometers of reclaimed land. The project boasts over 40 kilometers of pristine waterfront and sandy beaches, making it the most extensive waterfront in the country.

The project is inspired by the rich history of the Muharraq region, which is still visible through its old-world ambience, the welcoming nature of its community, and its preserved architecture across its neighbourhoods, local homes, and mosques. The Diyar Al Muharraq masterplan was conceptualized to reflect the authenticity and vast culture of Bahrain, the hospitality of its people and the visionary outlook it has maintained throughout history.

The project is envisioned to become a comprehensive modern city mirroring the tranquil coastal lifestyle of its neighbouring region. It has blended tradition and modernity to create a

sustainable city model for residents, visitors, and investors, through the balanced mix of residential, commercial and hospitality projects and the promise of an unparalleled lifestyle.

Its cohesive mix of residential and commercial offerings are anchored by the conveniences of a vibrant, thriving community—from quality leisure and recreation, to essential services and facilities. Bustling retail and shopping centers, picturesque marinas and promenades, sandy beaches, communal spaces, world-class education establishments and healthcare, mosques, tranquil parkland and hospitality, all support the growth of a dynamic business and residential community that is inter-connected throughout the islands by a network of roads, footpaths, and waterways.

From competitively priced residential offerings to an emerging commercial hub of attractive hospitality, logistics, and retail opportunities, Diyar Al Muharraq has grown in reputation as an investor's magnet attracting many regional and international real estate players.

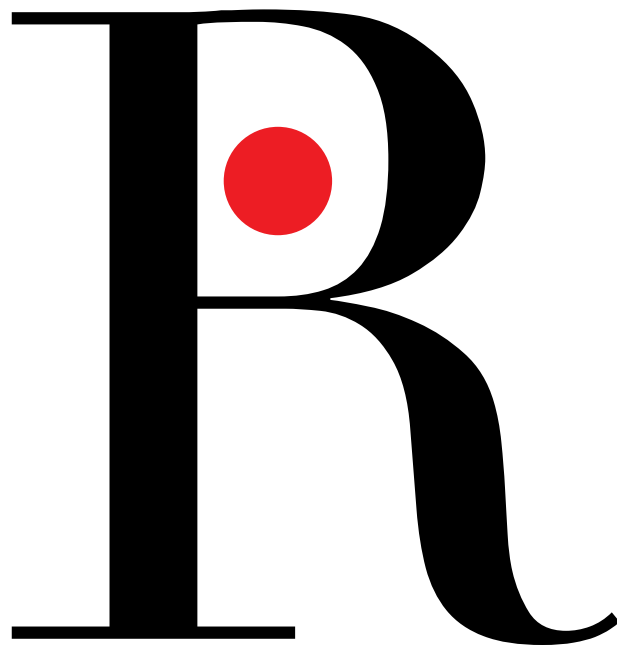
Diyar Al Muharraq has been strategically designed to meet the evolving future residential needs of Bahrain's population. It offers a mix of residential neighborhoods catering to a diverse cross-section of society, from exclusive private estates and deluxe apartments with canal views and private boat docks, to affordable housing and integrated social projects that aim to enhance the quality of life, in addition to a range of residential plots available for people to build their dream home.

Featuring striking architecture blended with modern and traditional Arabic design, homes in Diyar Al Muharraq are built using the highest quality materials and workmanship and following the latest sustainable practices. Each neighborhood has been integrated with accessible community features including leisure and recreational facilities and convenient local amenities.

Diyar Al Muharraq's operational framework is governed by a strong commitment to corporate social responsibility in line with its vision to create a sustainable future for Bahrain's citizens and residents—a vision that is aligned to the sustainable development goals of the kingdom. It aspires to create a smart, environmentally-friendly city by using modern technological solutions that promote sustainability.



[www.diyar.bh](http://www.diyar.bh)



# IMPACTFUL

FROM N95 RESPIRATOR MASKS TO BLAST-PROOF WINDOW FILMS,  
3M IS MAKING ITS PRESENCE FELT IN THE MIDDLE EAST UNDER  
REGIONAL MANAGING DIRECTOR, **ROBERT NICHOLS.**

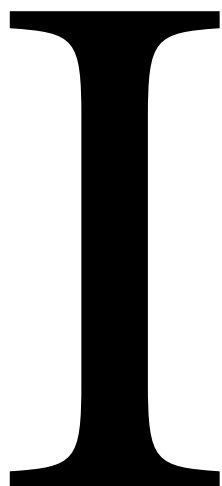
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BY **SAMUEL WENDEL**



**Robert Nichols, 3M,**  
Regional Managing  
Director





**It can be easy** to miss all the different ways 3M shows up in daily life in the Middle East. From colorful packs of post-it notes sold on Amazon to harnesses worn by construction workers, the U.S. industrial giant seems to do a bit of everything.

Still, in this tumultuous year, the blue-chip company has been in the global spotlight for a very specific reason: personal protective equipment, or PPE. 3M, which has a market cap of about \$100 billion, is one of the world's biggest producers of N95 respirator masks, widely seen as the best option to protect against COVID-19. With demand for respirators and surgical masks surging during the pandemic, 3M is at the center of efforts to deliver PPE for healthcare, first responders and other essential workers.

Globally, the company has doubled the production of essential respiratory products and will double it again by the end of 2020, according to Robert Nichols, 3M's Managing Director for the Middle East and Africa. "The demand for the product has been completely and utterly unprecedented and is still significantly higher than the supply globally, of all manufacturers," says Nichols. Meanwhile, competitors are ramping up production too, including a joint venture between Honeywell and Strata to produce N95s in the U.A.E.

But 3M does more than just produce PPE. It's also cracking down on fake products, as bad actors look to profit from the crisis. In the U.A.E., the company has helped the Dubai Police and the Dubai Department of Economic Development seize over 600,000 counterfeit respirators during the pandemic. "We take it all very seriously, and we're trying to work very hard to make sure counterfeit products aren't in the

marketplace and that there isn't fraud," says Nichols, a U.K. national based in Dubai.

Window films also represent a crucial way 3M has had a real-life impact this year. Nichols points to window films used in buildings in Beirut. During the tragic explosion in Beirut's port in August 2020, this product made a difference. "Individuals were protected because of the window film stopping the glass shattering," says Nichols. "The pane of glass will fall out completely rather than be shattered."

Thanks to robust demand for these products, the U.S.-headquartered company recently topped estimates for its 2020 third-quarter earnings. 3M's healthcare unit recorded \$2.2 billion in sales—a 25.5% jump that accounted for more than a quarter of total sales globally. Demand for disposable respirators is expected to continue, with 3M on track to distribute two billion respirators by the end of 2020. 3M doesn't breakdown specific regional numbers, but total sales in Europe, the Middle East, and Africa (EMEA) grew 4.4% in Q3, according to the company.

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**"We're trying to work very hard to make sure counterfeit products aren't in the marketplace and that there isn't fraud"**

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That marked a decent rebound after 3M weathered a tough second quarter as the pandemic unfolded, a dip that also followed a difficult 2019 for the company. 3M reported \$32.1 billion in sales globally in 2019, down 1.9%. It faced declines in key end markets, with global CEO Mike Roman singling out slumps in China, automotive, and electronics—areas that normally represent 30% of total sales. In EMEA, sales reached \$6.2 billion in 2019, representing 19.4% of 3M's global total. Those results were also down, but its EMEA healthcare segment recorded positive results, with sales rising 0.6% to \$1.7 billion.

The pandemic has underlined the importance of 3M's healthcare business, but the bigger picture was changing within the company at the start of 2020. 3M's global leadership introduced a new operating model in January 2020, designed to boost growth, improve operations, and focus on customers as part



of a “transformation journey.” That came after 3M kicked off a restructuring exercise in 2019, trimming operating units from five to four and announcing global job cuts. That’s having a regional impact too. Globally, company functions and priorities now fall under central business units rather than serving as separate international units, as was the case previously.

Against that backdrop, Nichols sees a sizable growth opportunity for 3M in the Middle East and Africa, thanks to growing populations and potential economic strength in regional countries. “The Middle East and Africa, I think, are areas of substantial growth over the next five to ten years,” says Nichols. “And the company sees it that way as well.”

3M already has a sizable regional footprint. Nichols oversees more than 700 employees and 40 countries from Dubai, including manufacturing facilities in Saudi Arabia, Pakistan, and South Africa. Through that, it can offer a product portfolio in the region as appropriate with local needs and industries, says Nichols.

A big part of its approach is working with channel partners, such as Dubai’s Junco Trading, a commercial distributor and marketing agent with a longstanding relationship with 3M. “We value our partnership of 25 years with 3M very highly. It has been one of unflinching mutual support through all the highs and lows of the market,” says Shyam Sunder, Junco’s general manager.

As a channel partner, Junco has introduced 3M products like structural tapes for building facade construction and abrasives for steel finishing. Last year Junco opened the Middle East’s first 3M-authorized abrasives conversion center in Jebel Ali, intended to increase its market penetration. Meanwhile, in 2018, 3M also began selling its products through Amazon in the U.A.E. and Saudi Arabia, and Souq.com in Egypt.

One area in which Nichols sees regional growth opportunities comes from 3M’s recent acquisitions in the U.S. In 2017, it snapped up Scott Safety for \$2 billion, which makes breathing equipment for



3M is one of the world’s biggest producers of N95 respirator masks, widely seen as the best option to protect against COVID-19.

firefighters and industrial workers, and two years before that, it acquired harness maker Capital Safety for \$2.5 billion. “Both of those really resonate well with the oil and gas industry,” says Nichols. In 2019, it purchased Acelity for \$6.7 billion, including its wound care subsidiary, a move Nichols says pairs well with 3M’s healthcare business.

Looking ahead, 3M wants to build on foundations with key regional customers, with

major accounts in oil and gas, manufacturing, and construction. “We’ve worked closely with Emirates, ADNOC, and basically all of the key players,” he says. As appropriate, 3M has senior-level connections with customers, particularly from an R&D point of view, to help understand what customers need now and in the future, says Nichols.

## “The Middle East and Africa, I think, are areas of substantial growth over the next five to ten years”

Trends around sustainability and efficiency are also influencing 3M’s regional business. Raya Mikkawi, 3M’s regional sustainability leader, offers up examples. In the transportation business, 3M provides sustainable cleaning material based on a dry-wash technique, which is designed to clean while minimizing water consumption. “This solution has been widely used by reputable airlines, automotive and marine companies in the region,” says Mikkawi.

3M is also working with local construction customers to reduce the amount of waste they generate from consumables, which saves time and money, according to Mikkawi. Then there are 3M’s window films, which are used by one of the region’s largest malls to reflect heat and reduce energy consumption.

That’s precisely the type of innovative product that made 3M an industry heavyweight. Founded

in 1902 as a small-scale mining venture called Minnesota Mining and Manufacturing Company, it has evolved and expanded across the globe thanks to a string of breakthrough products like waterproof sandpaper and Scotch tape. 3M began operating in the Middle East in the 1960s with an office in Beirut, followed by a location in Dubai. That came after expanding into Africa in 1953, starting in Johannesburg. Nichols assumed the top regional job in 2018, the latest step in a 30-plus year career with 3M.

Befitting a company known for its scientific tinkering, Nichols studied physics at university, but began his career in sales, working at United Biscuits, the British-based company behind brands including Jacob's Cream Crackers and McVitie's biscuits. After a couple of years there, Nichols wanted a change and landed at 3M in 1987, selling industrial adhesives. Since then, he's occupied different roles in sales, marketing, and management across Europe, the Middle East, and Africa. By 2015 he was 3M's managing director for Russia before taking over its Gulf operations two years later.

At that time, 3M had already made moves to bolster its regional presence. In 2011, it opened a 3M Innovation Center in Dubai, part of its global network of facilities that offer potential customers and partners the opportunity to test products and provide feedback to help 3M scientists understand and solve customer problems (the company spent \$1.9 billion on R&D in 2019). 3M has established dozens of these centers globally, but its Dubai location was the region's first, later followed by another in Saudi Arabia. "With every new center, we can be certain that 3M's development of products and technologies will continue to grow in regions throughout the world," said Inge Thulin, 3M's then executive VP of



# 3M

In Forbes' Global  
2000 list for  
2020, 3M\* was at  
**#195** with:

**\$32.3  
billion  
in sales**

**\$5 billion  
in profits**

**\$46.2  
billion  
in assets**

**\$87.4  
billion  
market  
value**

\*The Forbes' Global 2000 ranks the world's largest public companies. Numbers here are as of May 2020.

international operations (and later company CEO and chairman), at the time. The company was also boosting local manufacturing to help serve regional customers, opening its plant in Saudi Arabia in 2015.

Meanwhile, as a company leader in the region, Nichols has been singled out by 3M as a champion of diversity and inclusion. This isn't a total CSR plug; it's a subject that's important for multiple reasons. "One of those undoubtedly is understanding our customers better. Our customers are very diverse," says Nichols. Working in the region has amplified the need to embrace diversity, with employees from over 40 nationalities working for 3M in the U.A.E. "That's one of the things I've really taken away is how do you really build that mosaic of cultures, of individual skills, to be as successful as possible?" says Nichols.

He's also had to contend with challenging conditions. The region was in an oil slump when Nichols arrived in 2018, and although the worst of the crisis had passed, local economies had suffered. On his watch, regional business returned to 3M in areas including hospitality, construction, and core manufacturing.

On a global level, 2018 brought change with the appointment of Mike Roman as CEO, which led to the recent shifts underway within 3M. Roman has called this transformation journey a defining moment, an opportunity to modernize how 3M runs its business while building an organization for the future.

That's an ongoing process. But, in a year full of surprises, it should be no surprise that products made by 3M are playing a notable role in daily life and industry in the region. "We're a global company, very much a diverse manufacturing company," says Nichols. "We really focus on trying to apply science to life." **F**



BRING ON THE

# FESTIVITREES



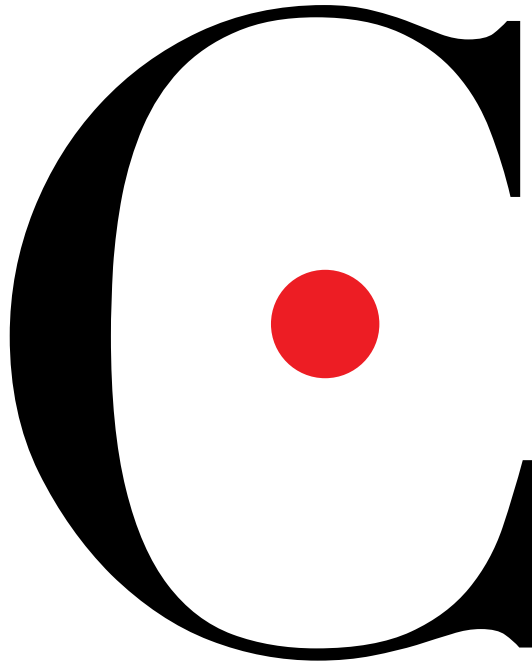
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# ELECTRIFYING

FRESH FROM SIGNING A NEW \$295 MILLION DEAL IN EGYPT, SCHNEIDER ELECTRIC IS CAPITALIZING ON DIGITIZATION AND SUSTAINABLE ENERGY TRENDS IN THE MIDDLE EAST THANKS TO ITS PRESIDENT FOR THE MIDDLE EAST AND AFRICA, **CASPAR HERZBERG**.

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BY **SAMUEL WENDEL**



**Caspar Herzberg,**  
Schneider Electric,  
President, Middle  
East and Africa



# F

**From spearheading** the development of smart cities to building a solar park visible from outer space, there's a shift underway in the Middle East. Countries are changing how they generate and use energy while embracing digital technologies to help power economies and cities of the future.

A recent example comes from Egypt. Faced with a booming population and regular electricity shortages, the country has been investing in its power grid to meet energy demands. In July 2020, Egypt's national utility provider inked a deal with France's Schneider Electric worth about \$295 million to convert the country's electric distribution network into a smart grid, intended to underpin its energy network for decades. "The premise there is that the country really wants to focus on the response time of the grid [and] make long blackouts a thing of the past," says Caspar Herzberg, Schneider's President for the Middle East and Africa.

The project is part of a three-phase deal that will be valued at around \$885 million once fully finalized. The 18-month first phase underway is centered on establishing four grid control centers to monitor and optimize energy resources and installing technology countrywide to improve energy availability by addressing network faults.

It was a competitive, three-year process to win the deal, and by sheer size and ambition, it represents a key development for Schneider in the Middle East, says Herzberg. Meanwhile, competitors including GE, Siemens, and ABB have been actively scoring contracts in Egypt in this space too. Notably, Siemens and a consortium of partners completed an Egyptian megaproject in 2018 by delivering three power plants. That came after the German company won \$9 billion

worth of contracts in 2015 intended to boost Egypt's power generation capacity by more than 50%.

Eying shifts around sustainability and efficiency, Paris-headquartered Schneider—which provides energy management and industrial automation solutions in buildings, factories, data centers, and beyond and has a market cap of \$79 billion—has in recent years gradually pivoted from simply offering electrical equipment to supplying digital products and services. In 2019, it pulled in record revenues of \$32.2 billion, a rise of 4.2%. In a sign of Schneider's strategic shift, digital and services made up 50% of revenues, while software and services represented a quarter. Not bad for a 184-year-old company that got its start in mining.

From Dubai, Herzberg oversees the Middle East and Africa, which includes looking after Turkey, Central Asia, Pakistan, the Caribbean, and some remote islands. These regions account for about \$2.4 billion in revenue, says Herzberg, with the Middle East itself home to 7,500 employees, contractors, and an extensive partner ecosystem. "It is the third-largest operation in Schneider, so it's a very large business for us," says the 47-year-old German national. He reports Schneider has about \$600 million in projects under management in his region, not counting Egypt's smart grid deal. But the COVID-19 pandemic has taken its toll. Schneider's global first-half revenues for 2020 dropped 10%, with the Middle East producing mostly underwhelming results too. Pandemic lockdowns made it difficult to reach local customers, says Herzberg, but this year hasn't changed the company's regional strategy, and he expects things to regain momentum by 2021.

Even in a challenging year, Schneider made global acquisitions to bolster its business in 2020. That includes purchasing RIB Software, a German construction software company, for \$1.5 billion in July 2020. In August, the U.K.-based industrial software company Aveva—which is merged with Schneider's industrial software unit—completed a \$5 billion acquisition of U.S. software company OSIsoft.

Meanwhile, the Middle East is experiencing a significant change with regard to energy, says Abhay Bhargava, senior director for consulting firm Frost & Sullivan's industrial practice for the Middle East and South Asia. Among other areas, electricity and industrial diesel prices have risen in recent years, driving the case for energy management, while countries have imposed mandates around sustainability and emissions.

Trends around energy management are showing up everywhere, from demand for energy-efficient appliances all the way to utilities and industrial facilities



investing in solutions that reduce carbon footprints and fuel consumption. “This transition towards energy management will open up opportunities for a new set of solutions and services for the Middle East,” says Bhargava. “So, its overall impact will be far-reaching across society and industry.”

The pandemic is playing a role too. In Egypt, it’s pushing players in sectors from oil and gas to real estate to focus on concepts like remote operations, says Walid Sheta, Schneider’s cluster president for North East Africa and the Levant. “We’re seeing a significant increase in businesses reaching out about how to implement digital transformations in a way that will improve operations and reduce costs,” he says.

Still, on a larger level, trends around sustainability, efficiency, and digitization are all influencing Schneider’s local footprint. Herzberg points to momentum in the Gulf around sustainable power generation, an example being solar farms, an area Schneider supports. Regional customers are also beginning to embrace energy efficiency. “There is certainly recognition on the level of decision-makers that the current way of using energy is not sustainable,” says Herzberg. The region was already a pioneer in smart cities, but now there’s interest in retrofitting and digitizing existing infrastructure.

One way the Middle East stands out for Schneider, reports Herzberg, is the amount of greenfield infrastructure being built in the Gulf, Saudi Arabia, Egypt, and now starting in Iraq. That results in Schneider taking on a sizable number of projects, which requires both physical execution and software engineering. “We produce and we sell, but we also do turnkey projects,” says Herzberg. “We have a very large project business, where we do end-to-end projects, especially in the energy automation space in this region.”

That’s evident in different areas, from oil and gas projects to working in the building sector on malls and high-rises. The company is particularly



Momentum is steadily growing towards sustainable and renewable energy in the Middle East.

involved in water projects. Schneider has installed technology and solutions at El-Gabal El-Asfar Wastewater Treatment Plant, Egypt’s largest wastewater treatment site, which serves more than 12 million people in the Cairo area, says Sheta. That’s helping the plant run safely and more efficiently and reduces downtime. “This is a megaproject that is key to the growth of both Cairo and the country,” says Sheta.

Schneider sees demand for conversion projects that combine information technology and operational technology. Its digital EcoStruxure platform combines the Internet of Things, big data, software, and artificial intelligence to help customers manage energy, processes, and resources. That’s proving one of its fastest-growing solutions across most industries it serves, with the region emerging as a global leader for the group here. “Here you live convergence,” says Herzberg. “I mean, it doesn’t just sound cool. That is cool.”

In contrast to Schneider’s large infrastructure projects, Herzberg also highlights its work with hospitals. In 2017, Schneider implemented an integrated building management system and power metering solutions for Sulaiman Al Habib Hospital in Dubai. It also counts the Cleveland Clinic in Abu Dhabi as a customer. These are very focused solutions, says Herzberg, compared to a grid project.

The company’s pivot towards digital solutions is also on display through its work with the Abu Dhabi National Oil Company, or ADNOC. In 2018, Schneider supplied software for ADNOC’s Panorama Center, which provides real-time visibility on operations and facilities. “This is a very prominent project that shows us not just as an equipment provider, but also as a software provider and really a future-looking company,” says Herzberg.

Overall, as Gulf countries embrace new digital technologies and automation, Schneider is specializing

more in providing smaller solutions and selling parts, which represents a shift away from larger infrastructure projects. That increasingly means supplying customers and channel partners with products and software solutions. Globally, Schneider primarily sells these through channel partners, which are mainly panel builders that assemble and install electrical equipment. Regionally, those are usually small to medium-sized businesses. "This is a core part of what we do," says Herzberg.

Schneider has also ramped up regional manufacturing. It has a plant in Egypt's Badr City that exports to ten regional countries and is producing equipment for its smart grid project. Output from that plant has doubled in recent years, says Herzberg. Schneider also has a similar plant in Riyadh.

Looking ahead, Herzberg wants Schneider to grow in the building efficiency space. "This not only makes us money, but it's extremely important for the future of this region and the future of our world, given the acceleration of the climate crisis," he says. "After this crisis, we want to double down on that."

Compared to many expat execs in Dubai, Herzberg has intimate familiarity with the region. He grew up in Egypt, spending the first 20 years of his life there before serving in the German army. "I consider this region my home, although I'm German," says Herzberg.

Eventually, he studied Arabic and modern Middle Eastern studies at Oxford and later international politics at London's SOAS, before starting out at Accenture in 1998 as a manager for its supply chain strategy practice. In 2005, he moved to Saudi Arabia to work with Cisco. There he would eventually rise to serve as VP for Cisco's consulting services in Asia.

Working at Cisco, Herzberg took part in a number of smart city



Life Is On | **Schneider**  
Electric

**In Forbes' Global  
2000 list for 2020,  
Schneider Electric\*  
was at #227  
with:**

**\$30.4  
billion  
in sales**

**\$2.7  
billion  
in profits**

**\$50.5  
billion  
in assets**

**\$50.4  
billion  
market value**

\*The Forbes' Global  
2000 ranks the world's  
largest public companies.  
Numbers here are as of  
May 2020.

projects. This experience eventually compelled him to write a book on the subject, entitled *Smart Cities, Digital Nations: Building Smart Cities in Emerging Countries and Beyond*. Published in 2017, it explores the development of groundbreaking cities such as Songdo in South Korea and Saudi Arabia's King Abdullah Economic City.

By then, he had joined Schneider. He started with the company in 2016 to lead its Africa and Caribbean operation, which morphed into his current role. Herzberg's nomadic life seems to fit with the culture Schneider Electric's Chairman and CEO Jean-Pascal Tricoire has established at the company since taking the top job in 2006.

The group has embraced strategic changes under Tricoire, leading to its gradual pivot towards digital and software solutions geared towards sustainability and efficiency trends. It also focused on developing its presence in emerging countries and Asia. The company's organization model is based around multiple hubs, intended to avoid unnecessary centralization and empower regional outfits to make decisions.

As regional head, Herzberg has ingrained himself in the landscape. He meets with everyone from presidents and royals to local electricians and distributors working in the souqs. "That's quite a fascinating range of people that you get to interact with and we interact with as a company," he says.

Meanwhile, Schneider's own globetrotting CEO also devotes time to the region. Tricoire, along with Herzberg, toured Egypt in 2019 to review local projects and its manufacturing plant—a conveniently timed visit as Schneider competed to win the smart grid project. About six months later, Schneider scored the contract. A sign that its strategy appears to be powering promising results in the Middle East. **F**



# Smart Solutions

**Abdullah Al-Dosari, CEO of T2, explains how the tech company has been helping clients through 2020, and its plans for the future.**

**One of the positive effects of the COVID-19 pandemic has been the acceleration of the digitization of the global economy. What role does T2 play in this?**

We started to push for digitization years before the pandemic and played a major role in enabling e-services and online banking in Saudi Arabia. We are adventurous, with goals to explore and test new technologies. In the last five years, we introduced seven products to market. Three of them have become well-known: RiCH®, Ole5®, and Availo®. This year we have managed to enable more than 10 billion business transactions. We also enabled over 100,000 employees to work from home and transformed client environments to paperless.

**IT security lies at the heart of every CEO's business strategy. What can clients expect from T2 to maximize the level of security in their IT infrastructure?**

In 2016, we began to build a very secure email-like solution. It was initially built and designed based on a Trust No One (TNO) concept, where secure documents are managed without IT infrastructure, making it impossible for even an IT engineer to access, view, or modify. Last year, T2 was identified as a company of national critical infrastructure. We increased our security practices to



comply with NCA security compliance and became ISO27001 certified.

**As CEO, how do you attract and inspire your employees to follow your vision for T2?**

We have four core values: honesty, devotion, willingness to learn, and giving. If you have a devotion to work, you will be much easier to manage and motivate. If you are willing to learn you will find yourself motivated to tackle new challenges. If you have a value of giving you won't hesitate to help your colleague. These core values are at the heart of all of our objectives.

**As a tech entrepreneur, what is your assessment of Saudi's Vision 2030?**

When Vision 2030 was announced

we believed it could be a new thing, but whether it could be achieved or not was the question. Oil prices were going down, there was a shortage of resources, etc. But despite all these challenges, the results today are astonishing, giving entrepreneurs optimism for the future.

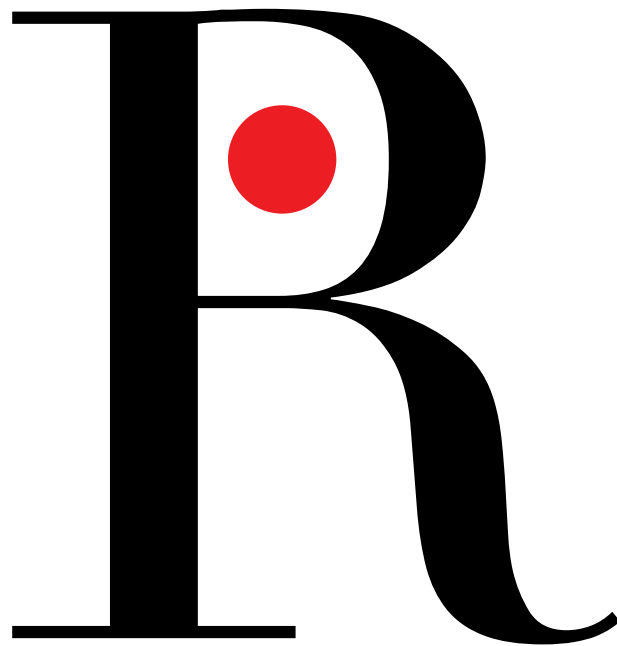
The environment has become much easier in which to do business. Clients have started to trust the fairness of the system. With government support, financial instruments have become much easier. We have new regulations for startups and investment instruments. It all looks very promising.

**What is your main objective for next year?**

In 2020 we had multiple objectives, one of which was to explore how to export technology solutions to neighboring countries, so we established offices in the U.A.E. and Egypt. We managed to sell to clients in the U.A.E., Oman, Egypt and Jordan. We are preparing ourselves for the next stage in 2021 by acquiring some local companies in the GCC and Egypt.



[www.t2.sa](http://www.t2.sa)



# INSPIRATIONAL

HAVING SOLD HIS ONLINE MARKETPLACE TO AMAZON FOR \$583 MILLION IN 2017, **RONALDO MOUCHAWAR**, VICE PRESIDENT FOR AMAZON IN MENA, IS TODAY LEADING THE REGIONAL EXPANSION OF ONE OF THE WORLD'S BIGGEST COMPANIES.

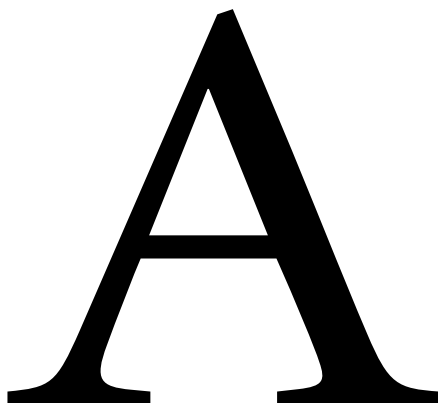
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BY **CLAUDINE COLETTI**



**Ronaldo Mouchawar,**  
Vice President for  
Amazon in MENA





**At the beginning** of 2020, very few businesses could have predicted the challenges they were about to face thanks to the movement restrictions of an impending global pandemic. For Amazon, it would have been hard to predict the huge growth spurt it was about to experience, thanks to millions of people stuck at home with little to do but surf the internet.

At the end of February 2020, the global e-commerce giant had an already-impressive market cap of \$943.8 billion. By November 22—after nine months of COVID-19-driven instructions to stay home and a resulting acceleration in online consumption—its value had increased by 59%, to over \$1.5 trillion.

This growth came off the back of a previously slow year. In its Q3 earnings report for 2019, Amazon reported that net income had decreased to \$2.1 billion compared to \$2.9 billion in Q3 2018. By Q3 2020, however, net income was \$6.3 billion—almost treble that of the same period the year before.

As a result, the personal wealth of centi-billionaire Jeff Bezos also sky-rocketed more than 60% in 2020. The Forbes' World's Billionaires list in mid-March capped the Amazon founder's wealth at \$113 billion; his real-time net worth on November 22 was \$181.4 billion.

Ronaldo Mouchawar, Vice President for Amazon in MENA, does not match his boss in terms of personal wealth. But in terms of entrepreneurial spirit, the two founders may be on a similar par. "I met Jeff a few times, here and in Seattle," reveals the Syrian businessman. "Obviously, he's a bright individual. You could see the customer obsession coming out from the questions he asked, and that culture just disseminates all the way down."

Mouchawar cofounded the Middle Eastern e-commerce marketplace, Souq.com, in 2005, which was acquired by Amazon in 2017 for approximately \$583 million, according to the U.S. Securities and Exchange Committee. It was one of the biggest tech-acquisitions the region had ever seen at the time, although Uber's

\$3.1 billion buyout of Careem in 2019 has since more than eclipsed it.

After the Souq.com purchase, the team took its time to absorb Amazon's culture and technology before rebranding Souq.com to Amazon.ae in the U.A.E. in May 2019. The following month Amazon Prime was launched in the U.A.E. Then, in June 2020, the fully-Arabized Amazon.sa site was launched in Saudi Arabia. "It was just the logical next market for us," explains Mouchawar. "We already operate there. We have a large presence, a large customer base. It was a natural progression." The Souq.com marketplace continues to operate in Egypt for the time being.

In October 2020, Amazon.ae announced the launch of its "International Shopping Experience" in the Middle East. This means that customers in Bahrain, Oman, and Kuwait can order from Amazon.ae and have goods delivered to them from the U.A.E. It's this latest innovation that has recently captured Mouchawar's focus. "That's a close-to-heart mission for me," he admits. "We wanted to connect the Arab world. With technology, you can break down borders faster and connect people and products and services while improving the ecosystem."

Despite the many benefits of buying online, e-commerce adoption in the Middle East has traditionally been a slow burner. According to a 2019 Bain & Company report on e-commerce in MENA, the U.A.E. had the region's largest e-commerce penetration rate at just 4.2%, which was reportedly similar to that of Turkey and Brazil. Saudi Arabia followed with 3.8% penetration, and Egypt with 2.5%, which was comparable to that of India and Indonesia.

"Consumers in the Middle East have historically preferred in-store shopping to e-commerce, particularly for big-ticket items, so they can enjoy the in-store experience and test out the product before buying it," says Norma Taki, Transaction Services Partner and Consumer Markets Leader at PwC Middle East. "Between August and September 2019, 50% of Middle East consumers were buying products in-store versus 31% who were shopping on their mobile."

Of course, 2020 will have had a considerable impact on those numbers. And as customers have flocked to embrace digital, Amazon has launched more services in the region, including Amazon Home Services, launched in July 2020, which enables customers to have their home purchases delivered, built, and fitted for them, or services such as painting and installations carried out. The "Subscribe & Save" service was also launched in the Middle East this year so customers can easily order repeat purchases. "Over the last year, we've seen

a massive acceleration uptake on all online services. We see the trend changing fast,” says Mouchawar.

In the Middle East, this has not come without its challenges for Amazon’s services. When it comes to purchases, the regional head explains that the typology and seller base is different and—especially for the Saudi consumer—the tools need to work well in Arabic and on mobile phones. For deliveries, the region’s address system is very different compared to other parts of the world. “In many of our cities here, you’ll get an address that is ‘I live next to...,’ but that’s not really an address for a delivery,” laughs Mouchawar. And payment methods are more traditional, with a large portion of the population still preferring to use credit and debit cards. Mouchawar reports that Saudi has a high percentage of customers paying cash-on-delivery.

However, this is another area where the pandemic seems to have brought about a rapid shift in behavior. “COVID-19 has forced change: consumers who were previously resistant to using mobile payment channels discovered that purchasing goods and services on their smartphone was not only easy but convenient too,” says Taki. “We are beginning to see more demand for digital payment and credit solutions, whether that’s contactless, ApplePay, PayPal, or other platforms.”

This all points to an acceleration in the region’s digital journey that could lead to much bigger things for the e-commerce sector in particular and the tech startup ecosystem in general. Rather fittingly for both, as Mouchawar leads from the front, he was also there at the beginning.

Mouchawar’s journey began at the start of the internet era. Having studied engineering in Boston, the budding entrepreneur met Samih Toukan and Hussam Khoury—the current founders of Jabbar Internet Group and Mouchawar’s previous cofounders at Souq.com. “We met Ronaldo in the early 1990s when we launched our company BOC, which developed internet solutions in the region,” remembers Toukan. “Ronaldo became our partner handling the Syrian market. Our first impressions of him were as they are today; a hardworking professional and smart leader with integrity and honesty.”



Saudi women make up approximately 40% of the workforce at Amazon’s 226,000 square-foot facility in Jeddah.

As the internet gained traction in the Middle East, the three became increasingly excited about the opportunities ahead. “At the time, we were looking at how we can help companies, but very quickly, we stumbled on a big gap,” says Mouchawar. The gap was in Arabic. At that time, many computer services were barely Arabic literate, and the vast Arabic-speaking population was left struggling for free tools able to help them chat, communicate, and email.

In 1998, Toukan and Khoury launched Maktoob in Jordan, a webmail service with Arabic support. Mouchawar joined the company in 2000. It quickly found success among Arab-speaking users.

“Very quickly, you realize how empowering this can be. People were starting to express themselves, which I think is something that in this part of the world is not common,” says Mouchawar. What followed became the Middle East’s first big—and remains one of its most legendary—tech-startup success stories. As Maktoob grew, so did the content and services it offered. Souq.com began life in 2005 as a listings-based auctions site under Maktoob, headed by Mouchawar as CEO. In 2006, he bought the Souq.com domain name and set up an office in Dubai’s Internet City with just five employees at the time (today Amazon has more than 6,500 people in MENA).

In the following years, business boomed, and Souq.com expanded into Saudi Arabia and Egypt. Eventually, Toukan and Khoury’s instincts paid off in a big way. In 2009, Yahoo! bought Maktoob for a reported \$164 million, and the pair established their venture capital company, Jabbar Internet Group—an incubator first built to house the Maktoob subsidiaries that were not acquired by Yahoo!, including Souq.com. By the end of that year, Souq.com had become an independent business, by which time it was reportedly recording nearly \$1 million per month in sales.

Over the next seven years, the cofounders made several smart moves to grow the business. In 2010, they hired Wisam Daoud from eBay as the company’s Chief Technology Officer and began to maneuver the platform from being an auction-based site, like eBay, to a B2C marketplace, like Amazon. In 2012, they launched their first mobile app, engaging an



increasingly smartphone-savvy audience. And in 2013, they established an online payment provider subsidiary, Payfort, led by previous Souq.com team member, Omar Soudodi. They even launched their own delivery courier, Q Express, embracing geolocation technology to face-off the challenges of the lack of postal services in the U.A.E. and Saudi.

Souq.com's fourth and last funding round in March 2016 plowed \$275 million into the company from Tiger Global Management, Naspers Ltd., Standard Chartered Private Equity, IFC, and Baillie Gifford. At the time, Forbes Middle East reported that it was "the largest ever funding round of an e-commerce business in the Middle East," with TechCrunch claiming that it valued Souq.com at \$1 billion, making it the region's first potential unicorn. Sadly, that wasn't to be the case, but the funding round still attracted plenty of attention. "We were in the U.S. meeting different investors and potential partners," remembers Mouchawar. "We ended up meeting a few of the Amazon leaders who I think we struck a good note with. Then a team came here to visit the region; Jeff flew here at one point."

In November 2016, Mohamed Alabbar, chairman of Emaar Properties, announced that in January he would launch his own Middle Eastern e-commerce site—Noon—part of a \$1 billion joint venture between Gulf investors and Saudi Arabia's Public Investment Fund. By March 2017, Noon still hadn't arrived, and reports began to surface that Amazon had agreed in principle to buy Souq.com. On March 27, Reuters reported that Alabbar had offered \$800 million to buy Souq.com. On March 28, Amazon confirmed that it was acquiring the Souq.com marketplace.

Regional competitor Noon actually launched in October 2017 and, according to mobile app marketing intelligence provider Sensor Tower, it is currently ahead of Amazon in the U.A.E. when it comes to in-app purchases. On November 29, 2020—in the midst of



**amazon**

**In Forbes' Global  
2000 list for 2020,  
Amazon\* was at  
#22 with:**

**\$296.3  
billion  
in sales**

**\$10.6  
billion  
in profits**

**\$221.2  
billion  
in assets**

**\$1.2  
trillion  
market  
value**

\*The Forbes' Global  
2000 ranks the world's  
largest public companies.  
Numbers here are as of  
May 2020.

Yellow Friday (Noon) and White Friday (Amazon.ae) sales—Noon was the number one free shopping app on Google Play and App Store Rankings for the U.A.E.—Amazon was number two on both.

Still, for the cofounders of Souq.com, the acquisition was a rewarding moment on multiple levels. "It's always a bittersweet moment to sell your company," admits Toukan. "There are many advantages of selling to a global player like Amazon. In addition to the financial returns, it's a great message to the ecosystem and other startups that it's possible to build a great business out of our region and exit to a big player."

For Mouchawar and his team, it was an unmissable opportunity to join a global leader. "When Amazon bought Souq, I told our team it was all about joining the most customer-centric and one of the most innovative companies in the world, and you guys are going to be a part of that," the Vice President smiles. "It's very exciting for the people that love technology and have built their careers around technology. It was a pinnacle moment for the region."

Today, as well as his regional role for Amazon, Mouchawar is a regular speaker, investor, and mentor for tech-startups in the Middle East. Since his early days as an entrepreneur, the region's startup ecosystem has grown exponentially. According to a report by startup data platform MAGNiTT, funding for MENA startups in the first nine months of 2020 hit \$803 million, even amidst the pandemic—that's an increase of 55.3% compared with the \$517 million raised in the same period the previous year.

For many of these Middle Eastern startups, Mouchawar today is as much of an inspiration as Bezos when it comes to chasing and finding success. "Someone told me every investor bid we get has the names Souq and Amazon in it somewhere," he laughs. "Now you'll see a lot more local funds, offices, VCs at least, seed money being available, and you just see that this is really important for our youth. I'm super proud and happy about it." **F**

# A New Chapter In Luxury



## Monther Darwish, Managing Director at the Palazzo Versace Dubai, explains how the premium property has survived the pandemic and reveals its latest offers.

revenue streams too, as travel demand from international partners is still very weak.

### How did you manage to increase the occupancy level over the summer?

Our marketing strategy was to “be loud and be everywhere.” Besides any marketing activity, word of mouth worked

well for us. People know we maintain a constant and excellent level of service, hence our returning guest rate is very high. Hosting celebrities helped us a lot too. Palazzo Versace is now the stage of Dubai. If you want to be seen, you come and stay here. We are humble but very aware of the product we have in our hands. It is, without any modesty, one of the best hotels in Dubai.

### What are some of the health measures the hotel is taking to ensure guests' safety?

We thoroughly follow the municipality guidelines when it comes to social distancing and we have reorganized the seating capacity in all our restaurants. We implemented QR code menus for a more contactless experience. With regards to rooms, a deep sanitizing process is done after every check out. We also offer a

free PCR test for guests who book a minimum five-night stay.

### What are some of the things guests can do to make the most out of their stay at the Palazzo Versace?

Our F&B and wellness offerings are really attractive. We launched our e-gift platform, which features some great deals, from staycations to spa-cations, with a six-month timeframe from purchase to redemption. We have launched new brunch concepts at Vanitas—our signature Italian restaurant—and Enigma, our Persian restaurant. We have also revamped the look and feel of La Piscina, our pool club, which has now a jungle theme. Every Monday is ladies day at Palazzo Versace Dubai and guests have up to 50% off on stays, dining and spa.

Our facilities are great for families too. All our restaurants are family-friendly and we have just launched an “Into The Jungle” brunch at Giardino, which is a fun day for both children and adults, packed with amazing entertainment and activities for kids.



[www.palazzoversace.ae](http://www.palazzoversace.ae)

### Palazzo Versace Dubai celebrated its fourth anniversary last month. How has the property managed to survive through the pandemic?

Indeed the numbers could have been better and revenues higher if the travel restrictions had not been there, but we have achieved a lot given the current situation. There was no other option but to adapt. Our strategy was to find means to increase cash flow and we successfully nailed it by creating demand for staycations, small weddings, and food and beverage. As a brand, staying relevant in normal times is difficult. Staying relevant in a pandemic is a big challenge.

### What's been the most challenging thing?

The most challenging thing was maintaining constant occupancy levels weekdays to weekends. Finding new

# GLOBAL MEETS LOCAL

The world today is becoming ever more globalized thanks to the power of technology improving the scalability of international businesses. Today, for the first time in history, there are several “non-state mandated” global monopolies controlling key sectors. The market values of the five largest companies in the world are more than the GDP of most countries. However, running a successful global company is far more complex than having the right technology and huge amounts of capital. The success of companies globally generally depends on how well they can understand specific regions.

Being the regional leader of a global company is a very complex role. Regional heads need to keep in mind local culture, social norms, and other factors like demographics and infrastructure, all while maintaining and keeping up with the ethos of the brand.

For example, Ronaldo Mouchawar, VP for Amazon in MENA, created the White Friday sale, knowing that Amazon’s traditional Black Friday would not sit well within Arab culture. Under regional head, Mwaffak Kanjee, McDonalds in Middle East serves a McArabia wrap. And Luay Al Shurafa, President and Managing Director for General Motors in the Middle East and Africa, played a role in developing Middle East versions of the Chevrolet Tahoe, GMC Yukon, and Cadillac Escalade.

Global companies play a big role in nation building in the Middle East. Many regional leaders of multinational companies have partnered with governments to bring cutting edge technologies to the region. Several companies have partnered with government bodies to build innovation centers and incubators to encourage entrepreneurship. Many of the CEOs are advisors to governments or members of industry organizations in their personal capacities.

Global multinationals are also among the region’s best corporate citizens and are responsible for driving awareness campaigns, whether that’s to save the environment (Schneider), to promote diversity (3M),

to enable financial inclusion (Mastercard), or support healthcare (Johnson and Johnson). Often, they raise awareness on new issues in the Middle East as part of global campaigns.

This is the eighth consecutive year that we have ranked the regional heads of global companies, keeping in mind their achievements, the role that they play within our economies and societies, and the inspiration they provide to their employees and consumers. This year there are three women on the list—more than there have ever been in previous lists. In the 2019 Global Meets Local ranking, Melda Yasar Cebe, Managing Director for the Middle East and Africa at Kraft Heinz, made her first appearance and was the only women on the list. This year she is joined by Reem Asaad, Vice President for the Middle East and Africa at Cisco, and Marzena Kulis, Managing Director for the Middle East at Johnson & Johnson Medical Devices. Hopefully the number of female leaders in these roles will keep rising as more international companies choose women to head their Middle Eastern operations.

## Methodology

To create this list for 2020 we first collated all the global companies featured on the Forbes Global 2000 ranking that have significant direct business operations in the Middle East (representative offices were not included). Then we took the highest-ranking leaders from their Middle East headquarters, and we ranked them based on:

- The impact and scope of their role, including the number of countries within their territory.
- How highly they rank within the global organization.
- The seniority and impact of their direct reports.
- Their personal achievements in the last year, including board directorships and social initiatives.
- Honors and awards from governments and recognized associations.

**To nominate yourself or someone else for our lists, email:** [info@forbesmiddleeast.com](mailto:info@forbesmiddleeast.com)



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**aramex**

delivery unlimited

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# GLOBAL MEETS LOCAL

## Top 50 Regional CEOs Heading International Companies



### 1 Nabil Habayeb

Senior Vice President of GE, and President and CEO of GE International Markets

**Company:** General Electric

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Lebanese American

**Sector:** Diversified

Habayeb oversees all markets for GE other than North America and Europe. The regions he is in charge of had revenues of \$36.8 billion in 2019. His focus this year has been to build impact in strategic markets, strengthen stakeholder relationships in the geographies he is in charge of, and manage enterprise risk. Habayeb has been with GE for 38 years. Nabil promotes access to healthcare and education, and the role of women in business leadership. He serves on the boards of INJAZ Al Arab, the Arab Gulf States Institute in Washington, the Arab Forum for Environment and Development, and the U.S.-U.A.E. Business Council. He is also a trustee of the American University of Beirut.

### 2 Remy Ejel

Chairman and CEO, MENA

**Company:** Nestlé Middle East

**Global Headquarters:** Switzerland

**Local Headquarters:** U.A.E.

**Nationality:** Lebanese French

**Sector:** Food and Beverage

Ejel joined Nestlé in Saudi Arabia in 1998. In 2019 he integrated the 13 Middle East markets with the six north African markets to create Nestlé MENA on January 1, 2020. Today it operates 25 food and beverage factories across the 19 MENA countries and employs 15,000 people. Last year it brought in approximately \$3 billion in revenue. Nestlé has operated in Egypt for a century and has invested \$1.3 billion in MENA over the last decade. Under Ejel's leadership Nestlé has supported over 100,000 families and 50,000 healthcare professionals by donating 10 million servings of food and beverages, and 620,000 litres of water in collaboration with more than 30 local entities in 17 countries.



### 3 Samer Abu-Ltaif

President, Middle East and Africa

**Company:** Microsoft

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Lebanese

**Sector:** Technology

Samer Abu-Ltaif leads the MEA team, which covers 40 offices that oversee 79 countries across three continents. His role focuses on developing partnerships with governments and enterprises to increase productivity and digital transformation agendas. In 2020, his team launched four data centers across MEA, with two more reportedly coming soon. Microsoft has worked closely with health ministries and organizations in MEA this year to offer them Microsoft Health bot services to accelerate COVID-19 screening through self-assessments. Abu-Ltaif aims to shift to renewable energy for all the data centers by 2025 and for Microsoft's direct operations to be water positive by 2030.



### 4 Magesvaran Suranjan

President, Asia Pacific, Middle East and Africa

**Company:** Procter & Gamble

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Sri Lankan

**Sector:** Consumer Goods

Suranjan leads P&G's Asia Pacific, Middle East & Africa (AMA) business, which covers 105 countries and 17,000 employees. In 2019 it brought in \$12 billion in revenue. Under his leadership, P&G AMA has committed to spending \$150 million over three years on female-owned businesses—it spent almost \$85 million on this in 2019. The company also launched a \$1 million aid relief package in Lebanon in response to the Beirut port explosion. In 2019, Suranjan received the U.S. Secretary of State's Award for Corporate Excellence for Women's Empowerment.





## 5 Raghu Malhotra

**President, Middle East and Africa**

**Company:** Mastercard

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Indian

**Sector:** Technology

Malhotra implements Mastercard's global strategy across 69 markets in the Middle East, Africa, and Asia and sits on the company's global management committee. In August 2020, Mastercard launched its Emirates Digital Wallet. Malhotra is also working with the Egyptian government to make its New Administrative Capital the region's first cashless capital, and he played a role in digitizing the entire payment chain for Delivery Hero, the largest food delivery company in MENA. Malhotra is a member of the US President's Advisory Council on Doing Business in Africa, and the Dubai Chamber of Commerce and Industry International Advisory Council.

## 6 Martin Tricaud

**CEO, MENA and Turkey**

**Company:** HSBC

**Global Headquarters:** United Kingdom

**Local Headquarters:** U.A.E.

**Nationality:** French **Sector:** Banking

Tricaud heads MENA and Turkey, which are two of HSBC's eight "scale markets" that collectively contribute around 60% to group revenues. Under Tricaud's leadership, MENA was the second largest contributor to HSBC's profits last year, earning \$2.3 billion in profit before tax and contributing 6% to global revenues. HSBC has prioritized environmental, social, and governance in the region and supported leading educational organizations and government ministries across the Middle East particularly in the STEM fields. Tricaud is a board member on HSBC subsidiaries in Saudi Arabia, Egypt, and Turkey, and an advisor to the French government as a Conseiller du Commerce Extérieur de la France.



## 7 Georg Schroeckenfuchs

President and Cluster Head,  
Middle East and Africa

**Company:** Novartis

**Global Headquarters:** Switzerland

**Local Headquarters:** U.A.E.

**Nationality:** Austrian

**Sector:** Pharmaceutical

With over 30 years of experience, Schroeckenfuchs has been leading Novartis' operations in the MENA region for two years. His role is to attract investments to drive growth and his scope was extended to include South Africa this year, forming Novartis MEA. Under his leadership, the firm achieved 6.2% growth in the first half of 2020 compared to 2019, while the market grew by 2%. Novartis is committed to accelerating cell and gene therapy in MEA once it has FDA approval. Therapy for treating inherited blindness in children is now available in the U.A.E. and Saudi Arabia.



## 8 Ronaldo Mouchawar

Vice President, MENA

Company: Amazon

Global Headquarters: United States

Local Headquarters: U.A.E.

Nationality: Syrian

Sector: Technology

Mouchawar cofounded Souq.com in 2005, one of the region's first e-commerce platforms, which became the largest e-commerce marketplace in the Arab world at the time. In 2017, the cofounders sold the company to Amazon for a reported \$583 million, one of the largest tech startup exits in the region. Under Mouchawar's leadership, Amazon launched Amazon.ae in the U.A.E. in May 2019, and Amazon.sa in Saudi Arabia in June 2020. This year also saw the e-commerce giant launch an "International Shopping Experience" in the region, enabling customers in Bahrain, Oman, and Kuwait to order from Amazon.ae and have their goods delivered to them from the U.A.E.





## 9 Yu Tao

**President and CEO, Middle East**

**Company:** China State Construction Engineering Corporation

**Global Headquarters:** China

**Local Headquarters:** U.A.E.

**Nationality:** Chinese

**Sector:** Construction

Tao became the founding Managing Director of China State Construction and Engineering in the Middle East in 2004. Today it is among the largest construction companies in the region and employs over 13,500 people. Tao has encouraged the early adoption of new technologies such as virtual reality, 3D printing and drones. Under his leadership, the company completed the 323 National Housing Project in Sharjah in 2020. He is also the Vice Chairman of the Chinese Business Council in the U.A.E., and the team leader of the preparatory team for the Chinese School Dubai (CSD), which is the first Chinese public school to be established outside China.

## 10 Aamer Sheikh

**President and General Manager, MENA and Pakistan**

**Company:** PepsiCo

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Pakistani

**Sector:** Food and Beverage

Under Sheikh's leadership, PepsiCo has been investing locally, with a projected investment of \$2 billion over the next five years in Saudi Arabia. In June 2019, PepsiCo launched Tamakani, a platform designed to support and inspire women in Saudi Arabia. The company has partnered with the Saudi Sports For All Federation, with the goal of increasing participation in weekly sports by 40% by 2030. Sheikh is also the Chairman of the US-Saudi Business Council and Vice Chairman of the US-Pakistan Business Council.





## 11 Sunil Kaushal

**Regional CEO, Middle East and Africa**

**Company:** Standard Chartered Bank

**Global Headquarters:** United Kingdom

**Local Headquarters:** U.A.E.

**Nationality:** Singaporean Indian

**Sector:** Banking

Kaushal has 30 years of experience in the banking industry and has been with Standard Chartered for 20 years. Under his leadership, the Middle East and Africa (MEA) has become the fastest growing region for the bank globally. In 2020 Kaushal introduced digital onboarding for new customers and products with a 10-minute automated service. To help support people in MEA through the COVID-19 pandemic, Standard Chartered implemented a three-month holiday on personal loan repayments such as mortgages, cars, and credit cards. Kaushal has also adapted a wealth management model with a digital focus for customers.

## 12 Norman L. Gilsdorf

**President High Growth Regions, Middle East, Russia, Turkey, Central Asia and Customs Union**

**Company:** Honeywell International Inc.

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** American

**Sector:** Diversified

Gilsdorf began his career in 1977 at UOP, which is now fully owned by Honeywell. As well as heading Honeywell's operations in the Middle East, Russia, Turkey, and Central Asia, he is also currently the interim leader of ASEAN, which is one of the company's fastest growing regions. Gilsdorf holds several patents in catalysis and process technology. Under his leadership, the company opened a new gas detector manufacturing facility in Saudi, making Honeywell the first international company in the kingdom to produce this safety equipment.





## 13 Caspar Herzberg

**President, Middle East and Africa**

**Company:** Schneider Electric

**Global Headquarters:** France

**Local Headquarters:** U.A.E.

**Nationality:** German

**Sector:** Capital Goods

Herzberg manages Schneider Electric's operations across more than 80 countries and 15,000 employees. The Middle East and Africa region receives 31% of the Schneider Electric Foundation's financial commitments, which is used for training and entrepreneurship, improving access to energy, and raising awareness about sustainable development. Herzberg is a thought leader on smart cities, digital transformation, and IoT and is a published author. He also sits on the board of trustees of the New Cities Foundation, an international non-profit organization that promotes smart cities. Schneider has large factories in Egypt, Saudi, and Turkey and production centers in Africa.



## 14 Nour Suliman

CEO, MENA

**Company:** DHL Express

**Global Headquarters:** Germany

**Local Headquarters:** Bahrain

**Nationality:** Bahraini **Sector:** Logistics

Having started his career with DHL Express 43 years ago as a flying courier, today Suliman leads a team of 5,000 employees across 19 markets in MENA. A champion of female empowerment, he introduced the first all-women call center in Saudi Arabia 15 years ago. Last year DHL added more direct flights in and out of MENA countries. As a result, growth in MENA improved by 7%. Suliman previously served as the Country Manager for DHL Express in Saudi Arabia and DHL International in Bahrain.



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## 15 Jean-Paul Scheuer

General Manager, Greater Gulf MCO

Company: Sanofi

Global Headquarters: France

Local Headquarters: U.A.E.

Nationality: French

Sector: Pharmaceutical

Sanofi Greater Gulf is a newly formed multi-country organization at Sanofi, and one of the largest affiliates for the company globally. A French Foreign Trade Advisor since 2008, Scheuer was recently appointed as the International Board Vice President of the Chamber of Commerce and Industry for France International. He is also a member of the French Business Council Board in Dubai and the Northern Emirates. Under his leadership Sanofi Greater Gulf witnessed a 10% growth in revenue in 2019 compared to 2018. Sanofi Greater Gulf also delivered 23 product launches this year and was the first to deliver fully virtual product launches across Sanofi globally.





## 16 Mwaffak Kanjee

**Head of Middle East and Africa**

**Company:** McDonald's Corporation

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** American

**Sector:** Food and Beverage

Kanjeo oversees business growth for 17 markets and more than 45,000 employees. He is a veteran of McDonald's, with over 40 years of experience. Before taking up his current role four years ago he was vice president and general manager at McDonald's New York, and vice president and general manager at McDonald's Pacific Sierra Region. Last year, Kanjee introduced the "Experience of the Future" program to create next-gen restaurants that use technology such as self-ordering kiosks, cashless payment systems, and digital menu boards.

## 17 Lino Cattaruzzi

**Managing Director, MENA**

**Company:** Google

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Argentinian

**Sector:** Technology

Prior to starting his current role in November 2016, Cattaruzzi was managing director for Google in Mexico and Argentina. He also previously worked at Google's headquarters in California, leading the global sales strategy team for online media solutions. In 2019 Cattaruzzi oversaw the launch of new products and programs designed specifically for the region, including Google Assistant and YouTube Music in Arabic. He also launched an economic recovery program in MENA to help retail and tourism sectors through local government partnerships.



## 18 Zhang Junguo

Chairman, Middle East Region  
Committee

**Company:** ICBC

**Global Headquarters:** China

**Local Headquarters:** U.A.E.

**Nationality:** Chinese

**Sector:** Banking

Junguo completed a doctorate in engineering before joining ICBC in 1999. Under his leadership, ICBC's Middle East operations focus on financing sectors of national or strategic importance in the region, including infrastructure investment, economic diversification, and green development. His team arranged the financing for the world's largest solar power plant project in Mohamed bin Rashid Solar Park. In 2019, ICBC Middle East grew its total assets by 5% to over \$30 billion. The company is ranked #1 on the Forbes Global 2000 list.



## 19 Ramez Shehadi

Managing Director, MENA

**Company:** Facebook

**Global Headquarters:** United States **Local Headquarters:** U.A.E.

**Nationality:** Lebanese Canadian **Sector:** Technology

Shehadi oversees the commercial growth and impact of Facebook and its portfolio of apps, services, and other businesses across the region, including Instagram and WhatsApp. In 2020 Facebook launched the #LoveLocal initiative, which provided SME business owners across MENA with access to a training hub. It also launched Facebook Shops in the U.A.E. In 2018 Shehadi completed a 30-day 500km charity hiking expedition from the southern tip of Lebanon to the northern tip to raise funds for the trail's preservation.

## 20 Taha Khalifa

Regional Sales Director, EMEA Territory

**Company:** Intel Corp.

**Global Headquarters:** United States **Local Headquarters:** U.A.E.

**Nationality:** Egyptian **Sector:** Technology

Khalifa joined Intel in 1995 and is today responsible for the company's sales and strategy in Europe, the Middle East, and Africa. Before assuming his current role, he was the regional general manager for MENA. Under his leadership, Intel launched an innovation center in the U.A.E. in 2020. Khalifa led Project Mustakbal, Intel's Digital Transformation Acceleration initiative in the Middle East. He also signed an MoU with the Abu Dhabi Digital Authority and an agreement with the Sharjah Research Technology and Innovation Park, where Intel's technologies will be used to support new initiatives and projects in IoT and AI.



## 21 Abdul Rahman Al Thehaiban

Senior Vice President - Technology, ECEMEA

Company: Oracle

Global Headquarters: United States

Local Headquarters: Saudi Arabia

Nationality: Saudi

Sector: Technology

Al Thehaiban joined Oracle in 1996 as a sales director for its operations in Saudi Arabia, before which he ran a successful software consultancy. Under his leadership, in 2020 Oracle launched the first Gen 2 Cloud in Saudi Arabia and an innovations hub in Riyadh in 2019, which is aimed at accelerating digital transformation in the kingdom. He plans to launch two more centers in the U.A.E. and Saudi Arabia by 2021. Al Thehaiban is an executive board member of the Young Arab Leaders group and is an advocate for women in STEM roles.







## 22 Jérôme Droesch

CEO, Middle East, Africa, and South East Asia

**Company:** Cigna Insurance

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** French

**Sector:** Insurance

Droesch oversees Cigna's locally-regulated offices in the Middle East and Africa. This year his role was also expanded to include all markets across South East Asia. Under Droesch's leadership, Cigna's business in this region expects double-digit growth in 2020. Cigna aims to further grow its Middle East revenues by 30% by 2021. He also serves as a board member for Cigna's operations in India and Turkey, as well as Senior Executive Officer and Chairman of Cigna's Insurance Management Services Board in Dubai's International Financial Centre. Before joining Cigna, Droesch was with AXA Group for over 27 years.



## 23 Mazin Khoury

CEO, MENA

**Company:** AMEX

**Global Headquarters:** United States

**Local Headquarters:** Bahrain

**Nationality:** Bahraini

**Sector:** Technology

Khoury has more than three decades of experience in the financial services industry and currently heads AMEX's operations in 18 markets across MENA. In 2020 the company launched a customer assistance and support program offering financially impacted card members relief options such as temporarily lowering monthly payments and suspending late payment fees. Khoury is a member of the Young Presidents Organization, which represents a global community of leaders committed to "becoming better leaders through lifelong learning and idea exchange." He also sits on the board of directors for the Bahrain International Circuit, which hosts the Formula One Grand Prix Race in Bahrain.

## 24 Luciano Poli

President, Middle East, Africa, and Turkey

**Company:** Dow

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Swiss

**Sector:** Chemicals

Poli joined Dow in 1989, and assumed his current role in 2017. Before this he was the Chief Financial Officer at Sadara Chemical Company, a joint venture between Dow and Saudi Aramco and the largest chemicals complex in the world. He currently serves on various boards and committees of large joint ventures, including the EQUATE Petrochemical Co., the Kuwait Olefins Company, and the Kuwait Styrene Company.



## 25 Ashraf El-Afifi

**President, India, Middle East and Africa**

**Company:** Henkel

**Global Headquarters:** Germany

**Local Headquarters:** U.A.E.

**Nationality:** Egyptian

**Sector:** Consumer Goods

El-Afifi is responsible for 37 brands across the adhesives, beauty care, and laundry and homecare segments. Under his leadership the Middle East and Africa division of Henkel earned \$1.5 billion in revenue in 2019. In November Henkel partnered with Dubai Municipality's Children's City to launch its first permanent Researchers' World Science Lab for children. Last year Henkel improved the use of air compressors and optimized heating areas in its factories across the Middle East and Africa.



## 26 Bernard J. Dunn

**President, MENA and Turkey**

**Company:** Boeing

**Global Headquarters:** United States **Local Headquarters:** U.A.E.

**Nationality:** American **Sector:** Aviation

Dunn joined Boeing in 2012 and has been in his current role since 2015. He has more than 30 years of experience in the Middle East, North Africa, and Turkey. Before joining the corporate world, Dunn was an officer in the U.S. Army and served as army attaché in Jordan, Syria, and Saudi Arabia. In September 2020, Dunn led a partnership with U.A.E.-based engineering company, EPI, to expand its manufacturing capabilities. In November 2019, Mubadala renewed its joint-internship programme with Boeing, which is an experiential learning opportunity at Boeing's facilities in the U.S.



Ashraf El-Afifi, image from source; Bernard Dunn, image credit: Boeing





## 27 Marcello Baricordi

**General Manager, MENA**

**Company:** VISA

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Italian

**Sector:** Technology

Baricordi currently oversees 200 employees for VISA in MENA. Under his leadership, the number of merchants accepting digital payments increased 60% to 1.2 million in 2019, compared to 750,000 in 2018. When the global pandemic hit, VISA helped keep local economies afloat by enabling more merchants to accept digital payments while also committing \$210 million to support small and micro businesses, including \$10 million to provide COVID-19 emergency relief and \$200 million to support small businesses and women's economic advancement across the next five years.

## 28 Reem Asaad

**Vice President, Middle East and Africa**

**Company:** Cisco

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Egyptian

**Sector:** Technology

Asaad has over two decades of experience and currently oversees 2,500 employees and contractors at Cisco. Under her leadership, the company's global revenues recorded \$49.3 billion in the 2019/20 financial year, 26% of which came from the EMEA region. In 2019, Cisco enabled 538 universities and schools across the region to conduct distance learning via Webex. Over 370,000 students in MEA gained Cisco Networking Academy certifications in the 2019/20 financial year—a 27% increase.





## 29 Robert Nichols

**Managing Director, Middle East and Africa**

**Company:** 3M

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** British

**Sector:** Diversified

Nichols joined 3M in 1987. In 2019, he drove 3M to customise products for 40 local countries in the Middle East and Africa. Last year 3M also acquired medical devices company, Acelity. In February Nichols was invited to cover diversity and inclusion at the leadership summit in Islamabad. Under his leadership, 3M has announced new business segments, including safety and industrial, transportation and electronics, and healthcare and consumer goods. 3M is committed to considering sustainability when creating all products by 2021.



## 31 Luay Al Shurafa

**President and Managing Director, Middle East and Africa**

**Company:** General Motors

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Jordanian

**Sector:** Automobiles

Al Shurafa joined General Motors in 1998 and has spent the entire 22 years of his career with the automaker. He leads a team of 400 employees across 11 countries in the Middle East and Africa. In 2020 Al Shurafa launched “shop.click.go” for the GMC brands. Under Shurafa’s leadership, the Chevrolet Tahoe, GMC Yukon and Cadillac Escalade brands were developed for the Middle East.



## 30 Arshad Ghafur

**President, MENA**

**Company:** Bank of America

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** British

**Sector:** Banking

Ghafur’s responsibilities include overseeing capital markets, sales, trading and research, corporate and investment banking, and global treasury services in MENA. He has led a number of significant transactions for Bank of America, including the IPOs of Saudi Aramco, ADNOC Distribution, Emaar Malls, and Emaar Development. Earlier this year, Ghafur and his team were the Joint Financial Advisor to ADNOC Infrastructure on the sale of a 49% stake in a portfolio of gas pipelines to a consortium of investors. Worth \$10.1 billion, it was one of the largest energy M&A transactions in the Middle East and Africa in the last decade.



## 32 Udo Huenger

Vice President, Middle East

**Company:** BASF

**Global Headquarters:** Germany

**Local Headquarters:** U.A.E.

**Nationality:** German

**Sector:** Chemicals

Huenger joined BASF in 2004. In 2020 he brought the company's annual customer event online and hosted various online events and workshops. In 2021, the firm plans to contribute to the green recovery of the U.A.E. by providing solutions for the circular carbon economy. Huenger is committed to bringing chemcycling to the U.A.E. and is also looking to solve the plastic waste challenge. Under his leadership, BASF supplied critical materials to the U.A.E. during 2020, including disinfectants.



## 33 Ahmed Al-Faifi

Senior Vice President and Managing Director, Middle East North

**Company:** SAP

**Global Headquarters:** Germany

**Local Headquarters:** U.A.E.

**Nationality:** Saudi

**Sector:** Technology

Al-Faifi began his career at Saudi's Ministry of Defense and Aviation and has since spent over 20 years in the IT industry. He joined SAP in 2012 and was appointed to his current role in 2016. Under Al-Faifi's leadership, SAP is advancing a four-year \$76 million investment plan in Saudi Arabia and launched the kingdom's first live public cloud data center by an enterprise application solutions provider. SAP was also the first company to receive Level 3 certification from Saudi Arabia's Communications and Information Technology Commission.

## 34 Fadi Pharaon

Senior Vice President and Head of Market Area, Middle East and Africa

**Company:** Ericsson

**Global Headquarters:** Sweden

**Local Headquarters:** U.A.E.

**Nationality:** Lebanese-Swedish

**Sector:** Telecom

With more than 21 years of experience at Ericsson, today Pharaon oversees 70 countries and 4,200 employees. The Middle East and Africa earned \$2.9 billion in revenues for the business in 2019. Pharaon expects 5G network deployments to take off on a larger scale in 2020 and 2021, with total 5G subscriptions forecast to surpass 120 million by 2025. Ericsson and stc launched 5G in Saudi Arabia in 2019. Under Fadi's leadership, Ericsson won the 5G network business of stc in Saudi Arabia, Etisalat in the U.A.E., Batelco in Bahrain, and Zain in Kuwait. Oman's Ministry of Finance has signed an agreement with Ericsson to establish a center of excellence for advanced telecommunications technology and IoT.



## 35 Alexis Lecanuet

Regional Managing Director, Middle East

**Company:** Accenture

**Global Headquarters:** Ireland

**Local Headquarters:** U.A.E.

**Nationality:** French

**Sector:** Technology

Lecanuet joined Accenture in 1996. He is a signatory of the United Nations Global Compact, which is a voluntary initiative based on CEO commitments to implement universal sustainability principles. Under Lecanuet's leadership, Accenture partnered with the Dubai Expo 2020 in 2019 and committed to providing 2,020 hours of coding tutorial sessions for U.A.E. primary schools before the opening of the event. In 2020, the company created full coding training to be delivered 100% online.



## 36 Marzena Kulis

Managing Director, Middle East

**Company:** Johnson & Johnson Medical Devices

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Polish

**Sector:** Healthcare

Kulis has been with Johnson & Johnson since 2013 and has been leading the medical devices business in the Middle East since last year. Before this role she managed the company's \$250 million business in Central and Eastern Europe. She previously worked for the World Bank on projects related to healthcare systems and reforms in Poland, the Baltics, and the Balkans. In 2019, Kulis launched a "Beat Colorectal Cancer" campaign in Saudi Arabi, the U.A.E., Kuwait, Oman, Jordan, Egypt, and Bahrain. The campaign reached 4,000 people, with 1,700 screened, 1,200 tested, and three diagnosed and treated.

## 37 Anurag Agrawal

Managing Director, Middle East and Turkey

**Company:** Canon

**Global Headquarters:** Japan

**Local Headquarters:** U.A.E.

**Nationality:** Indian

**Sector:** Electronics

In addition to overseeing Canon's operations in the Middle East, Agrawal has been driving the company's Turkish operations since January 2019. That year Canon opened its first business solutions showroom in Riyadh and entered into a strategic partnership with First Gulf Company in Saudi Arabia to expand its professional video business. Agrawal was instrumental in launching Canon's "Hekayet Sora" in partnership with Nafham, an online course in photography and film making for students aged 11 to 18 in Saudi Arabia. Canon now plans to further develop its AKTASHIF programme to boost creativity among 14-24-year-olds in the GCC.





## 38 Mikail Houari

President, Middle East and Africa

**Company:** Airbus

**Global Headquarters:** Netherlands

**Local Headquarters:** U.A.E.

**Nationality:** French

**Sector:** Aviation

In 2019, the Middle East and Africa contributed over \$8.4 billion to Airbus's revenues and 9% of its future order book, although that might have changed significantly this year. Under Houari's leadership, Airbus has now resumed aircraft deliveries to the region's airlines. In October it delivered two A330neos to Kuwait Airways and an A320 to Lebanon's Middle East Airlines. After the blast in Beirut Port in 2020, Airbus provided satellite imagery to help government analysts, NGOs, and first responders gain visibility into the catastrophe. The Airbus Foundation, together with its partners, sent an A350 XWB aircraft from Toulouse, France, to Beirut with 90 cubic meters of humanitarian aid on board.



## 39 Elie Khouri

Chairman, MENA

**Company:** Omnicom Media Group

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Lebanese

**Sector:** Media And Advertising

Khouri has been the CEO of Omnicom Media Group in MENA since 2006 and was made chairman in June 2019. In his current role he is responsible for key subsidiaries and sub-brands including OMD, PHD, Hearts & Science, and Resolution. He was among the founding members of the Unstereotype Alliance's U.A.E. National Chapter in 2020, which will focus on broadening the representation of women and men in non-traditional roles in media and advertising. Other founding members include Dubai Lynx, Etihad Aviation Group, Facebook, Google, LinkedIn, and Unilever.

## 40 Melda Yasar Cebe

Managing Director, Middle East and Africa

**Company:** Kraft Heinz

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Turkish

**Sector:** Food and Beverage

Cebe is a trained chemical engineer with 19 years of experience in management, marketing, and sales at global FMCG companies including Procter & Gamble, Gillette, and Kraft Heinz. She is one of the few female managing directors in the FMCG industry in the Middle East and Africa. She has worked across more than 15 categories in over 100 countries. Under her leadership, the company gained 5% market share of local sauces in just five months. Heinz has also become the market leader in base tomato paste, reaching 17.1% market share in Egypt and 6% in Carrefour.



## 41 Amr K. El Leithy

Head, Middle East and Africa

**Company:** Nokia

**Global Headquarters:** Finland

**Local Headquarters:** U.A.E.

**Nationality:** Egyptian

**Sector:** Telecom

El Leithy oversees Nokia's portfolio of network equipment, software, services, and licensing in the Middle East and Africa (MEA). The MEA division employs 3,500 people across 53 offices in 36 countries and earned \$2.2 billion in revenues in 2019. In July 2020 Ooredoo Qatar launched a Nokia-powered cloud-native core network for commercial 5G services. Mobily in Saudi Arabia launched a 5G end-to-end portfolio using Nokia's networks, including radio access, IP routing, optical networking, and software. In September 2019, Saudi's Ministry of Communications and Information Technology and Nokia agreed to launch a Nokia R&D unit for developing software in the kingdom.



## 42 Harald Wolf

General Manager,  
Middle East

**Company:** Roche Diagnostics

**Global Headquarters:** Switzerland

**Local Headquarters:** U.A.E.

**Nationality:** German

**Sector:** Healthcare

Wolf directs business for Roche Diagnostics across 16 countries in the Middle East. He is also head of the working group for the company's Point of Care solutions, which oversees the implementation of the Point of Care diagnostics business strategy in Europe, the Middle East, Africa, and Latin America. Since he took his current role with the company in 2016, the percentage of female leaders in the Middle East has climbed to 33%.



## 43 Ronald Boueri

General Manager, Middle East

**Company:** Zimmer Biomet

**Global Headquarters:** United States

**Local Headquarters:** Lebanon

**Nationality:** Lebanese

**Sector:** Healthcare

Boueri heads the Middle East region based out of Beirut, Lebanon. In 2019, Zimmer Biomet launched the company's first robot in Europe, the Middle East, and Africa, enabling the first robotic surgery to be performed in the U.A.E. Boueri managed a turnaround in Saudi operations following challenges in establishing a new joint venture, leading a task force in bringing about a business transformation. By 2021, Zimmer Biomet plans to establish educational platforms for healthcare professionals and to be conducting training in robotics surgery in every country in the Middle East.





## 44 Hamid Haqparwar

**Managing Director, Middle East**

**Company:** BMW Group

**Global Headquarters:** Germany

**Local Headquarters:** U.A.E.

**Nationality:** German

**Sector:** Automobiles

Haqparwar joined BMW Group as an intern in 2005. In March 2020, he led the company's work with Dubai Police to remind 29,000 customers to stay at home through its ConnectedDrive system. The company used the lockdown period to launch an eSports system in the Middle East, including tournaments, coaching programs, and a podcast. BMW also launched a Summer Fortnite Gaming Festival and its LVL Up Academy in 2020. Under Haqparwar's leadership, BMW aims to further develop its operations in the electrification sector in 2021.





## 45 Dirk Karl

Group Executive and Chief Procurement Officer, Middle East

**Company:** MTN Group - Global Sourcing and Supply Chain

**Global Headquarters:** South Africa

**Local Headquarters:** U.A.E.

**Nationality:** German

**Sector:** Telecom

Karl joined MTN in 2017. Today he oversees an annual spend of \$12 billion across 21 operations and two continents. Under his leadership, the MTN Group has entered into a number of intermediary services agreements with vendors, which are a new commercial setup that have added more than 25% in external revenues for the sourcing business. Karl has helped to increase the EBITDA results of the sourcing business by more than 30%. In 2020 he also implemented a new division in data science, developing in-house tools using machine learning and artificial intelligence.



## 46 Luciano Alves De Andrade

Vice President and General Manager, Saudi Arabia

**Company:** GSK

**Global Headquarters:** United Kingdom

**Local Headquarters:** U.A.E.

**Nationality:** Brazilian

**Sector:** Pharmaceutical

De Andrade has 26 years of experience in large multinational pharmaceutical companies across four continents. Under De Andrade's leadership GSK achieved double-digit growth in 2020. In 2019 GSK Saudi Arabia was the best performing local operating company for GSK in MENA and CIS. De Andrade has also been vice-chairman of the Pharma Association in Saudi Arabia since May 2019, where he works to improve industry standards.

## 47 On Min Soo

Managing Director, Middle East

**Company:** Mobis Parts

**Global Headquarters:** South Korea

**Local Headquarters:** U.A.E.

**Nationality:** South Korean

**Sector:** Automobiles

Soo has been with Hyundai Mobis for 25 years. Before being appointed to his current role, he was head of the global pricing department at Mobis Parts in the Middle East. The company supplies automobile parts to more than 70 countries in the Middle East. Under his leadership, Mobis Parts developed a new strategy for the Saudi market in 2019, restructuring the parts supply chain to a retail-based model. One of Soo's goals for next year is to stabilize supply for hybrid and EV vehicles.

## 48 Thierry Delvaux

CEO, Middle East and Africa

**Company:** JLL

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Belgian

**Sector:** Consulting

Delvaux oversees JLL operations across 35 countries in the Middle East and Africa. Under his leadership JLL has advised on over \$600 million worth of real estate transactions, provided investment and development advice on over 140 hospitality projects, consulted on projects with a development potential in excess of \$195 billion, and provided valuation advisory services on over 5,000 properties reporting in excess of \$100 billion. Delvaux was instrumental in JLL's partnership with Race Middle East and the Dubai Sports Council.





## 49 Jesus Sancho

Director General, Middle East

**Company:** ACCIONA

**Global Headquarters:** Spain

**Local Headquarters:** U.A.E.

**Nationality:** Spanish

**Sector:** Construction

With 30 years of experience, Sancho built ACCIONA's Middle East business up from five employees in 2011 to more than 2,300 employees and revenues of \$864 million in 2019. Last year ACCIONA was named the main design and build contractor for \$100 million in electrical substation and overhead transmission lines at Shuqaiq, Saudi Arabia. The company was also named the main interior design and build contractor for 54 thematic pavilions at Dubai's Expo 2020, worth more than \$100 million.



## 50 Emmanuel Laurina

CEO, Middle East and Africa

**Company:** State Street Global Advisors

**Global Headquarters:** United States

**Local Headquarters:** U.A.E.

**Nationality:** Belgian

**Sector:** Banking

Laurina heads the Middle East and Africa region but also oversees Central Asia. In 2019, he achieved 50% gender diversity in the regional team. Laurina has worked to expand SSGA's operations, opening a new office in Riyadh in August 2020. Under his leadership, SSGA signed the Abu Dhabi Sustainable Finance Declaration issued by ADGM in 2019. Laurina is a member of the company's senior leadership team, EMEA's executive management team, and EMEA's diversity and inclusion committee.

By **Hanane Benkhallouk**, Executive Director of the Sustain Leadership Consultancy

# Gig Economy And Gig Work In A Post COVID-19 Era

**Call them freelancers,** consultants, independent contractors—they are all part of what is referred to as the gig economy. And while some might think this is something new, these independent consultants have played an integral part in balancing the economy for decades.

Gig economy employers have been around for a while, such as Uber, Fiverr, or Lyft. But it wasn't until the pandemic kept us cooped up in our homes (and in many cases out of work) for months that the gig economy saw a steep rise.

Freelancers working in the U.S. added \$1.28 trillion to the economy in 2018. The gig economy has been growing three times faster than traditional jobs. And it's safe to say that number is only going to increase as 80% of major U.S. companies are already considering making the switch to employing freelancers. There's also plenty of talent to go around since. According to studies, 90% of US workers are currently considering working as either independent contractors or freelancers due to the pandemic.

Macro changes such as those forced upon businesses by the pandemic have resulted in behavioral shifts and new trends that have cemented the gig economy's future, including the digitalization of services and an increase in online consumption. However, there are some areas that need to be addressed. For example, freelancers and independent contractors are not covered by employers when it comes to perks, such as health insurance, sick leave, and unemployment support.

According to a report by the Fairwork Foundation, only half of 123 gig platforms offer personal protection equipment and some form of payment



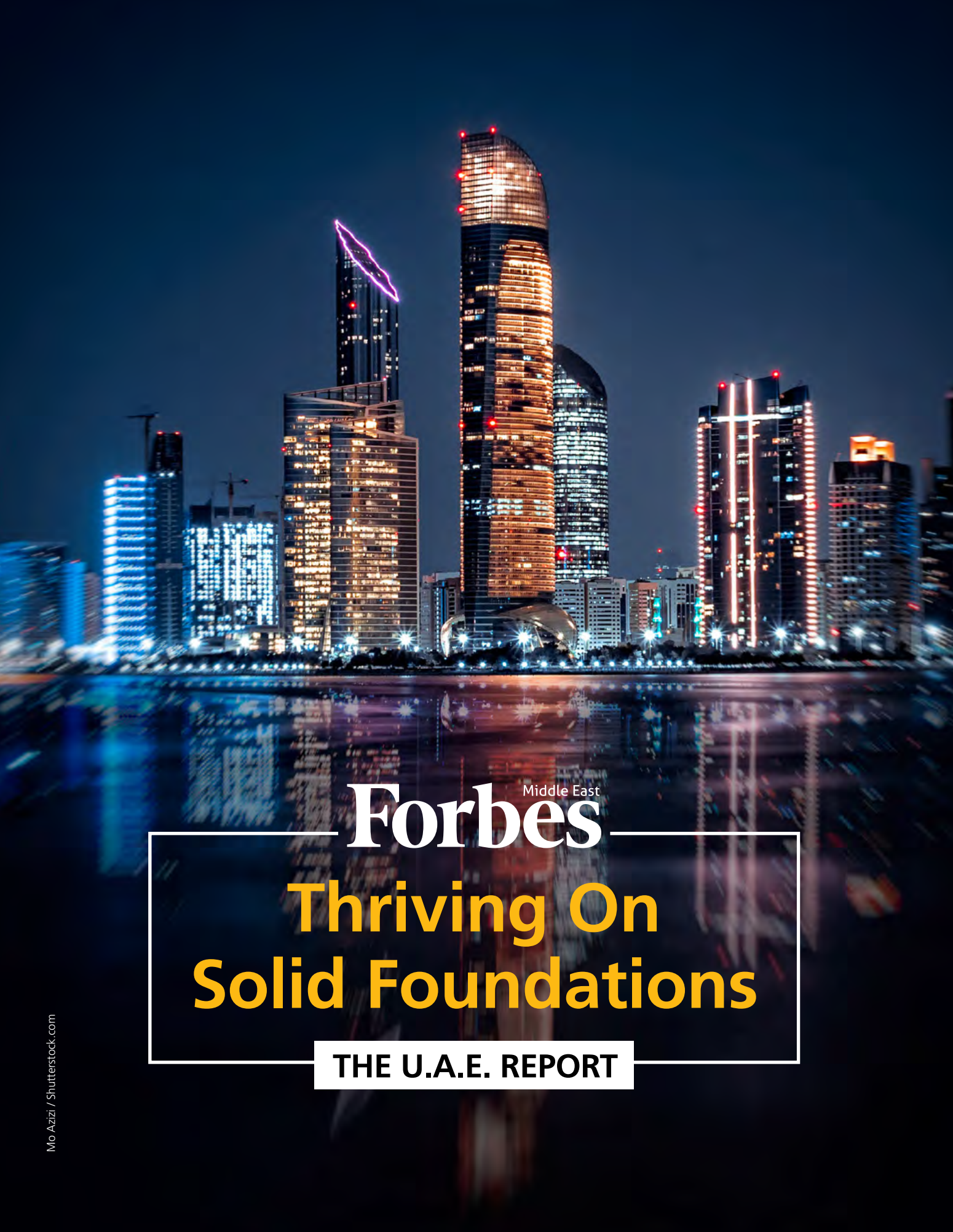
if a gig employee falls ill. The oversupply of labor has resulted in little bargaining power for independent contractors and freelancers. The overwhelming majority of gig platforms prioritize their investors and shareholders, and not the freelancers who use these platforms to find short-term and long-term gigs. These practices will only lead to conflicts between the freelance workforce and their employers.

In order to move forward, regulations need to be put in place and laws passed to support freelancers and independent contractors. While the fragmented nature of the gig economy will throw many hurdles in their path, gig workers, for the first time, have the numbers to move the needle.

Employing gig workers is likely to increase further post-COVID-19. Employers of all sizes need to brace themselves for this new reality and not oppose it. Companies may need to be ready to welcome team members that might not want to provide their expertise as full-timers, even at C-suite level.

The future of work contracts, how to manage teams, and HR will all be affected by this change. Organizations have to be ready in terms of processes, policies, and planning so that they are able to tap into the best talent. Talented people are becoming more accustomed to having a lifestyle career, where they have the freedom to pick and choose the projects and companies they work for, rather than being stuck in a lifetime career, from graduation until retirement.

According to the pundits, this could be a win-win situation, with many positives for companies also, such as fewer benefit costs and a pay-per-task salary bill. **F**



Middle East  
**Forbes**

# Thriving On Solid Foundations

**THE U.A.E. REPORT**



# Countdown To 50

**As the United Arab Emirates (U.A.E.) approaches its 50th birthday it has its sights set on recovery and transformation.**



**F**or the last 49 years, the U.A.E. has made efforts to foster an attractive business environment, which has been recognized with numerous accolades, including achieving a place in rankings as one of the happiest and one of the most competitive countries in the world.

As it readies itself to celebrate its 50th year in 2021, the COVID-19 pandemic has introduced a new set of challenges for the U.A.E., with the oil-exporting destination particularly sensitive to the reduced global demand for oil, as well as the major disruptions in global travel and tourism.

## **Pandemic challenges**

The impact of the global pandemic hit every country this year. The U.A.E.'s real GDP growth in the second quarter of 2020 fell 7.8% year-on-year, with overall GDP growth for the year expected to contract by 5.2%, which is worse than the 3.6% negative growth forecast previously expected. GDP for the non-oil sector fell 9.3% year-on-year in the second quarter, with a milder contraction of 4.5% expected for the sector this year.

As a regional trade, tourism, and transportation hub, the country's hospitality and retail sectors were hit particularly hard. The

# Powering Transformation

**HE Saeed Mohammed Al Tayer, Managing Director and CEO of DEWA, reveals how the next 50 years in the U.A.E. will see unparalleled investment in digitalization and sustainability.**

## **What is your definition of a smart city?**

A smart city is a city where services are integrated seamlessly into daily life and resources are optimized for maximum efficiency, making people happy. In October 2013, HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the U.A.E. and Ruler of Dubai, announced a project to transform Dubai into a smart city. The Smart Dubai initiative structures its end-goals across three strategic pillars: efficient, seamless, safe and personalized.

DEWA has launched three smart initiatives in line with the Smart Dubai initiative, which aims to make Dubai the smartest and happiest city in the world. One of these initiatives is Shams Dubai to install photovoltaic panels on rooftops. DEWA has one of the smartest electricity and water grids in the world, connected by smart meters providing regular data connected to DEWA's smart application to make life easier for its customers. DEWA has built the first smart station in the region in partnership with KEPCO to link smart buildings to exchange information, improve energy and water efficiency, and optimise renewable energy in smart cities.

A smart city is not a final destination but rather a journey that has an ultimate goal, which is to make people happy.

## **What will be the next major transformations to be implemented in the U.A.E.?**

The Dubai Clean Energy Strategy 2050 aims to provide 75% of Dubai's power capacity from clean energy by 2050.



We have an integrated vision to ensure energy security and sustainability that includes three main pillars.

The first is to produce more clean energy, especially solar energy. Our main projects include the Mohammed bin Rashid Al Maktoum Solar Park, the largest single-site solar park in the world, based on the Independent Power Producer Model, with a production capacity of 5,000 megawatts by 2030.

The second is to decouple the desalination process from the production of electricity, and desalinate water using solar energy. DEWA aims to produce 100% desalinated water by 2030 using a combination of clean energy sources and waste heat.

The third is disrupting the role of utilities by digitisation using the Fourth Industrial Revolution's disruptive technologies, such as Artificial

Intelligence, UAVs, energy storage, blockchain, the Internet of Things, and many more.

## **What makes you optimistic about the next 50 years for the U.A.E.'s economy?**

The market is generally going towards two main areas: clean energy and digital transformation. The U.A.E. has taken early steps to bid farewell to the last barrel of oil and achieve a balance between economic development and maintaining a clean, healthy, and safe environment. Today, through its strategies and investments, the U.A.E. is leading global efforts in renewable and clean energy sectors. The U.A.E. Energy Strategy 2050 aims to achieve an energy mix that combines renewable and clean energy sources to balance economic requirements and environmental goals. The U.A.E. will invest \$163.3 billion until 2050 to meet the growing energy demand and ensure the sustainable growth of the economy.

We are making every effort to shape the government of the future. We are keeping pace with the latest developments in strategic sectors based on sound scientific foundations and identifying and planning for future challenges to turn them into promising opportunities. This will achieve the U.A.E. Future Foresight Strategy, and the U.A.E. Centennial 2071 to make the U.A.E. the world's leading nation by 2071.

هيئة كهرباء ومياه دبي  
Dubai Electricity & Water Authority



dewa.gov.ae



Modern city architecture and famous skyscrapers of Abu Dhabi skyline

U.A.E.'s key flagship airlines, Emirates Airlines and Etihad Airways, saw their earnings sink this year. The Emirates Group reported a 74% year-on-year decline in half-year revenues to \$3.7 billion, as well as net loss of \$3.8 billion, compared to \$320 million profit in the same period last year. Meanwhile, Etihad Airways announced that its core operating loss for the first half of the year hit \$758 million, mainly due to a 38% drop in revenues as passenger traffic fell by nearly 60%.

The Dubai Financial Market General Index fell 15% from the start of the year to record 2,354 points on November 22, 2020. This marks a 41.5% increase from its record low of 1,663 points in April 2020, as economic conditions improved and lockdown measures eased.

On another note, after the Abu Dhabi Securities Exchange's general index hit its lowest level of 3,323 points in mid-March, losing 34% of its

value, the market rose again to reach 4,974 points on November 22, 2020, minimizing its loss to 2% compared to the end of 2019.

### Economic recovery

The Central Bank of the U.A.E. and federal and local governments have introduced various fiscal measures and bank initiatives in an effort to mitigate disruptions on the economy. The central bank launched a Targeted Economic Support Scheme (TESS), releasing \$70 billion to support liquidity needs, which roughly accounts for 20% of the country's GDP.

On the fiscal front, the government announced an \$8.7 billion stimulus package, which included: \$4.4 billion approved by the federal government to support the private sector; \$400 million in measures by the government of Dubai to reduce government fees and provide additional water and electricity subsidies; and \$2.5 billion announced

by the government of Abu Dhabi as part of the ongoing "Ghadan-21" fiscal stimulus program. Government spending is expected to have increased nearly 28% in 2020.

Promising signs of recovery have been evident in the most recent economic data. While employment declined on average in the second quarter, it almost recovered in June 2020, according to the central bank. The Department of Culture and Tourism in Abu Dhabi has also announced a 46% increase in hotel revenues in the third quarter of 2020 compared to the second quarter, with a 95% increase in the number of guests. In November, credit ratings agency Fitch assigned the U.A.E. an AA- rating with a stable outlook, marking the agency's first rating for the federal government. Fitch attributed the rating to moderate consolidated public debt levels, high GDP per capita, and a strong net external asset position. Abu Dhabi's rating is a notch higher at AA.





# Taking Care

**Hamad Al Mehyas, CEO of National Health Insurance Company - Daman, discusses how the global pandemic has affected business and how the company has coped with the challenges of 2020.**

**The global pandemic has affected several sectors globally, what were the consequences of Covid-19 for the health insurance bracket from a business perspective?**

This year came as a surprise to everyone. As businesses around the world tightened their belts to navigate this period, we have been finding innovative ways to save costs while maintaining our commitment to our customers and stakeholders.

The global lockdown created consumer behaviour trends in which several non-critical medical services were postponed or cancelled. Healthcare service providers were directed to treating critical patients and conditions only. Cost focus also shifted demand to lower-value insurance products in B2B, such as an increase in deductible and co-insurance amounts that their employees have to pay out of pocket.

However, we are anticipating a rebound effect for more expensive treatments required due to delays in scheduled diagnostics, thereby bypassing less expensive and more effective treatments.

**What are the key leadership traits that have proven the most important to you during these challenging times?**

Decisive action, cautious optimism, realistic expectations, and faith in the future. Early in the pandemic we have quickly taken our operations to being entirely remote and have been able to offer our services without interruptions. Our investments in information technology have enabled us to be ready for this situation. Bold moves to reorganize for process optimization, emphasizing cost reductions and digitalization will continue.

**How do you instil a sense of trust and confidence from your customers (and employees) in such a turbulent and unpredictable environment?**

Clear and honest communication, including transparency around communicating difficult decisions. It is important to set clear expectations to all our stakeholders and avoid any confusion in unprecedented times. As part of this, we also strive to support our customers and our employees in difficult situations, whenever possible.

**What does the post-Covid-19 "new normal" look like with regards to the regional insurance sector?**

As our industry, I anticipate there will be more consolidations and mergers—both brokers and insurers—as fierce price-competition risk triggers cost reductions. If we look at demographics, people—particularly millennials—are growing increasingly aware of the importance of a more comprehensive insurance plan that can cover unexpected diseases.

**How do you foresee big data and artificial intelligence impacting the sector and what are you doing to stay at the cutting edge of the latest technological transformations?**

Big data is crucial for proper underwriting, allowing for us to compete successfully in the competitive market. Big data, together with AI, will be used to identify customer opportunities as well as improving our decision making with respect to claims management and behavioural analysis.

The next step for digital transformation is to redesign and digitize / automate our internal processes to further improve turn-around-times and our effectiveness in operations. There are also many opportunities in remote health management and disease prevention to further cement the leading position.

**What's the biggest opportunity for you in 2021?**

Our digital transformation is our greatest opportunity to gain market share. In addition to the big data and AI activities that I mentioned, we will also be looking at how the Internet of Things can support our transformation from a reactive to a proactive insurer as well as improving our customer journeys.



[www.damanhealth.ae](http://www.damanhealth.ae)

Central Bank of UAE



### Investment hub

Despite the challenges, the U.A.E. has made key regulatory changes with the aim of creating a resilient investment climate.

In 2019, the U.A.E. was the largest recipient of foreign direct investment in the Middle East, accounting for half of total investment in the region, with \$14 billion in FDI inflows, up from \$10.4 billion recorded the previous year. A report by UNCTAD attributes the rise in FDI inflows to major investment in oil and gas, primarily in the Abu Dhabi National Oil Company (ADNOC). The U.A.E. also rejoined the top 25 countries in the Kearney 2020 Foreign Direct Investment (FDI) Confidence Index at 19th place, which surveys more than 500 senior executives on their investment appetite.

While the Central Bank of the U.A.E. expects FDI to fall in 2020, key regulatory changes, such as annulling the requirement for commercial companies to have a major Emirati shareholder or agent and providing

full foreign ownership of onshore companies, should support the business environment post-pandemic. Dubai's Expo 2020, which has been postponed to 2021, is also expected to stimulate foreign investment in innovative small businesses. The World Bank's Doing Business 2020 report reiterated the sentiment, ranking the U.A.E. at 16 out of 190 countries, noting the country has reduced fees involved in starting a business and made international trade easier.

ADNOC has also inked major deals this year, including the historic \$20.7 billion Energy Infrastructure Deal in its gas pipeline business, which is set to bring in \$10.1 billion in foreign direct investment to the U.A.E. from a variety of international investors. The state-owned oil company is set to reinject \$43.5 billion into its local economy through its newly-announced action plan to increase its capital investment to \$122 billion over the next five years.

The U.A.E. has also cemented its status as a regional hub for startups

**In 2019, the U.A.E. was the largest recipient of foreign direct investment in the Middle East, accounting for half of total investment in the region, with \$14 billion in FDI inflows, up from \$10.4 billion recorded the previous year.**

and small businesses, with 33 of the 50 startups in Forbes Middle East's list of "The Middle East's 50 Most-Funded Startups 2020" headquartered in the country. Top of the list was technology-enabled agribusiness Pure Harvest Farms, which raised \$135.8 million in 2020. Managed cloud kitchen platform, Kitopi, raised \$89 million. Dubai has since announced the launch of Nasdaq Dubai Growth Market, which will help startups and small and medium enterprises to raise capital.

# A New Approach To Financial Growth

**Ussama Dahabiyeh, Chief Financial Officer (CFO) at Injazat, explains how he believes that his role and the role of a CFO in general needs to evolve.**



We have seen over the years that organizations committed to adopting more agile practices are increasingly turning to their CFO to help lead strategic discussions and decisions.

The CFO has always had a say in how a company's cash flow is managed, deciding which projects to fund—from smaller innovation projects to investments in talent. But organizations are now looking to their CFO to guide decisions on large-scale projects and investment decisions that set the foundations for the long-term success of a

company. Decisions that would have been taken by the CSO. This level of involvement would help the company become more agile as the CFO would deploy resources more quickly into growth areas.

**What are the main skillsets of the CFO that are required if such a shift is to be realized and executed successfully?**

This is where we need to change our mindsets. All too often we see CFOs

being focused on numbers and the financial performance of a company—which remains an important aspect of course—but without taking into consideration the bigger picture maybe.

Overall, too many CFOs remain too disconnected from their firm's actual line of business and the field the firm operates in, with the result that sometimes the CFO lacks an understanding of the firm's industry. A circumstance that can make it hard to make financially sound decisions for the company and its employees.

CFOs need to pay attention to the fact that every business model will eventually be disrupted. They need to focus on ways to keep their company highly adaptable by carefully considering financial and operational leverage, but also by avoiding complex business structures. All of which would become a huge drag if the company needed to pivot quickly and adapt to new business models.

**COVID-19 has had a dramatic impact on every sector of the economy. How has it affected your role?**

The technology sector has been one of the very few sectors that has grown exponentially during the COVID-19 pandemic. As a market leader in digital transformation, cloud, and cyber security, we find ourselves able to take full advantage of the many opportunities the digital economy harbors. We have embarked on our own transformation journey in 2020. A transformation that would make us a lot more agile, increase our capabilities, and help us make new investments to enable our customers and the communities we serve.

**How is the role of the CFO evolving to encompass functions that were previously reserved for the Chief Strategy Officer (CSO)?**

Traditionally, the CFO function was viewed as the firm's financial planner who hawkishly monitors its financial performance. While this remains true in some respects, it is one dimensional, and misses the benefit of having a member of the C-Suite who is intimately aware and involved in all aspects of the company.



[www.injazat.com](http://www.injazat.com)



# Meeting Demand

**Harish Tahiliani, Managing Director at Arab & India Spices LLC, explains the impact of changing consumption and demand on business this year.**



## **What were your major successes this year?**

This year my most satisfying success was the installation of the pulses storage silos, which can accommodate 52,000 million tons of pulses at a time. I believe that this small step will be a contributing factor in fortifying the food security needs of this region.

For many years we were only doing B2B business, but I had an idea to diversify to the consumer market. This year we launched a brand named 'RK Pulses & Spices' and over the past six months it has started gaining

momentum to capture a significant market share. We have also started private labeling for leading supermarkets and online stores.

## **What has been the impact of the global pandemic on your sector?**

The pandemic took us by surprise like everyone else. Initially we saw panic-buying across the board as people started to stock up on supplies in fear of lockdown. Due to this we saw our stocks start to deplete at a staggering rate. We were overwhelmed with the demands and were struggling

to keep up with the supply chain. Also, due to lockdowns in countries where we import from we were finding it difficult to get our import documents on time to clear the goods to balance the demand and supply.

However, here I have to really congratulate and salute the leadership of the U.A.E. The government swung into action and ensured that there was no disruption in trade, making it significantly easier for traders and importers by relaxing procedures.

2020 has been tough on everybody, but the human race as

always has been resilient. In my opinion, the wisdom that this has shed on our industry in this region is that we have to always be prepared for any eventualities. As such, I have increased my inventories by 20% so that we are a step ahead if any disaster suddenly occurs.

## **How are you using new technology to improve your services in manufacturing and other divisions?**

I have always believed that technology is supposed to make our lives easier, allowing us to do things quicker and more efficiently. I make sure that I am updated with the latest technological changes in our industry and how I can implement them to improve our efficiency, quality, and resources. Improvement is constant and remains a focus area. We have been upgrading our facilities with the best of the latest technologies, which are helping us improve and offer better customer experience.

## **What is your outlook for the pulse market and Arab & India Spices in future?**

I believe that, overall, the agricultural sector has a vast potential and a great future. Demand is going to definitely increase in pulses. We have seen a dramatic change in food consumption patterns. More people are turning to vegan or vegetarian diets and pulses are an integral part of every meal.



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By Samuel Wendel

# Tipping Point

**500 Startups** was an early believer in the Middle East's startup scene. Today, the global venture capital firm is prepping for a new era in the region, with more than 20 new investments made in 2020, and Managing Partner, Bedy Yang, on the case.

# 5



**500 Startups** has a reputation for making fast and frequent deals. A case in point: in just eight years, the global venture capital firm has backed more than 200 companies in MENA, with nearly all of those investments occurring in the last four years.

Just ask the founders of Cairo's Brimore—an e-commerce platform connecting small manufacturers in Egypt to a network of freelancers who sell goods and recruit others to sell too. The company caught the eye of 500 Startups at an event in Cairo in December 2018. Within about five weeks the VC wired Brimore an investment. "They were super-fast actually compared to other investors in the region," says Brimore cofounder Ahmed Sheikha. 500 Startups also joined Brimore's \$3.5 million pre-series A round this year.

That isn't an experience unique to Brimore. In 2020, 500 Startups made more than 20 investments

Bedy Yang,  
500 Startups  
Managing  
Partner



Image from source



in MENA, making it one of the most active VCs in the region, with a strategy centered on early stage investments. “We took the Moneyball approach,” says Courtney Powell, COO of 500 Startups. “Looking at a fund, we believe that we needed to have a certain number of investments to kind of even out the seed stage returns.”

This year 500 Startups completed the deployment of its \$33 million Falcons I fund—its first fund focused entirely on MENA—which it launched in 2017 and that has produced investments in more than 175 companies alone. Its two previous partners in the Middle East, Sharif El-Badawi and Hasan Haider, left this year to start an independent fund, so the company has drafted in Bedy Yang, a managing partner who’s been with the firm since 2011, to support and develop new initiatives. “We think the market, at least for the next five years, would still need a very strong early-stage voice,” says Yang.

Since it was established in California in 2010 by Christine Tsai and Dave McClure, 500 Startups has backed more than 2,400 companies across more than 75 countries. That includes companies now valued above \$1 billion, such as Credit Karma, Canva, Grab, and Bukalapak.

The San Francisco-based VC was also an early supporter of MENA’s tech startup scene. Since turning its eye to the Middle East in 2012, it has amassed a portfolio including notable names such as the financial comparison site Souqalmal, logistics firm Fetchr, and freight solutions platform TruKKer, to name a few. Yet, so far 500 Startups has missed out on the handful of homegrown tech companies that have gone on to notable exits, such as Souq, Careem and Instashop.

Its portfolio overall is still maturing in MENA, as most investments have come recently. Its

## “We think the market, at least for the next five years, would still need a very strong early-stage voice”

regional deals have yielded a couple of exits so far, including Dubai’s Wrappup and Egypt’s Harmonica (now rebranded Hawaya), but most portfolio companies are still on the early side.

Still, 500 Startups is beginning to stand out in MENA thanks to its prolific deal-making, although other investors are making an impact too. In 2020 that’s included Saudi Arabia’s Raed Ventures, which has made eight investments this year, and Dubai’s Wamda Capital, which has made seven. Meanwhile, in recent years regional VCs such as MEVP, Arzan VC and Beco Capital have also featured prominently in funding rounds, along with regional accelerators such as Flat6Labs.

Against that backdrop, 500 Startups is now gearing up for a new chapter in the Middle East. That includes launching new funds in the region in 2021, which will include exploring later-stage investments. That won’t represent a shift away from early stage investing, rather the VC sees opportunity for follow-on funding. There are still gaps in the region’s startup landscape, despite it welcoming new accelerators and a pack of VCs over recent years. “One of the things that we’re seeing is the need for more downstream capital

to develop across the region,” says Powell. “Companies are getting to the point where they’re ready for that.”

Along with new funds, the firm is planning to expand its regional accelerator programs, which should be announced by January 2021 according to Powell, who adds that they’re exploring ways to eventually establish programs working with corporate investors. Meanwhile Yang says that there’s traction inside the portfolio in financial services and areas around e-commerce, such as logistics. And she sees positive signs more broadly, such as Careem’s \$3.1 billion exit in 2019.

The quality of local startups is improving, says Yang, who believes that regional funding will increase, particularly in Saudi Arabia, and that companies will soon quickly raise large rounds. Simultaneously, Powell sees convergence between founders maturing and more capital availability. Once more downstage capital develops, the region should produce more exits, with that success feeding back into the earlier stages of the startup landscape. “That’s the tipping point that we know is going to happen,” says Powell.

It was a big exit that helped jumpstart MENA’s startup scene in the first place in 2009, when Yahoo acquired the Jordanian internet portal Maktoob for \$164 million. It was a watershed moment, creating newfound momentum around regional startups.

Maktoob’s exit demonstrated that there was opportunity, but when 500 Startups turned its attention to the Middle East in 2012, regional tech entrepreneurs still faced considerable challenges. There was little funding, resources and expertise available to startups across the wider region.

The first company it backed was Jordanian online review platform Jeeran. 500 Startups’ current CEO Christine Tsai was actually involved

in that deal, which was carried out remotely because the VC didn't yet have a team on the ground. Eventually it assembled one, spanning from Cairo to Manama.

The VC sourced deals around the region by accepting funding applications, but also by participating in events, such as Cairo's RiseUp entrepreneurship summit. Many of the most promising deals emerge through its own portfolio. "The best deals that we get are from founder's referrals," says Laila Hassan, a principal with 500 Startups in Egypt.

A focus area for 500 Startups has been establishing founder-friendly investment terms. It discovered that it wasn't uncommon to see a term sheet where one investor would take a 50% ownership stake in a seed round. That was a problem. Even though those investors were providing money, they were undermining the market and hurting entrepreneurs. "They can never raise again," says Yang.

To help remedy this, 500 Startups introduced what's known as a "Keep It Simple Security," or KISS note. Similar to a convertible note, it's an instrument allowing investors to inject funds into a company with the intent of later converting that into equity during a company's next equity financing. KISS notes are designed to be a simple and standardized way to structure early stage financings by including fewer terms to agree upon, meaning less paperwork and negotiation. That type of legal document, with the stamp of a Silicon Valley VC, helped entrepreneurs as they navigated a funding landscape where different investors have different evaluation mechanisms.

A turning point came in 2015, when 500 Startups announced that it was setting up its Falcons fund, which would target deals in e-commerce, video and Arabic

## "The best deals that we get are from founder's referrals"

content, Software-as-a-Service, fintech and more. Previously, the VC had invested from global funds, but this was a sign of it transitioning to smaller, regional funds. Its local portfolio at that time consisted of around 30 investments, including companies such as Jamalon, Tamatem, Wuzzuf, Fetchr, Edfa3ly, and Shopgo.

The Falcons fund had a target size of \$30 million, with a focus on making investments between \$50,000 to \$100,000 and actively co-investing alongside other players. It was intended to provide follow-on funding of up to \$500,000 for top portfolio companies. The fund ended up launching in 2017, and was oversubscribed by its final close.

500 Startups also began adding education and training programs in the region. Initially, the VC had been selecting globally-focused startups with traction to join its accelerator programs in the U.S., but by 2017 it was running a training program in the region for series A stage companies. Then it brought its flagship seed accelerator program to Riyadh in partnership with Misk Innovation, an arm of Saudi Arabia's Misk Foundation, a non-profit established by Crown Prince Mohammad bin Salman. Called Misk 500, it hosted its first batch of companies in early 2019.

As 500 Startups ramped up its regional activity, the tech scene was growing too. In 2019, the region saw a record 564 deals, a rise of 117% over

two years, according to Dubai-based MAGNiTT, an emerging venture markets startup data company (and a 500 Startups portfolio member). Thanks to its Falcons fund, the VC was playing a sizable role in that—by 2019, it had invested in more than 100 companies since 2017.

But problems still crop up. Last year, a portfolio company in Dubai was finalizing its series B when at the last minute it unexpectedly got unfavorable terms from a VC leading the round. That development came as the company was almost out of cash (500 Startups declines to name names). This was a company that 500 Startups felt was on the right track, with a clear path to exit. So, it stepped in and led the round, while corralling other investors to close the gap. "We might be losing out on some of the economics that other VCs might think is important but we're really building this relationship with them and actually making the most out of it," says Hassan.

Meanwhile, the VC's impact is starting to show up in unexpected ways. As Misk Innovation's Entrepreneurship Growth Director, Osama Alraee helped set up the partnership with 500 Startups that launched Misk500. But after watching several batches of companies go through the accelerator, he decided he wanted to start a company himself. So, Alraee co-founded a fintech startup called Lendo in 2019. It's a peer-to-peer lending platform based in Riyadh, which quickly got a license from Saudi's central bank. The first investor Alraee turned to was 500 Startups, which agreed to provide seed funding. "It was not because they give the most money," says Alraee. "It was because of the value they add."

On the cusp of a new era in the Middle East, 500 Startups is not only backing entrepreneurs, but inspiring them too—a good sign for future deal flow. **F**

# Will Universal Basic Income Change The Meaning Of Success?

**Much of the debate** surrounding the concept of universal basic income (UBI) centers on its practicalities. On one end of the spectrum, many oppose UBI arguing it is a socialist policy that heavily taxes earning members of society, while on the other many agree it may be the only way forward as automation keeps killing millions of jobs.



While practicality and necessity of UBI are important to consider, we also need to think beyond. If we implement UBI, it will prompt a dramatic shift in our society's fundamental values, with profound implications on how we view success and happiness.

Under UBI, every citizen receives a fixed amount of money from the government, with the amount varying according to the standard of living in a particular place. Whatever the amount, it would be enough for a person to meet his or her basic needs and not worry about survival at any given moment.

This concept is not new. However, several of today's thinkers challenge the notion that we live in one of the most transformative times in history, asserting that because we've successfully dealt with technological change in the past, we will always be able to do it. We mustn't worry, they say, for as long as people have needs, there will be jobs. However, we live in a time in which technology is rapidly doubling in power and will continue to do so. The bottom line: These times are different. We do need to worry about losing our jobs; more importantly, we need to prepare for it.

Research by McKinsey and the World Economic Forum tells us that with existing technology alone, as many as 45% of activities that individuals today are paid to perform can be automated. Manufacturing is

an industry most affected by automation. Since 2000, technology has replaced the jobs of five million Americans working in manufacturing. When you consider these statistics against the bigger picture of history, and the exponential trends we face today, finding a solution seems more pressing than ever.

Some suggest that instead of giving a basic income, we should pay to retrain and relocate people to areas with an abundance of jobs. This isn't a viable solution. For example, it would be impossible to retrain and uproot the 3.5 million truck drivers who risk unemployment. Up-skilling those losing their jobs to automation, like factory workers and truck drivers in the U.S., would also mean retraining them to fill jobs in the vastly dissimilar fields of data science and machine learning.

This proposal also represents a fundamental flaw in our society. It assumes success is just a matter of fulfilling certain criteria. The assertion that we should simply retrain millions to fill new roles ignores the reality that we're all different. We have different ways of learning and processing information, and our societal value can be determined in more ways than one.

Like many blue-collar workers, truck drivers and factory workers have not attained a high level of education. This isn't necessarily because they're incapable. It's because we live in a society where classrooms and the metrics used to measure intelligence have failed large sectors of our population. Perhaps, with UBI, we could create a world in which success is not assessed by grades, money and easily measurable skills. With a system of UBI people may have the opportunity to explore their individual intelligence and to use it to add value to society. **F**



By James Emmanuel

# Five Lessons For Banks On Digital Transformation

While the world grapples with the coronavirus pandemic, leading banks are reinforcing their focus on digital transformation.

F

## Financial institutions

have carried out a tremendous revamping operation in all aspects of their service delivery, from contactless payments to instant remittances. More than 330 Fintech solutions are operating across the 22 countries of the Arab world as of October 2019, with 75% of these firms concentrated in a handful of countries, according to research conducted by CGAP. The U.A.E. alone accounts for more than 60 Fintech solutions. As banks and Fintechs continue to evolve in the Middle East in the wake of changing consumer behavior, here are some lessons in ensuring a seamless digital transition.

### Lesson 1: Focus on how technology makes customers' lives easier

Banks now evaluate how a new technology benefits their customers in terms of speed, cost, and efficiency, says Geoff Stecyk, COO at the National Bank of Ras Al Khaimah (RAKBANK). "Now, we are looking



**Geoff Stecyk**  
COO at the National Bank of Ras Al Khaimah (RAKBANK).

at either problems or opportunities. And what is the (available) technology to solve that problem or take advantage of an untapped opportunity," says Stecyk.

Before the pandemic, some banks were already making progress on the digital streamlining of processes and apps. But the impact of the COVID-19 outbreak has led banks to accelerate their digital transformation on a

war footing. As customers were not able to go out to carry out physical transactions, banks faced a twofold challenge: first, how to get processes up to standard as quickly as possible; and second, how to digitize legacy environments at speed.

One of the ways banks are facing these challenges is by using Fintech. "The (Fintech) ecosystem is evolving rapidly when it comes to

*This month's technology case study is sponsored by GBM.*

deploying innovative solutions, but it is struggling to attract additional financing that will boost its footprint and impact,” revealed Deloitte in a recent Middle East Fintech study. Fintech firms are enablers and banks are now using these companies in strategic projects to enhance their products or increase their network distribution.

### **Lesson 2: Make digital channels your first priority**

Customer behavior across the Middle East is characterized by a willingness to adopt innovative solutions offered by banks, particularly when it comes to peer-to-peer money transfers, account aggregation, and automated investment advice, according to Deloitte. Customers aged 20 to 30 are the major drivers for Fintech usage. As many as 78% have adopted person-to-person transfers and account aggregation, while 75% are heavy to moderate users of Fintech solutions. As such, regulators in the Middle East are paying attention.

“We have seen a lot of regulators open up their regulatory sandbox environment for innovators to test their products under their supervision and support, giving comfort to their prospective investors and stockholders,” says Ahmed Wadi, CEO of MoneyFellows, a collaborative group of lending and savings platform based in Egypt. “Digital onboarding in financial institutions has been a major focus of the regulators, as it is the steppingstone to digital transformation and Fintech.”

Several initiatives have already been taken by financial institutions on the digital transformation front. “It is now the time to adapt, market, and sell those new technologies and improvements to end customers and corporates,” adds Wadi.

### **Lesson 3: Provide a user-friendly mobile app for customers**

Mobile banking apps allow customers

to carry out routine banking activities from anywhere. This not only helps in maintaining social distancing, but also offers convenience, security, and ease of access. Similarly, apps offer advantages for banks, such as better efficiency, savings on operational costs, and lower transaction costs. By the end of 2019, the number of registered mobile money accounts across the globe reached over a billion—a 10.2% growth over the previous year, according to the Global System for Mobile Association.

RAKBANK has made arrangements with payment platforms such as Apple Pay, Samsung Pay, Garmin Pay, SwatchPay, and Fitbit Pay. “We really streamlined and eliminated any non-critical document or non-critical process,” explains Stecyk. RAKBANK, with the support of their digital transformation partner GBM, also introduced a cognitive chatbot that allows bank employees to interact with an artificial intelligence interface from IBM to help them get answers, find solutions, or quickly route pending requests to human advisors.

However, according to Deloitte, only 22% of banking customers in the Middle East use Fintech. “We have been continuously working on changing that mindset to make it more acceptable to our users and to offer a fully digital solution from on-boarding, assessing their financial health, receiving their monthly instalments, and paying them out to them,” says Moneyfellows’ Wadi.

### **Lesson 4: Make life easier for blue-collar workers**

According to the World Bank Group, remittances to low and middle-income countries globally hit a record high of \$554 billion in 2019. Banks in the Middle East are increasingly making arrangements with money transfer apps to help their customers, especially blue-collar workers, to send money back home instantly. These apps are gaining popularity among workers


in the wake of coronavirus-related concerns.

LuLu Financial Group, the third-largest exchange house in the U.A.E., has activated salary cards as a payment option on its payments app. The U.A.E.’s central bank began allowing salary cards as a digital payment option in 2019. This enables workers to remit money to their home countries without opening a formal bank account.

### **Lesson 5: Invest in eliminating risks for customers**

It is of paramount importance for banks to have a robust cybersecurity system in place to protect data and privacy, with scammers trying many different fraudulent schemes to swindle money from bank customers across the globe. The most common technique is to send users fake email links and attachments that contain malware. As technology becomes more advanced, so do the techniques of cybercriminals.

Customers are wary of the risks. One of the factors hindering the adoption of Fintech in the Middle East is a lack of trust among users, especially older generations. According to Deloitte, around 18% of bank customers are unwilling to use Fintech solutions and 40% of them state that is because of security or privacy concerns. As a result, banks are implementing several additional layers of security features, including multi-factor authentication and end-to-end encryption to prevent phishing scams.

RakBank has strengthened its security with sophisticated technology that is fast enough to monitor transactions in real time. “Earlier, security was an SMS message or one-time password (OTP). Now, we also have soft tokens, which are built-in security (measures) and more secure than an OTP,” says Stecyk. A soft token generates a single-use six-digit login passcode or PIN for user transactions. This type of multifactor authentication enables better security for online banking. 

# Solitude

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THOUGHTS

“Make your ego porous. Will is of little importance, complaining is nothing, fame is nothing. Openness, patience, receptivity, solitude is everything.”

—Rainer Maria Rilke

“The more you tell your story, your dreams and your entrepreneurial hopes, the more you will see that you’re not alone in either your striving or your doubts.”

—Gloria Steinem

“Whoever is delighted in solitude is either a wild beast or a god.”

—Francis Bacon

“It’s good for a person to spend time alone. It gives them an opportunity to discover who they are, and to figure out why they’re always alone.”

—Amy Sedaris

“I was never less alone than when by myself.”

—Edward Gibbon

“Solitude is a kind of freedom.”

—Umberto Eco

“Every time I find myself a little uncomfortable, I know I’m in the right place.”

—Cristina Mittermeier



“To be an adult is to be alone.”

—Jean Rostand

“Loneliness is the poverty of self; solitude is the richness of self.”

—May Sarton

“Solitude is the fate of all outstanding minds: It will at times be deplored, but it will always be chosen as the lesser of two evils.”

—Arthur Schopenhauer

“Sometimes the best way to fight is on the flank, not in the center of the activity where your opponent masses its own force.”

—Herb Kelleher

“You cannot escape yourself, for God has singled you out.”

—Dietrich Bonhoeffer

“Maybe this is who I really am. Not a loner, exactly, but someone who can be alone.”

—Gary Shteyngart

SOURCES: LETTERS TO A YOUNG POET, BY RAINER MARIA RILKE; OF FRIENDSHIP, BY FRANCIS BACON; MEMOIRS OF MY LIFE AND WRITINGS, BY EDWARD GIBBON; THOUGHTS OF A BIOLOGIST, BY JEAN ROSTAND; MRS. STEVENS HEARS THE MERMAID SINGING, BY MAY SARTON; APHORISMS FOR WISDOM, BY ARTHUR SCHOPENHAUER; ISOLATION: TO MARGUERITE, BY MATTHEW ARNOLD; I LIKE YOU: HOSPITALITY UNDER THE INFLUENCE, BY AMY SEDARIS; LITTLE FAILURE, BY GARY SHTEYNGART.

“This truth—to prove, and make thine own: ‘Thou hast been, shalt be, art, alone.’ ”

—Matthew Arnold

“Loneliness is to endure the presence of one who does not understand.”

—Elbert Hubbard

“Peace I leave with you; my peace I give to you. Not as the world gives do I give to you. Let not your hearts be troubled; neither let them be afraid.”

—John 14:27



## FINAL THOUGHT

“Some men never find the key to success because they don’t look in the right place—inside their own minds.”

—B.C. Forbes

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