

Dubai World ready to hit the growth path again

DEBT BURDEN REDUCED SIGNIFICANTLY, BIN SULAYEM SAYS

BY SAIFUR RAHMAN
Business Editor

Dubai The worst for Dubai World, arguably the UAE's largest holding company, appears to be over, according to a top official, as it restructures top management.

"The worst for us and for that matter, Dubai, is over," Sultan Ahmad Bin Sulayem, chairman of Dubai World, told *Gulf News* on Friday.

"We have managed to reduce the debt burden significantly lower than what it was last year. Both Jamal Thaniyah and Mariam Sharaf have provided strong leadership in complex negotiations as we faced challenges due to the global financial crisis."

In an interview with *Gulf News*, Bin Sulayem said the Government's financial support package through the Ministry of Finance and the UAE Central Bank had helped the economy to bounce back.

The UAE Government last year announced a Dh120-billion (Dh440.9 billion) package to support the economy while the Dubai Government secured a \$10-billion bond subscribed by the UAE Central Bank earlier this year.

"Dubai will soon come back to a strong growth path as the markets are showing signs of confidence and bankers are getting ready to fund projects," Bin Sulayem said.



JAVED NAWAB/Gulf News

Reason to smile

Dubai World chairman Sultan Ahmad Bin Sulayem believes the group, having surmounted the difficulties created by the global financial crisis, is now ready to regain the initiative.

"If you look at the Dubai Financial Market index, you'll see it has gone up from what it was at the beginning of the year. The situation at Dubai World is much better and we are going to move ahead with most of our programmes."

The government-owned Dubai World controls a large chunk of Dubai's land bank through two subsidiaries — Nakheel and Limestone — and the world's

fourth largest port operator, DP World. It's investment arm, Istithmar, owns stakes in Barneys New York, Daallo Airlines and Dubai Aerospace Enterprises (DAE).

Dubai World named Jamal Majid Bin Thaniyah as group chief executive officer, and Mariam Sharaf as group chief operating officer as part of a wider restructuring of the group that also involves shifting

officials of Nakheel to Istithmar.

The move, which is being closely studied by the financial community, comes a day after four Nakheel executives were moved to Istithmar as part of a group-wide restructuring that is expected to help Nakheel refinance a \$3.5 billion sukuk maturing in December.

Analysts believe such moves could help massive organisations become more transparent and overcome challenges.

"Though we have seen that Dubai has a number of challenges to overcome, we believe Dubai has strong fundamentals to bounce back from the economic downturn," the latest report by Isthmus Partners had observed.

"Very recently, trading in the key Nakheel \$3.5 billion sukuk maturing in December 2009 has recovered strongly and pricing indicates a renewed confidence that the sukuk will be redeemed successfully."

Credit default swap (CDS) spreads for Dubai Government-owned entities have come down over the last few months due to renewed confidence, but still need to fall to reduce their differences over other regional benchmarks.

"There is evidence that the differentials are still in the 250-basis points area and will be reduced with increased confidence in Dubai," the Isthmus report said.



Standing tall
The Gate at the Dubai Mall, a landmark of foreign investment.

Foreign Investment in UAE

Projects implemented

Dubai (WAM) Foreign investment (FDI) in the UAE has recovered in comparison to advanced and emerging markets, the recently released World Investment Report 2009 has revealed.

The World Investment Report 2009 shows the volume of FDI in the UAE was \$13 billion (Dh50.28 billion) compared with \$10 billion in 2007. On the other hand, the report states that the cumulative volume of these investments at the end of last year was \$10 billion.

Hailing the report, the United Nations Conference on Trade and Development (UNCTAD) Hani A.

Malaysia to participate in Dubai seafood expo

Upcoming fisheries event to bolster emirate's bid as the regional hub for halal products

Staff Report

Dubai A 14-member Malaysian delegation is set to

participate in the upcoming seafood expo. The participation is also aimed at increasing the value of Malaysia's overall fish and fishery exports to the

With high profile participants set to stage an extensive presence at the event, Orange Fair & Events, the event organisers, revealed

15 tonnes of seafood being sold in the Dubai fish market daily, the seafood trade here continues to thrive amid the current recession.