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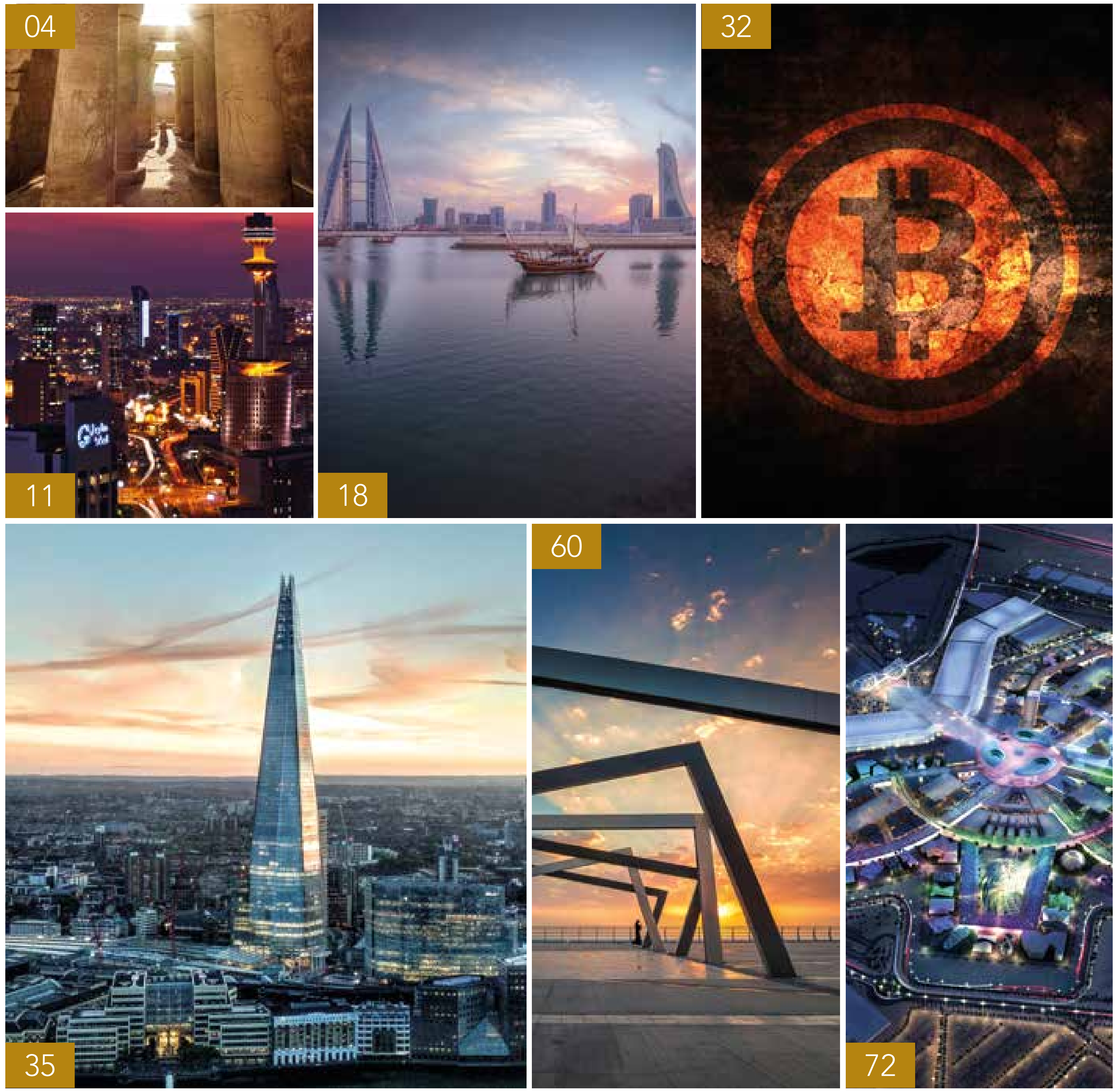
أضواء على العلاقات العربية – البريطانية

OPPORTUNITIES IN THE GROWING SAUDI FILM INDUSTRY

Waterfront area of Al Khobar, Saudi Arabia.



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ARABBRITISH CHAMBER OF COMMERCE
غرفة التجارة العربية البريطانية

General Enquiries
Arab-British Chamber of Commerce
43 Upper Grosvenor Street London W1K 2NJ
Tel: +44 (0) 20 7235 4363
Email: economicfocus@abcc.org.uk
Web: www.abcc.org.uk

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ABCC Editorial Team
Abdeslam El-Idrissi
Editor in Chief
David Morgan
Email: d.morgan@abcc.org.uk

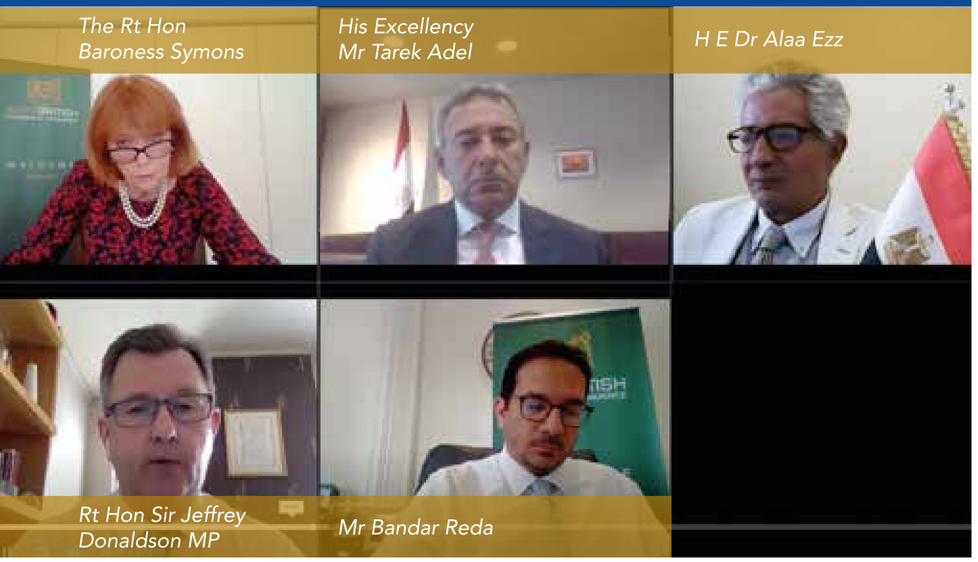
Publisher
Ian Fletcher
Benham Publishing Limited
Aintree Building, Aintree Way, Aintree Business Park, Liverpool L9 5AQ
Tel: 0151 236 4141
Email: admin@benhampublishing.com
Web: www.benhampublishing.com

Advertising and Features
Karen Hall
Tel: 0151 236 4141
Email: karen@benhampublishing.com

Production Manager
Peter Wilkinson
Tel: 0151 236 4141
Email: peter@benhampublishing.com

Opportunities in Egypt

The Chamber hosted a successful webinar on Opportunities in Egypt on 16 September.



Opening the discussion, The Rt Hon Baroness Symons, ABCC Chairman, reflected on her own experiences of visits to Egypt and her interest in fostering strong bilateral cultural and educational links as well as in the areas of business. In this respect, Baroness Symons mentioned that she also chairs the British-Egyptian Society and sits on the board of the British University in Egypt.

His Excellency Mr Tarek Adel, the Ambassador of the Arab Republic of Egypt to the United Kingdom, discussed the strong level of cooperation between the UK and Egypt and the advantages offered to investors by Egypt's location as a transit point linking Europe to Africa, Asia and the Arab World.

The Ambassador warmly acknowledged the work of the ABCC in promoting bilateral trade and investment.

H E Mr Adel pointed out that the reforms implemented in Egypt in recent years had put the country and its economy in a strong position to withstand the impact of the Covid-19 pandemic and to respond to the challenges ahead. A main plant of the strategy was to support the private sector, he said.

Egypt offered numerous advantages for companies wishing to base their activities in the country such as the inexpensive labour costs and the access to an extensive market stretching to Africa and the Gulf.

Certain sectors and sub-sectors offered specific attractions to the overseas investor, the ambassador continued, in particular mentioning IT, logistics, energy and tourism. Meanwhile, the country's economic zones and the Suez Canal Zone provided a series of incentives to the investor.

He expected that a bilateral trade agreement between the UK and Egypt would soon be agreed to replace the European Union association agreement. This would set a clear framework for future cooperation once the UK has passed the transition period for its exit from the EU.

The next speaker, **Rt Hon Sir Jeffrey Donaldson MP**, the UK Prime Minister's Trade Envoy for Egypt, looked forward to the resumption of British trade delegations visiting Egypt post-pandemic.

He further remarked that talks on a future trade deal between the UK and Egypt were making great progress and said that this agreement would mirror that which existed between Egypt and the EU.

Sir Jeffrey stated that the UK was keen to resume closer trading relations with Egypt as soon as possible and was looking forward to developing cooperation in new areas. Egypt was a strategic partner whose importance is increased by the UK's determination to engage more closely with the African markets.

The Trade Envoy highlighted the opportunities that were coming available in sectors such as healthcare, education and housing. Egypt with its rapidly expanding population was a huge market for UK goods and services.

Its people represented a major human resource and a high priority for Egypt was being placed on job creation.

Sir Jeffrey mentioned some successful initiatives on which Egypt and the UK were working such as a programme that enabled Egyptian doctors to learn in the NHS. He looked forward to seeing this collaboration being extended to nursing staff.

He identified significant opportunities for UK firms in further education and highlighted the potential for UK universities to open up campuses in Egypt.

Construction, infrastructure and transport all offered important opportunities for UK investors, said Sir Jeffrey.

H E Dr Alaa Ezz, Secretary General of the Union of African Chambers, delivered a detailed presentation on the progress made by Egypt in recent years to upgrade its economy and make improvements in its business regulations, mentioning the major opportunities for investors and firms seeking to set up business in the country. In particular, Dr Ezz highlighted the potential of Egypt's free trade zones and the Suez Canal free zone.

Major infrastructure projects were underway across the country to build and open new cities offering significant investment opportunities for the construction industry and related suppliers, he stated.

Dr Alaa Ezz stated that Egypt was experiencing an economic boom and was expecting to record a GDP growth rate of an average of 7% over the next few years.

The new Egypt was undergoing a major transformation as it took strides forward to become a much more market orientated economy with an increasing role for the private sector. Dr Ezz described Egypt as a transit hub giving access to a market of over 2 billion people.

He listed some of the mega projects currently at various stages of implementation and the ambitious new road links, large railway expansion and growth in maritime infrastructure.

Growth of manufacturing was a priority sector for the country and presented many opportunities.

Renewable energy was increasingly important to Egypt as it sought to generate more electricity and ambitious projects could be found in areas such as solar. The country was the host for the largest solar energy plant in the world.

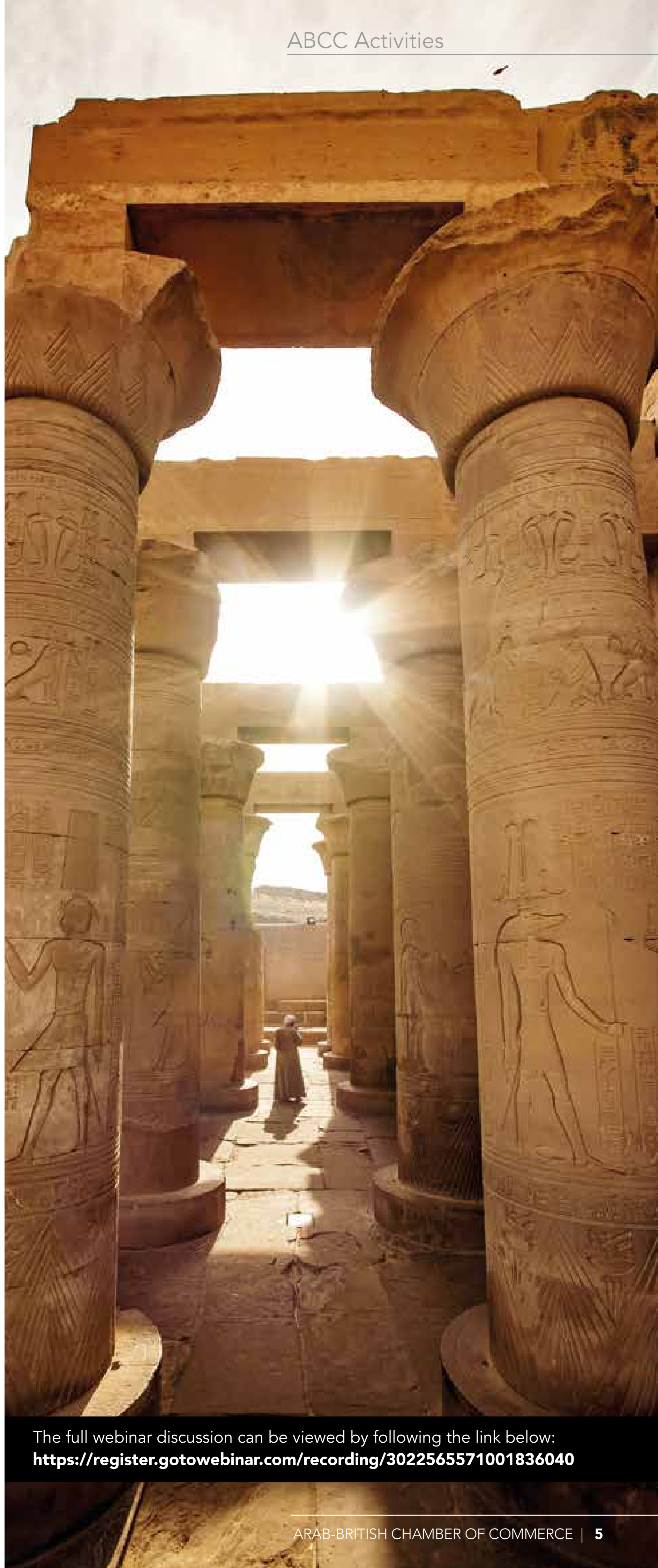
In conclusion, Dr Ezz said that Egypt was the leading destination for FDI in Africa and urged more UK firms to look to what it had to offer.

Mr Bandar Reda, ABCC CEO & Secretary General, warmly thanked all the distinguished speakers for their participation in the webinar and stated that they had succeeded in highlighting the enormous opportunities for doing business in the country.

Mr Reda recalled personal family visits to Egypt over the years, remarking on the generosity and hospitality of the Egyptian people and the many unique attractions of the country's heritage that could be discovered. He concluded by stressing that the ABCC was available to assist any company wishing to do business in Egypt.

The webinar ended with a discussion of questions posed by the audience which ranged over such issues as opportunities in the retail sector, the consumer market, vocational training, renewable energy and support on offer for SMEs.

ABCC Activities



The full webinar discussion can be viewed by following the link below:
https://register.gotowebinar.com/recording/3022565571001836040

Stamp Duty Land Tax Update - **SDLT Holiday**

As a Senior Partner and Head of Middle East at Belgravia law firm, Child & Child, I specialise in Private Wealth, Tax and Estate Planning. I am privileged to work with a strong and loyal client base, representing established families throughout the Middle East, the Gulf States and beyond, looking after their UK and cross-border estates and providing a holistic service. I regularly travel to the region for meetings and hosting industry events.

Purchasing a UK property? Now is the time to take benefit of the Stamp Duty Land Tax 'Holiday'

Purchasing a property can be stressful – and that is without being in the midst of an unprecedented global crisis!

Paying the Stamp Duty Land Tax (`SDLT`) bill on your purchase is always an unwelcomed additional expense. Whenever you purchase a property in the UK, you will be charged SDLT. The tax is calculated on the property purchase price and must be paid in full to HM Revenue & Customs within 14 days of the purchase. Your real estate lawyer will prepare the SDLT return and submit it on your behalf, along with transferring the tax payment to HMRC. You should, therefore, always factor in the SDLT liability at the outset when budgeting your property purchase.

On 8 July 2020, in an attempt to reactivate the real estate market and economy, Chancellor of the Exchequer, Rishi Sunak, announced in his Summer Budget an immediate and well received change in the SDLT rates if you purchase a residential property in England and Northern Ireland between 8 July 2020 to 31 March 2021. This led the UK real estate market, which had almost come to a standstill due to Covid-19, immediately reigniting and a surge of deals taking place. With the borders opening and ease of travel to the UK, property investors are now taking advantage of the SDLT savings.

SDLT is charged based on the property purchase price and is calculated on a tiered `slice` system, from 0% to 15%.

The SDLT `holiday` will provide temporary relief to residential property transaction with the tax-free nil-rate band being increased from £125,000 to £500,000. You will only start to pay SDLT on the amount that you pay for the property above £500,000.

The 3% surcharge for the purchase of a second home will still apply, however, it will still reduce the overall liability. The temporary rates provide an SDLT saving of £15,000 for lower and additional rate tax payers.

A first-time buyer purchasing for £750,000 will now pay £15,500 compared to £27,500. If this £750,000 transaction was a second home, the original SDLT liability of£50,000 is reduced to £35,000.

Companies and individuals buying residential property for less than £500,000 will also benefit from the above changes.

Companies that purchase residential property of any value where they meet the relief conditions from the corporate 15% SDLT charge will also benefit.

As will all holidays, this tax holiday will also end - on the 1 April 2021.

From 1 April 2021, non-UK residents purchasing residential property in England and Northern Ireland will have to also pay an additional 2% surcharge, taking the highest SDLT rate up to 17%.

SDLT Reliefs & Planning

In addition to the SDLT holiday, there are various SDLT reliefs that may be available.

SDLT is a self-assessment tax and obtaining advice on the SDLT reliefs available can be a valuable exercise in assessing whether you can mitigate the tax payable. The transaction timings in order to apply the reduced rates will be key.

I recently acted for a client who purchased a property with a self-contained annex attached to the main home. Taking early advice and ensuring the various conditions were met, I worked with the agent, seller and buyer, and saved my client over £100,000 in SDLT by claiming 'multiple dwellings' relief. With the SDLT holiday – we also saved an additional £30,000!

CONTACT
Mamuna Farooq
Partner, Private Wealth and Tax & Head of Middle East
Child & Child
mamunafarooq@childandchild.co.uk
+44207 201 3579 / +447983 584 083

PROFESSIONAL OIL & GAS **Procurement Management Services**

Hydro-C
Exceeding Limits, Pushing Horizons

We provide equipment and material procurement and supply services to the oil and gas industry throughout Africa and the rest of the world.

Hydro-C Ltd operates through our main branch office in the UK. We also support our customers through our offices in Iraq and Dubai. Hydro-C Ltd has become one of the leading suppliers of

Fittings and Consumables, IT Equipment, Pumps, Solar Power Generators, Construction Services, Corrosion Inhibitors and Procurement.

Distribution - Hydro-C is an approved ZOK, Marshell, Cengar, Maxim Power Tools and Koks Group Products distributor in Iraq.

With offices in both UK and Dubai, Hydro-C also operates and offers professional warehousing facilities throughout Iraq from Basra in the south, to Baghdad, and Erbil in the north of the country.

Call us on **+44 (0)141 582 1213** for further information

UK Office: 126 Stanley Street, Suite 4C, Glasgow, G41 1JH Scotland

www.hydro-c.co.uk | **info@hydro-c.co.uk**

About Hydro-C

OUR HISTORY

Founded in 2012, Hydro-C Ltd has become one of the leading suppliers of Fittings, Electrical and Consumables, IT Equipment, Pumps, Solar Power Generators, Corrosion Inhibitors, Constructions Services and Procurement for the international market and local companies working in Iraq.

Hydro-C Ltd operates through our main branch office in the UK. We also support our customers through our offices in Iraq and Dubai.

Iraq is reclaiming its rank as the world's fastest-growing oil exporter, cushioning consumers from other countries supply outages for now and, perhaps, reviving OPEC market share rivalries down the road. Iraq – already OPEC's second-largest producer – is likely to post one of the biggest annual output jumps in its history as BP, ExxonMobil, Shell and other companies start developing its fields.

Hydro-C is operating to support major oil and gas customers Iraq wide. Hydro-C bridge the time and distance between UK, EU and Iraq. Hydro-C operates throughout Iraq, with warehousing in Basra, Erbil and Baghdad.

OUR MISSION

Our mission is to provide expertly planned and professionally executed services to meet the complex demands of our clients. Our expertise provides solutions tailor-made to each specific client and situation.

Our mission is to be an environmentally conscious, fiscally responsible, well managed, for-profit enterprise that reinvests for future growth and development.

Our mission is to grow reserves and production by employing a benefit-based use of technology and resources.

Our mission is to innovate. We will strive to fully understand each problem or opportunity. We will remain open-minded and explore new possibilities that lead to effective solutions.

Our mission is to build and maintain alliances with those who share our interests and can contribute to and participate in our success. We believe in education, enrichment and development. We will foster relationships that integrate the talent, interests and goals of all our co-workers.

OUR VISION

We are committed to being a premier oil and gas company, and top-tier performer, by creating value through sustainable, efficient growth locally and internationally. We also strive to innovatively and economically create a better everyday life for our shareholders, while continually improving our business efficiencies and achieving operational excellence.

Our primary goal is simple but ambitious, we plan on becoming one of the Iraq's leading independent exploration, development and production oil companies.

To achieve this, we are implementing an ambitious exploration and appraisal drilling program across our license areas, capitalising on the breadth of our team's experience and our extensive knowledge of the regions in which we operate.

To assist in the growth of oil and gas companies through our *"best in class"* service and excellence in the execution; *"we make it easy"*, to design and build high quality assets for our clients that serve to maximize their rate of return on capital invested.

COVID UPDATE

Despite the challenges surfaced due to COVID-19, our UK business is growing and actively engaging with customers at different levels across the Middle East and especially Iraq. Our British government has backed the UK businesses with best possible schemes to make sure sustainability and continuity of growth remains intact. The Export of energy related orders to our customers in the Middle East is ongoing and the virtual conferences and exhibitions just made it easier to do business whilst manning a stand at different country.

Opportunities in Kuwait

A high-level panel of speakers from the UK and Kuwait were brought together by the Chamber for its webinar on 14th September.

From top left:
H E Sheikh Dr Meshaal Jaber AlAhmad Al-Sabah
H E Mr Khaled Abdulaziz Al-Duwaisan, GCVO
Rt Hon Baroness Symons
Mr Bandar Reda
HMA Michael Davenport
H E Mr Diraar Yusuf Alghanim

In her introductory remarks, the **Rt Hon Baroness Symons**, ABCC Chairman, stated that Kuwait was one of the UK's oldest friends in the Middle East and the two nations shared common interests that covered far more than commercial issues. She was convinced of the increasing opportunities for expansion of their bilateral trading relationship.

The first speaker, **H E Mr Diraar Yusuf Alghanim**, a member of the Board of Directors Kuwait Chamber of Commerce & Industry (KCCI) and of the ABCC, began by praising the resilience that Kuwait had shown in its response to the covid-19 pandemic as it worked to protect its people and economy.

He remarked on the repercussions of the pandemic on global oil prices and the success of the country's private sector in improving efficiency and maintaining supplies despite potential supply chain disruptions.

One of Kuwait's key assets was its strong banking sector, he stated, which will be more vital as the global economy fully recovers from the pandemic.

Cooperation between the public and private sectors had grown during the lockdown, he said, opening up new possibilities for closer UK-Kuwait engagement.

The Rt Hon Baroness Morris of Bolton OBE DL, the UK Prime Minister's Trade Envoy to Jordan, Kuwait and the Palestinian Territories, reflected on her almost eight years as the British PM's Trade Envoy.

It was significant, she said, that Kuwait had been chosen to be one of the first countries to have a trade envoy; it reflected the importance of the Kuwait-UK trading relationship.

Baroness Morris outlined her work as trade envoy which was to support companies seeking to do business together and to help build new contacts.

Top level discussions on trade between the two countries had continued unabated during the pandemic under a joint steering group established in 2012.

Covid had slowed down business, but it had also highlighted new areas of opportunity in areas like digitalisation, food security and tech.

She mentioned that bilateral trade had actually recorded an increase on the previous year for the first six months of 2020, according to recently released official data.

Baroness Morris looked forward to a further boost in trade post-pandemic.

H E Mr Khaled Abdulaziz Al-Duwaisan, GCVO, Ambassador of the State of Kuwait to the UK, mentioned that Kuwait's Vision 2035 had set out a path for the country to become a financial and trading hub for the region.

Setting up business in Kuwait gave a company access to the markets of its neighbours and into South Asia, the Ambassador stated.

With Kuwait making investments in its infrastructure including roads, rail and metro systems, plus its healthcare and education systems, many new opportunities were coming available for UK investors.

H E Sheikh Dr Meshaal Jaber Al-Ahmad Al-Sabah, Director General, Kuwait Direct Investment Promotion Authority (KDIPA) began by explaining how the KDIPA helps support investors in Kuwait. It provided a one-stop shop service where companies could obtain details about incentives such as an up to 10 year tax holiday; 100% business ownership throughout Kuwait; protection of assets and products.

The KDIPA helped businesses with every stage of the setting up process from licensing to aftercare support. Kuwait's aim, the KDIPA head explained, was to establish long-term cooperation with companies which set up. Opportunities in the country were emerging for innovative companies in healthcare, ICT, and digitalisation, among others.

In his remarks, **HMA Michael Davenport, Her Majesty's British Ambassador to Kuwait**, began by mentioning the celebrations held in 2019 to mark the 120th anniversary of the UK-Kuwait friendship treaty, which indicated the long and enduring cooperation enjoyed by the two countries.

The Ambassador welcomed the bilateral talks that had been held despite the current pandemic on numerous issues such as security, healthcare, education, cyber, R&D, environmental protection.

He expressed the wish to see more UK firms taking advantage of the opportunities in Kuwait and joining the many UK firms already established in the market: such as, BP, Shell, Rolls Royce, Mott MacDonald, Foster & Partners, HSCB, DLA Piper, Wood, Parsons, Petrofac, Debenhams and Mothercare; showing that British business was active across all main sectors.

The Ambassador highlighted recent contracts in Kuwait won by UK firms. UK group Addfield Environmental Systems had won a major contract to set up a waste-to-energy plant and Smiths Detection won a contract to supply baggage screening equipment for Kuwait's new International Airport Terminal 2.

H E Mr Davenport looked forward to ever closer cooperation on new areas such as a green recovery in the aftermath of the pandemic and he welcomed the cooperation with the City of London and Kuwait on green finance.

Mr Bandar Reda, ABCC CEO & Secretary General, warmly thanked the speakers for their impressive contributions which had highlighted how Kuwait saw the UK as a long term partner.

He welcomed Kuwait's vision 2035 which was opening up many new opportunities for cooperation.

Business had not shut down during the pandemic and the ABCC was ready to support companies seeking to work in Kuwait and able to help eliminate any obstacles they faced in doing business, Mr Bandar stated.

The webinar can be viewed by following the link below:
https://register.gotowebinar.com/recording/8384944252761493000

ABCC WEBINAR on Opportunities in Bahrain

The Arab British Chamber of Commerce has organised a webinar on 7 September to bring to the attention of UK investors and exporters the opportunities in the Kingdom of Bahrain across the various sectors. Participants in the discussion comprised the countries' respective ambassadors and the chief executive of Bahrain's Economic Development Board, the official agency which acts as the first point of contact for investors looking to establish business in the kingdom.

The webinar attracted an audience drawn from the chamber's membership and contacts including prospective investors and exporters.

The virtual conference highlighted the many investment opportunities for UK firms in Bahrain's diversified economy such as specialist healthcare services, vocational education, tourism, logistics, e-commerce, data processing, and others.

ABCC chairman, the Rt Hon Baroness Symons, hosted a wide ranging discussion with the participation of the Ambassadors of both countries, H E Shaikh Fawaz bin Mohamed bin Khalifa Al Khalifa, Ambassador of the Kingdom of Bahrain to the UK and H E Roddy Drummond, British Ambassador to the Kingdom of Bahrain, alongside H E Khalid Humaidan, Chief Executive of the Bahrain Economic Development Board, and Mr Bandar Reda, Secretary General & CEO of the ABCC.

In her opening remarks, Baroness Symons noted the recent difficult trading conditions posed by the Covid-19 pandemic and the forthcoming challenge for the UK of Brexit once the transition period comes to an end on 31st December this year.

Ambassador Drummond remarked on Bahrain's favourable environment for doing business and stated that bilateral trade was evenly balanced between imports and exports.

He added that the Department for International trade was looking closely at the emerging opportunities in Bahrain in the expectation of greater collaboration as the global economy resumes activities following the lockdown.

He envisaged no impediments to strengthening UK-Bahrain commercial relations arising from the Brexit process.

Finally, Ambassador Drummond listed the priority sectors in Bahrain such as development of smart cities, logistics, tourism and e-commerce.

H E Khalid Humaidan, Chief Executive of the Bahrain EDB, highlighted some successful examples of UK-Bahrain business partnerships like Standard Chartered Bank's role in the Kingdom's banking sector over many decades and the activities of British carmaker McLaren in Bahrain.

He also outlined the mission of the EDB to attract investors and start-ups, along with supporting companies understand and access the numerous opportunities available to them in Bahrain and the wider region.

Mr Bandar Reda spoke from personal experience of the immense hospitality of the Bahrain people encountered on visits to the Kingdom and also remarked on Bahrain's future vision which is being driven forward by a younger generation becoming more active in the economy.

Finally, H E Shaikh Fawaz bin Mohamed bin Khalifa Al Khalifa, the Bahrain Ambassador, warmly thanked the ABCC for providing a platform to discuss the opportunities for closer UK-Bahrain collaboration. He highlighted how economic relations between Bahrain and the UK date back many decades, and that the UK is considered one of Bahrain's most important trading partners.

The ambassador described how Bahrain took swift action in response to the COVID-19 outbreak by testing its citizens and residents along with other measures to protect the people and economy.

The webinar can be viewed by following the link below:

https://register.gotowebinar.com/recording/2736249444394959117

Doing Business in the UK in a Post-Brexit World

Expanding your business into the UK has many benefits. A safe and secure environment, world-class financial services and education system, the English language, globally connected cities, simple company formation and transparent regulation mean it is unsurprising that thousands of companies seek expansion into the UK market each year.

Gary McIndoe
Managing Director

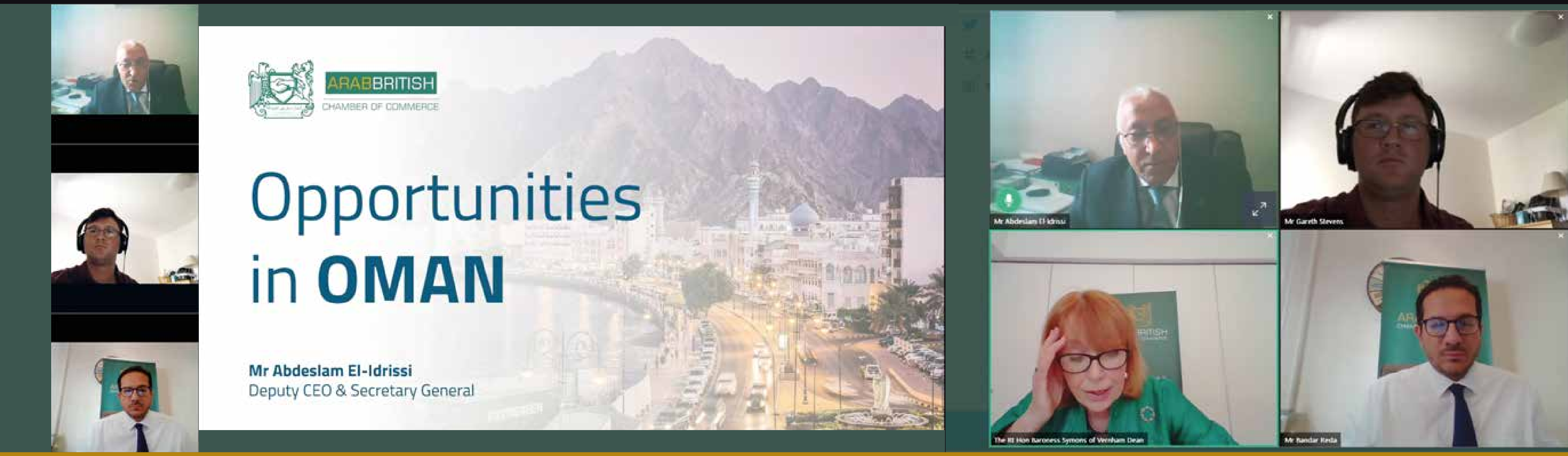
Our visa system can be confusing. With the end of the Brexit transition period on 31 December 2020 come further changes, designed to make the UK an attractive destination for foreign talent whatever your nationality. The government wishes to attract skilled people from around the globe – not just from the EU – and is adapting its immigration rules to facilitate this.

At Latitude Law, we create solutions for investors, entrepreneurs and highly-skilled individuals who seek the opportunities UK relocation can offer.

From our head office in Manchester and locations in Liverpool, London and (from late 2020) Brussels, we advise on the full range of options available to you and your business:

- Sponsor licensing - a requirement if you are looking to employ overseas staff; remember this will include EU citizens from January 2021. Preparing for a licence application requires careful consideration of your future business planning, as you must justify your anticipated need to recruit from beyond the resident labour market. You can secure a general licence to recruit new hires from abroad, or an intra-company transfer licence to send existing staff to the UK from your overseas offices.
- Sponsoring workers – once licensed, we help your business to adopt fully-compliant processes when seeking to recruit foreign staff. We can be with you every step of the way, acting as your legal representative on the Home Office's sponsor management system, managing new hires and transfers into your UK operation. From 2021 the threshold skill level for sponsored staff will be lowered, to A-level equivalent from the current degree-level role. The UK's shortage occupation list is extensive. We see this expansion of the sponsored work route as a golden opportunity for both businesses already operating here, and those looking to open a branch or subsidiary.
- Sole representative of an overseas business – if you considering expansion into UK and European markets this visa offers an excellent opportunity to test the water. A senior executive can relocate in order to develop your UK offering. This can be someone who owns up to 50% of the equity in the overseas business, so directors of companies are welcome to apply with their families. Our legal team handles many such applications in this increasingly popular visa category each year.
- Innovators – link up with incubators in the UK to develop your own business idea or invest in a joint venture.
- Investors – high net worth individuals who must place at least £2 million on investment, most commonly in shares or corporate bonds issued by UK-registered companies.
- Global talent – this sought-after visa offers a path to permanent residence in just 3 years to leaders in their field. We have particular expertise advising highly talented individuals in the tech sector.
- Coming in 2021 – a new highly-skilled visa route, which will not require sponsorship from an employer, due to begin next year; and a 2-year graduate work visa for individuals who have completed a degree at a British university, due Summer 2021 and also not tied to a specific employer.

ABCC Activities



The Chamber organised a webinar on opportunities for investors and exporters in Oman in partnership with Britain's Department for International Trade and the Embassy of Oman in London.

Speakers at the virtual event, which was held on 2 September, highlighted the opportunities arising from Oman Vision 2040, the national strategy which underpins the investment and economic development of the Sultanate.

The webinar featured a detailed presentation by Mr Gareth Stevens, the Director of Trade and Investment at the British Embassy in Muscat.

The discussion, which was viewed by over 150 people, offered guidance on doing business in Oman, highlighting some of the main sectors and projects that were open to UK private sector input and investment.

Speakers explained how the ABCC can assist investors, exporters and service providers who were interested in Oman by closely working with its strategic partners in the embassies and ministries.

Rt Hon Baroness Symons, the ABCC Chairman, stated in her opening remarks that trade between the UK and Oman was founded on a strong relationship and trust. She described Oman as a special place to visit with a beautiful natural landscape that was unlike any other and an exceptionally welcoming people.

Mr Abdeslam El-Idrissi, Deputy CEO & Secretary General, ABCC, in a presentation on the attractions of Oman for investors, described the sultanate as a strategic location and important business hub which was ideal for pursuing successful business activities across all of the Gulf, in the Arab World, Africa and further.

Mr El-Idrissi indicated that there had been a small increase in both imports and exports during the first half of the year, which was a notable achievement given that these were the months that marked the start of the strictest measures associated with the Covid-19 lockdown.

Oman was very keen to develop private sector activities and attract foreign investment and build new partnerships.

By means of the Oman Vision 2040, the sultanate had clearly set out its plans and priorities to increase the diversification of its non-oil sector, develop new productive industries and ensure sustainable development for long term prosperity.

Priorities included enhancing its education system where the stress was on lifelong learning and equipping Omani citizens with the skills to become more entrepreneurial.

In addition, Mr El-Idrissi explained, Oman was seeking to improve its governance and protect its natural environment.

Significant incentive packages were available to attract investors and company start ups such as competitive utility costs, tax exemptions and no personal tax.

Many opportunities were coming available in a variety of areas, such as, for example, education, water and waste management, fisheries, tourism, logistics, healthcare upgrade and chemicals industry.

The growth in manufacturing activities was an important aspect of the increase in the non-oil contribution towards the national economy.

Manufacturing in Oman comprised machinery, industrial equipment, food production and processing, minerals and metals like copper.

Concluding his remarks, Mr El-Idrissi outlined the different means whereby the ABCC was able to support companies seeking to do business in Oman, including offering advice on setting up in the country and helping to identify local partners through close cooperation with the chambers' network in Oman.

The ABCC had produced a Doing Business with Oman report earlier in the year and copies were still available on request.

Chairing the discussion, Mr Bandar Reda, ABCC CEO & Secretary General, emphasised Oman's strong links with the UK and the comprehensive ambitions elaborated in its Vision 2040 which covered so many different sectors.

Mr Gareth Stevens, speaking from the UK Embassy in Muscat, described the webinar as one part of an ongoing process of informing British business in detail exactly what was available in Oman and remarked on his cooperation with the ABCC in hosting successful events and trade delegations in the months before the lockdown.

Commenting on Oman's quick response to the pandemic, Mr Stevens stated that the country's health sector had performed well and shown great strength.

At the time of speaking, international travel remained restricted, but business could be carried out effectively online, he said.

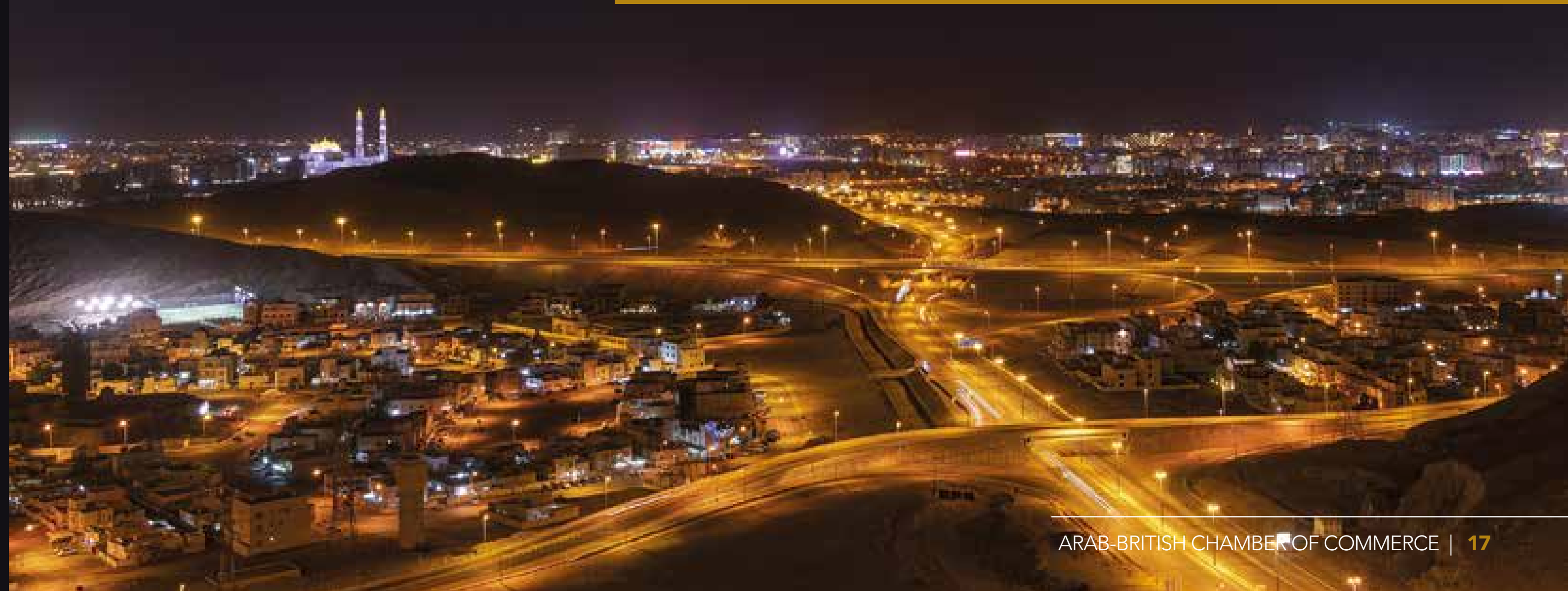
Mr Stevens pointed out that Oman was engaged in streamlining its governance with the aim of boosting investment. Use of technology and e-commerce were taking off.

To summarise, the UK official's message to investors was a positive one: Oman was business friendly and very keen to develop its ties with UK firms whose presence in the market was already strong. The English language was widely used among businesspeople, as were the adoption of British product standards.

The broad range of questions submitted to the speakers from the subscribing delegates reflected a high level of interest in Oman. These covered the openings for SMEs, growth in the digital economy, new projects under Vision 2040, the need for more private sector expertise, opportunities for the construction industry as new projects emerge to develop niche tourism, such as business travel and eco-tourism after Covid-19.

All the participants expressed the view that the webinar had allowed a useful discussion to take place on the latest developments in Oman and this should awaken more interest in the country and give guidance to potential investors.

The webinar can be viewed by following the link below:
https://register.gotowebinar.com/recording/7689726348787352332



Investment and Business **Opportunities in Bahrain**

Manama 'the most financially attractive city in the world'

"Building on its track record as a successful financial centre, Bahrain has quickly established itself as an innovative FinTech hub, home to regulations designed to enable and encourage entrepreneurship. In addition, during the current COVID-19 crisis, Bahrain has acted quickly to support adversely affected enterprises from the economic repercussions caused by the global spread of the pandemic."

Every single GCC member was represented in the top 20 most financially attractive cities in the world, according to AIRINC's latest Global 150 Cities Index. The index ranks 150 of the top global locations according to financial attractiveness and lifestyle attractiveness. It combines local salary levels, tax rates, living costs, and living conditions to assess how appealing each location is to live in.

Bahrain's capital Manama was named the most financially attractive city in the world, followed by Riyadh, Kuwait City, Abu Dhabi, Dubai, and Muscat. The data is collected by AIRINC's own in-house survey team, who continuously research the costs and living conditions of many cities around the world to evaluate international mobility.

GCC economies have invested considerable sums in making themselves more attractive to international businesses in line with ambitious region-wide economic diversification efforts. As the first GCC member to begin diversification, the Kingdom of Bahrain offers one of the easiest and most cost-effective environments to set up and operate a business in the world. Businesses operating in the Kingdom enjoy 0% tax and 100% foreign ownership allowed.

Thanks to its comprehensive programme of reforms, increasingly digital Bahrain was recently named the fourth most improved economy in the world by the World Bank's latest Ease of Doing Business report. As well as ranking first in the world for financial attractiveness in the AIRINC index, Manama also jumped 15 places for overall attractiveness, to 48th.

ONE OF THE WORLD'S TOP START-UP HUBS

The GCC's Bahrain and Sharjah are among the world's top five fastest-growing ecosystems with fewer than 1,000 start-ups, according to The Global Start-up Ecosystem Report 2020.

The major study, titled 'The New Normal for the Global Start-up Economy and the Impact of COVID-19', assesses not only the progress of ecosystems over the last year but also how markets have responded to the ongoing global Coronavirus outbreak. In the wider region, Cairo was also in the top five, with Dubai making it into the Top 20 emerging ecosystems.

The report ranked Bahrain as one of the ecosystems in the 'activation' phase – describing locations with fewer than 1,000 active start-ups. It also found a dramatic improvement in funding availability in Bahrain, awarding the country nine out of 10 (up 8 places of one last year) – an achievement which puts Bahrain in the Top 10 Africa & MENA countries for early-stage funding.

The report – which tracks performance, funding, experience & talent, market research, connectedness and knowledge – also praised Bahrain's strength in FinTech and noted the success of its stimulus programme in response to COVID-19.

Dr Ebrahim Janahi, the Chief Executive of Labour Fund 'Tamkeen' commented on the report's finding stating: *"Building on its track record as a successful financial centre, Bahrain has quickly established itself as an innovative FinTech hub, home to* *regulations designed to enable and encourage entrepreneurship. In addition, during the current COVID-19 crisis, Bahrain has acted quickly to support adversely affected enterprises from the economic repercussions caused by the global spread of the pandemic. This is evident with the launch of the Business Continuity Support Program from Tamkeen, which comes as part of the Government's economic and financial stimulus package announced to support both citizens and businesses in the Kingdom. With a budget of USD $ 106 million allocated, the program has already helped support small and micro enterprises, providing them with financial grants ranging between USD $ 5,438 and USD 31,830 depending on the size of the enterprise, which have been disbursed over a period of three months."*

Bahrain's Labour Fund, Tamkeen, has long been a part of GSER's Global Network and remains a major source of government funding, including financial grants and subsidies. Tamkeen is part of a Bahrain-wide support structure for start-ups that includes Startup Bahrain, a community-led initiative, local angel networks like Tenmou, accelerators like Flat6Labs and BRINC, VCs like Middle East Venture Partners and 500 Start-ups, and local $100m Fund of Funds Al Waha.

David Parker, Co-Chief Investment Officer at Bahrain EDB in charge of ICT, said: "This recognition is a great achievement for Team Bahrain. The massive improvement in Bahrain's score around funding is a testament to the success of Al Waha Fund of Funds which has helped to drive the creation of more VC interest in Bahrain and across the Gulf and supported the growth in our overall scores.

"But the report also recognises the comprehensive nature of the support for start-ups in Bahrain, and the positive impact of Bahrain's stimulus programme which has helped SMEs weather the current pandemic.

He also added: *"COVID-19 acted as a catalyst to the start-ups adaption of new technologies in all sectors including Foodtech, Smart logistics, Proptech and Healthtech aiming to improve business continuity and increase efficiencies."*

The report singles out Bahrain for its FinTech expertise, with the Central Bank of Bahrain's FinTech Sandbox and Bahrain FinTech Bay, the region's largest FinTech hub, being major factors in Bahrain's growing reputation. Tarabut Gateway is the first licensed open banking platform and the largest in MENA. The GSER also recognised the Bahrain government's $11.4bn stimulus package as a major source of support for start-ups.

Local Bahrain start-ups have been very active during the crisis. As well as providing its services for free for Bahraini government agencies, medical centres, and hospitals, Bahraini queue management start-up Skiplino has deployed its technology with Italian hospitals and UK supermarkets to help maintain social distancing during the pandemic. Similarly, GetBaqala and Weyak are both Bahrain-based apps that have been delivering medicine and pharmaceuticals direct to customers, ensuring that Bahrainis can continue to comply with social distancing rules.

eGOVERNMENT DEVELOPMENT

Bahrain has maintained its second place ranking among Arab countries in the eGovernment Development Index 2020 ranking it among the very high categories, which was formulated based on the results of a 2020 United Nations eGovernment Survey. The index and its accompanying report, launched on 10th July 2020 by the United Nations Department of Economic and Social Affairs (UNDESA), also highly ranked the UAE, Saudi Arabia, Kuwait, and Oman.

The report highlighted the Kingdom's National Suggestions and Complaints System, 'Tawasul' as an example of a successful and innovative official government channel of communication. The system enhanced public participation and government service customer experience, contributing to the Kingdom's high ranking and performance in the E-Participation Index (EPI). The report praised the system's ability to reach the public through multiple electronic channels, including the National Portal (bahrain.bh) and the Tawasul app, which is available for download on both the iOS and Android systems.

The report affirmed the significant progress achieved by the Kingdom in the Human Capital Index (HCI), reflecting the longstanding advanced quality of its primary education system and its efforts to raise its education and schooling indicators. Bahrain's success in keeping pace with the latest technical developments and its readiness in deploying emerging technologies in government services was also highlighted along with the Kingdom's efforts to achieve the highest levels of service quality and satisfaction.

The role of eGovernments in combating the global Coronavirus pandemic featured prominently in the report. The crisis demonstrated the important role played by eGovernment programs in advancing eServices, health consultations, crisis management, and the deployment of technologies to ensure the continuity of private sector business and day to day life.

Supported by its technical preparedness, the Kingdom was able to make great strides in digital transformation, one of the pillars of the 2020 report, by fully digitizing many government services, including judicial and education services.

The results of the eGoverment Survey, published every 2 years by UNDESA and overseen by

"Bahrain has maintained its second place ranking among Arab countries in the eGovernment Development Index 2020 ranking it among the very high categories, which was formulated based on the results of a 2020 United Nations eGovernment Survey."

more than 200 experts, confirmed an improvement in the eGovernment Index compared to previous reports, recording a rise from 0.8116 in 2018 to 0.8213 this year.

1ST IN THE MENA TO RATIFY UN TREATY ON ELECTRONIC COMMUNICATIONS

Bahrain became the first country in MENA to ratify a key United Nations convention on electronic communications, helping to enable a new wave of digital business across the region and enhance investor protections.

The United Nations Convention on the Use of Electronic Communications in International Contracts (2005) aims to enhance commercial certainty by ensuring that contracts concluded and other communications exchanged electronically are as valid and enforceable as their traditional paper-based equivalents and by introducing specific principles surrounding the use of technology during signing processes. This will enter into force for Bahrain on 1st January 2021.

The principles of the treaty include defining terminology such as 'writing' and 'signature' so that all parties are legally protected when entering into a contract.

The convention also aims to remove legal obstacles to the use of electronic communications in enacting previous treaties that were first created before the widespread use of modern technology.

Bahrain became the 14th country globally to join the treaty, alongside major economies such as Singapore and Russia. Countries that have signed, but not yet ratified, the convention include China, the Republic of Korea and Saudi Arabia.

It comes after Bahrain made history in November 2018 by becoming the first nation to enact legislation based on the United Nations Commission on

"Bahrain is leading the way on tech-driven reforms and is committed to supporting the needs of entrepreneurs and investors as they work to build long-term growth in our thriving e-commerce landscape."

International Trade Law (UNCITRAL) e-commerce model laws. The move was part of a series of sweeping reforms aimed at bolstering the digital readiness of the GGC region's $1.5 trillion economy.

Commenting, H E Khalid Humaidan, Chief Executive of Bahrain EDB, said: "To build a truly digital economy in the GCC, it is essential that our regulation keeps pace with the latest developments – particularly at a time when more and more business is being conducted in the virtual realm.

"Bahrain is leading the way on tech-driven reforms and is committed to supporting the needs of entrepreneurs and investors as they work to build long-term growth in our thriving e-commerce landscape.

"We look forward to continuing to work closely with the United Nations as we stay on the cutting edge of legislative developments."

Luca Castellani, Secretary of Working Group IV (Electronic Commerce) of the United Nations Commission on International Trade Law (UNCITRAL), noted: *"The accession of Bahrain to this treaty completes the significant work that the Government of Bahrain and the UNCITRAL Secretariat have carried out together to provide Bahrain with a modern, efficient and effective enabling legal framework for the digital economy. I am confident that this will encourage more countries in the region and worldwide to adopt the latest UNCITRAL texts in the field."*

Stefano Pettinato, Resident Representative of the United Nations Development Programme said: *"By ratifying the UN Convention on electronic communications, the Kingdom of Bahrain sets an example on how digital technology, international law, and multilateralism are enabling factors for the promotion of international trade and the achievement of the Sustainable Development Goals through greener and more efficient protocols."*

BUSINESS OPPORTUNITIES

Opportunities for investors in Bahrain exist in the following sectors:

Financial Services Industry[1]

As the GCC's acknowledged financial capital, Bahrain has built a financial services sector comprising over 370 local, regional and global institutions.

As a regional financial services hub, having a presence in Bahrain will put you at the centre of a growing concentration of wealth. The regional market is valued at $1.5 trillion and Bahrain finance companies are at the focal point of the GCC as well as the wider MENA region. Bahrain is an attractive option whether you are a financial services, banking, or exchange company. The Kingdom's progressive regulatory environment ensures that the region's longest established financial centre remains also its most innovative.

Islamic Banking & Finance[2]

Bahrain is recognised as a global pioneer in Islamic finance and remains a global leader, ranking 1st in MENA and 2nd globally for Islamic finance development. The Kingdom set the benchmark early for Islamic banking regulation by establishing the Bahrain Islamic Bank in 1978, and have nurtured the concepts, rules, and standards of Shari'a banking compliance in Islamic banks ever since. In this way, Bahrain is able to cater to the needs of both mainstream Islamic finance and the new FinTech entrepreneurs who offer Shari'a-compliant products. A continued focus on innovation and customer service has made Bahrain a top destination for Islamic finance development.

Fintech and Payments[3]

FinTech, the intersection of finance and technology, is experiencing unprecedented industry growth across the globe, none more so than in the Middle East. At the heart of this digital transformation, Bahrain is continually evolving its long-established financial services ecosystem to unlock opportunities for FinTech ventures and global financial institutions with a digital agenda. Bahrain is home to MENA's leading FinTech hub, Bahrain FinTech Bay, which provides facilities including dedicated coworking, innovation labs, advisory services and collaboration platforms.

Manufacturing Activities[4]

Participants in manufacturing businesses across the world often face financial and logistical hurdles, but manufacturers operating in Bahrain can avoid most of those challenges. Bahrain offers lower operating costs, a strategic location, a highly skilled workforce and world-class infrastructure, making it the ideal regional base for product manufacturing companies.

Bahrain International Investment Park[5]

Bahrain International Investment Park (BIIP) is a versatile industrial district that was established in 2005 by the Ministry of Industry, Commerce and Tourism as the country's flagship industrial park. Home to 114 multinational and indigenous manufacturing and services companies, and employing over 5,200 people, BIIP has been a key driver in developing Bahrain's economy with approximately 80% of its investment coming from international businesses. Both foreign-direct investments and export-driven domestic projects thrive in the industrial park.

Logistics[6]

Bahrain offers a wide range of business logistics opportunities for international companies looking to establish a cost-effective distribution and fulfilment base in the region. Unrivalled access to GCC markets and high-quality customer service from Bahrain EDB maximises the impact of any investment.

Bahrain Logistics Zone[7]

Bahrain Logistics Zone (BLZ) offers a range of solutions that cater to the needs of increasing logistics operations. This 1 km2 of land offers one of the best locations in the Middle East for keeping project and construction costs low. The BLZ is located in the ideal area for simpler and cheaper logistics plans.

The BLZ offers one of the most efficient customs procedures and fastest customs clearance times across the GCC to help keep logistic plans on schedule.

End to end customized customs solutions and dedicated account managers for administrative and management purposes are just some of the logistics resources in the BLZ.

A 24/7 customs presence for shipment processing helps keep logistics operations running smoothly around the clock.

Tourism Sector[8]

Every year, millions of tourists from across the Gulf and beyond experience the best Bahrain has to offer. Of all the places to visit, tourists choose the Kingdom for its superb island setting; cosmopolitan, relaxed way of life; rich history and culture; exciting major events; delicious food and varied shopping choices. All of these ingredients have combined to create a thriving tourism and hospitality sector, which offers investors world-class infrastructure and a broad range of retail, leisure, food and hotel investment opportunities. This thriving industry looks forward to growth post-covid.

International Real Estate[9]

Real estate in Bahrain is booming across the Kingdom with developments springing up, attracting

an increasing array of overseas property investments in large-scale commercial and residential projects. In addition, there is significant interest from across the Gulf with many buyers coming from Saudi Arabia and Kuwait. Real Estate Investment Trusts (REITs) can find significant opportunities in developing communities in Bahrain. An extensive range of investment opportunities, combined with liberal foreign ownership laws and robust regulatory systems, make Bahrain a highly competitive location in the global real estate marketplace.

Investing in Education[10]

Education in Bahrain is in high demand and requires further investments and resources to support its growth. Gulf student numbers are expected to reach 15 million by 2020, creating demand at all stages of the education system. In Bahrain, education investors and providers have access to high-quality opportunities, both domestically and regionally, and can also benefit from savings when it comes to taxes. There are no income taxes in Bahrain, and the education sector is exempt from the recently introduced VAT.

Investing in Healthcare[11]

Healthcare in Bahrain is expanding rapidly with a focus on developing centres of medical excellence. Bahrain is at the heart of the opportunities in regional healthcare. Prospects for investing in healthcare are substantial, whether you are in wellness and prevention, specialised medical care, mental health, research and development (R&D) or manufacturing medical products. Bahrain's healthcare sector has solid foundations, exciting growth opportunities, a centralised location and promising talent, making it the future of the healthcare industry in the Gulf.

With a market on the rise and a workforce ripe for development, now is the time to take advantage of healthcare investment opportunities in Bahrain and invest in research facilities and hospitals in Bahrain.

Information and Communications Technology[12]

Opportunities are extensive covering areas like Cloud Computing, Cyber Security, Digital Content and E-commerce. With a compact and highly-connected ecosystem, Bahrain brings together a diverse range of IT companies within the areas of IT services, IT distribution, IT consultancy, data management systems, software developers and customer support centres. Ranked first in the MENA for its ICT readiness by the World Economic Forum, Bahrain offers the most competitive and affordable ICT services in the region.

Cloud traffic is growing faster in the MENA than anywhere else in the world. As the first Gulf country to adopt a nation-wide 'cloud-first' policy, Bahrain is ideally placed to take advantage of the ICT opportunities in areas such as business services outsourcing, cybersecurity, digital entertainment, gaming and e-commerce.

Strong market conditions created by high mobile penetration, the roll-out of commercial 5G and a business-friendly regulatory environment, enable Bahrain to offer an ideal testbed for communication technology companies looking to take advantage of a region undergoing rapid digital transformation.

Business Services Outsourcing[13]

Business outsourcing services can benefit from the Kingdom's unrivalled access to both local and global markets. Situated at the heart of the GCC, Bahrain offers various advantages including great access into Saudi Arabia's large market, a cost-competitive location, government incentives and the availability of skilled human capital.

Local Bahrainis' dialect, cultural knowledge and understanding of geographical locations makes Bahrain an ideal hub for shared services companies looking to service the GCC region. Outsourcing services in Bahrain can save companies time and resources in the business process.

Outsourcing tasks in Bahrain can be more affordable for many company management teams as total operating costs are designed to be leaner than in neighbouring economies. Bahrain has a range of technology, Telecom and internet providers to keep ICT costs competitive, and in a study comparing the cost of doing business with neighbouring countries, Bahrain was significantly more cost effective across a range of different data parameters.

Bahrain offers a pool of highly qualified business and sales graduates who could be ideal potential employees for shared services providers or outsourcing services companies. Bahrainis' easily understood dialect along with their geographic knowledge of the region adds great value as well.

Moreover, Tamkeen, a semi-government organization bolstering the private sector, offers salary & training subsidiaries to companies registered in Bahrain as well as grant schemes to cover other costs.

Start-ups[14]

Bahrain's start-up scene is expanding at a rapid pace and includes companies within software development, eCommerce, cybersecurity, health, and FinTech. Starting a business overseas offers unique opportunities for growth.

Many entrepreneurs are searching for the best country to start a business as a foreigner, and Bahrain provides many advantages to international start-ups.

Bahrain's ecosystem and strategic location at the heart of the GCC makes it the perfect environment for start-ups to find all the management tools and resources to test, launch, grow, and scale to the regional market.

The above is based on material produced by the Bahrain Economic Development Board.

CONTACTS

Bahrain EDB

The Bahrain EDB can be approached for advice about all aspects of doing business in Bahrain. You can find contact details for the EDB's offices in Bahrain and the UK, by visiting the agency's website:

https://www.bahrainedb.com/contact-us/#findouroffices

Department for International Trade Bahrain

The staff at the DIT in Bahrain are ready to help UK companies succeed in Bahrain; they also assist Bahrain companies looking to set up and invest in the UK.

British Embassy

Email: **DITBahrain@fcdo.gov.uk**

https://www.gov.uk/world/organisations/department-for-international-trade-bahrain

REFERENCES:

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4: https://www.bahrainedb.com/business-opportunities/manufacturing/
5: https://www.bahrainedb.com/bahrain-international-investment-park/
6: https://www.bahrainedb.com/business-opportunities/logistics/
7: https://www.bahrainedb.com/bahrain-logistics-zone/
8: https://www.bahrainedb.com/business-opportunities/tourism-leisure/
9: https://www.bahrainedb.com/business-opportunities/international-real-estate/
10: https://www.bahrainedb.com/business-opportunities/investing-in-education/
11: https://www.bahrainedb.com/business-opportunities/healthcare-opportunities/
12: https://www.bahrainedb.com/business-opportunities/information-communication-technology/
13: https://www.bahrainedb.com/business-opportunities/information-communication-technology/business-services-outsourcing/
14: https://www.bahrainedb.com/business-opportunities/startup-bahrain/

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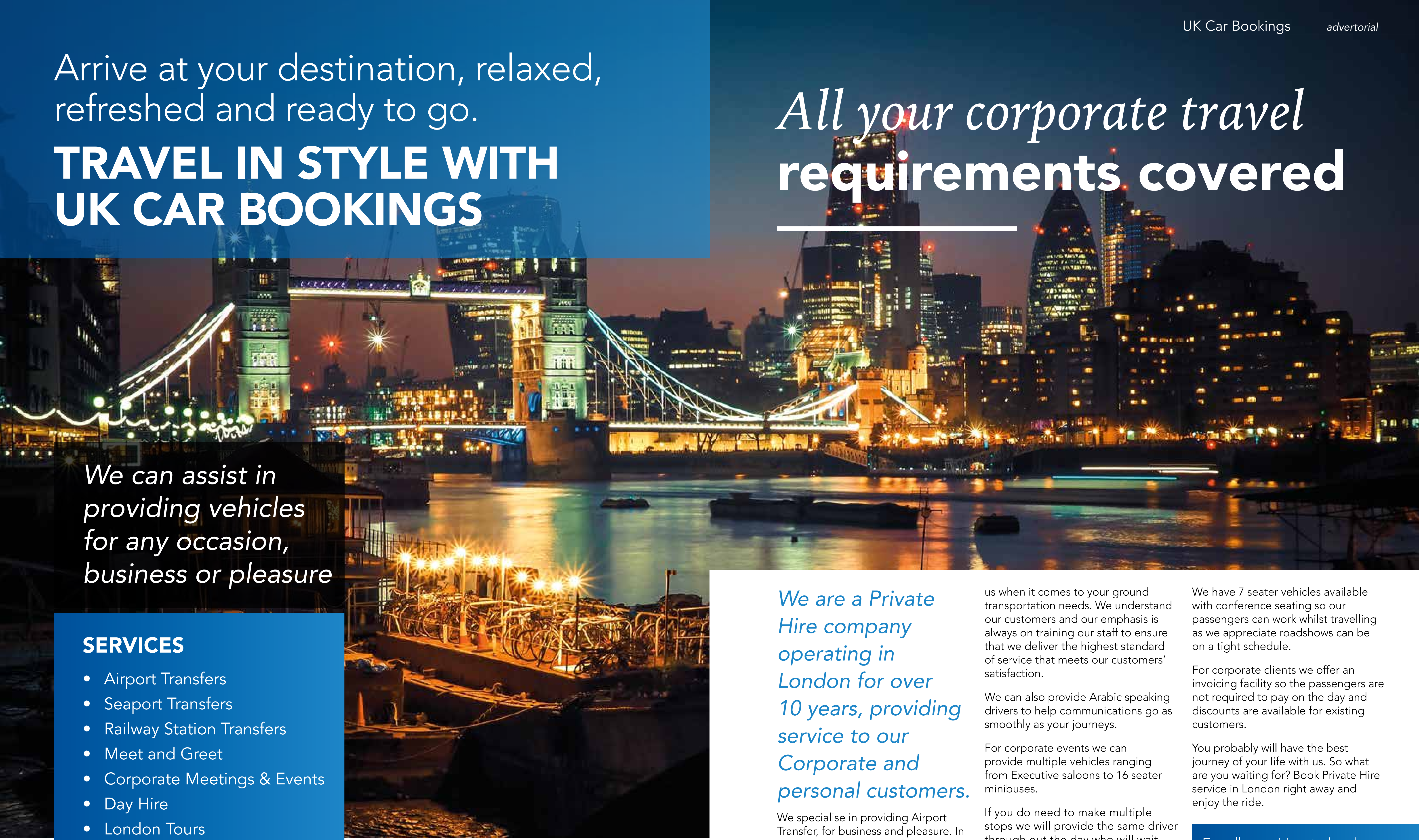

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VAT in the GCC: Recent Developments in Bahrain

By Joanne Clarke, Tax Director (VAT), Risk Advisory Services, Pinsent Masons LLP

Bahrain's National Bureau for Revenue (NBR) is continuing to issue new sector and topic-specific VAT guidance, to provide support and clarity to businesses operating in the state.

Recent publications include a very detailed new guide to VAT in the retail and wholesale sector, which contains additional commentary around a number of challenging sector-specific topics. The NBR has also published a new guide on economic activity, as well as a very timely new guide on transfer of going concern (TOGC) given the current climate of businesses reorganisations due to economic pressures.

The NBR has also released a brief clarification on how the temporary Loan Repayment Holiday should be dealt with from a VAT perspective.

New Guidance for the Retail and Wholesale Sectors

The NBR's new retail and wholesale VAT guide is one of the most detailed it has released to date. The guide walks businesses in these sectors through all of the basic VAT concepts and principles and how they specifically apply to the types of activities often seen in this sector.

The guide also deals with some tricky areas of VAT applicable to businesses in this sector, who perhaps have required clarity on the application of the law to their specific circumstances. Topics covered include:

- valuation principles when dealing with bundled supplies, discounts, rebates and more, with a specific reference to the OECD transfer pricing guidelines for determining market value;
- agent and intermediary relationships, including host stores and concessions;
- asset financing and the profit margin scheme;
- vouchers, gift cards, coupons and loyalty schemes;
- damaged and obsolete stock;
- warranties;
- the tourist refund scheme.

This is a very valuable support document for businesses in these sectors trading in Bahrain, especially when dealing with some of these more complex VAT matters.

Economic Activity Guide

The NBR has released an economic activity guide setting out what is and is not viewed as representing an 'economic activity' within Bahrain, and therefore within the scope of the VAT regime.

While the guide is somewhat as expected in terms of VAT treatments to be applied, some valuable sections of this guide include the NBR's comments on contracted staff, board members and directors; charities and not-for-profits; and active and passive holding companies.

Transfer of Going Concern Guide

The NBR's new guide to transfer of going concern (TOGC) is particularly timely, given the impact of Covid-19 and the price of oil on the Bahrain economy. Businesses and corporate groups may be considering selling off parts of their business in order to cut their losses, and international investors may be taking advantage of the current economic climate by investing in new industries and sectors.

The guide sets out the basic conditions required in order for the TOGC rules to apply to the transfer of a business, or part of a business, for VAT purposes in Bahrain. Importantly, the transferor must be registered at the time of the transfer and not simply have submitted a VAT registration application, which is acceptable in other Gulf countries.

The guide provides further explanation and helpful practical examples relating to some of the conditions for the TOGC rules to apply. These include the need for the business being transferred to be capable of being operated on an independent basis (the 'going concern' condition); and the need for the transferee to immediately use the business assets for the same or a similar trade activity.

Importantly, each party must independently notify the NBR of the transaction within 30 days of the sale or transfer, via the appropriate form. In the absence of this step, the TOGC rules will not apply and the transaction will fall back to the usual Bahrain VAT rules.

The guide also helpfully walks taxpayers through some of the more practically difficult aspects of a business transfer such as transactions with vendors or customers after the transfer; bad debts; warranties; and the interaction of the TOGC rules with VAT group provisions. The real estate and capital assets sectors of the guide are also warmly welcomed, as the transfer of property as part of a deal can have particularly complex VAT implications.

Loan Repayment Holiday

The NBR has released a two-page public clarification on the VAT consequences of the six-month loan repayment holiday introduced by financial institutions in Bahrain in response to the Covid-19 crisis.

Specially, the public clarification deals with the timing of accounting for VAT on these financial services as a result of the extended payment holiday period.

Businesses are prompted to use the standard due date rules in relation to the earlier of:

- when the consideration (e.g. interest or profit) becomes due and payable by the borrower;
- the date a VAT invoice is issued in respect of the supply; and
- the date of payment of the consideration by the borrower.

In the absence of any of the above occurring for any particular credit granted by a financial institution due to extended payment terms, VAT must at a minimum by accounted for at the end of a 12-month period.

FURTHER READING

Retail and Wholesale VAT Guide https://s3-eu-west-1.amazonaws.com/nbrproduserdata/media/7Rxdt5p35HWAIMkXqCuNztyRpkxIcPlcJMZAMm4E.pdf
VAT Economic Activity Guide https://s3-eu-west-1.amazonaws.com/nbrproduserdata/media/PMHCkU6inCG4r67QAgfZ8egPrIeR8zhNgYjLA0Ju.pdf
Guide to Transfer of Going Concern (TOGC) https://s3-eu-west-1.amazonaws.com/nbrproduserdata/media/aiJadbJyH4HBR8HMn1R8TH3nFiepaijvuFZRFpdt.pdf

Is fintech the key to the UK's trading future?

The British government is setting up programmes to push UK fintech further onto the world's stage. The Institute of Chartered Accountants in England and Wales asks if the sector sees the same opportunity.

The UK government is putting a lot of chips on fintech – businesses using technology to enhance or automate financial services and processes – as a potential growth market for trade after the EU transition period comes to an end. Over the past decade, the UK fintech sector has grown quickly, with companies such as Revolut, Monzo and TransferWise making real marks on the global market.

The UK Department for International Trade (DIT) has run several programmes to push UK fintech out in the world. For example, its recently launched Tech for Growth programme aims to build relationships between UK fintech and emerging economies to help the sector gain a larger presence on the world stage.

The programme will initially be piloted across Africa in its first year. The programme looks to establish UK-Africa fintech trade by highlighting commercial opportunities and overcoming any hurdles holding back growth in that area. The DIT wants to establish close, collaborative relationships with African governments and regulators to help stimulate the growth of the tech sector across the continent. After the first year, the programme will expand globally across South East Asia and Latin America.

"It's good to see the UK playing to its strengths," said Richard Anning, Head of ICAEW's Tech Faculty. *"It is a vibrant centre for tech start-ups combined with deep expertise in financial services and fintech. It will be great to see the best of the UK fintech scene making contact with and working alongside other leading tech clusters, initially in Africa and then further afield, to improve financial inclusion for some of the world's financially underserved populations. There are some leading hubs in Africa, including Nigeria, Kenya, South Africa and Egypt that could provide initial targets for collaboration."*

Fintech companies can go from startup to giant extremely fast and from that point of view, it makes sense to nurture the sector and provide it all the opportunities to become a global powerhouse, advertising the UK as a vibrant hub for technology and innovation. But what is the reality of the market? Are fintech firms seeing the same opportunity? ICAEW Insights spoke to three companies to find out more.

> *"It is a vibrant centre for tech start-ups combined with deep expertise in financial services and fintech. It will be great to see the best of the UK fintech scene making contact with and working alongside other leading tech clusters"*

THE REGTECH START-UP

Solidatus is a fast-growing regtech company based in the UK. Founded in 2017 by Philip Dutton and Philip Miller, the business has expanded into Southeast Asia and is looking to expand into new territories.

The company provides a tool that helps organisations manage data in a way that provides good governance, in line with local regulations. With GDPR and similar data privacy laws coming into force in recent years, Solidatus' market has broadened considerably.

The firm regularly works with the Department for International Trade and was able to expand into Southeast Asia through its involvement in trade missions within the region.

New and emerging markets are a huge opportunity for UK businesses, particularly in service-based sectors. But reaching those markets as an individual entity can be difficult, particularly building networks. *"I think the UK government is very well placed with their teams on the ground to make introductions and provide a map of how to go about landing in an area and finding the appropriate people to talk to,"* says Dutton. *"Even with the appropriate level to be pitching at or the messaging you're getting across, they have been very helpful."*

Dutton sees Brexit as an opportunity for the most part. The amount of change that will occur in the UK and mainland Europe opens up avenues for fintech and regtech companies to provide more services to help businesses remain compliant and competitive. Brexit does, however, add an element of complexity.

"We were looking at setting up an organisation in Germany or one of the other EU member states just to try to make trade easier once we had left. Singapore now has much better trade agreements with the EU, so we shouldn't be too affected, but we're still moving into Europe."

THE FAST-GROWING SME

Edinburgh-based cashflow forecasting app Float opened a new office in Australia this year, battling against many factors outside of their control. The country started 2020 with devastating bushfires and flooding, followed by the coronavirus.

"It was an interesting time to be setting up an office remotely," says Float's founder Colin Hewitt. *"One member of our team went out and braved it for us. She ended up essentially locked in a hotel for three months. But Sydney has now come out of lockdown. We've hired another two people out there and it's really starting to pick up."*

The company is less interested in expanding into Europe – not because of Brexit, but because of the competitiveness of the accountancy software market there. *"We're focusing on Xero and QuickBooks integration over the next 18 months. The European market is much broader,"* said Hewitt.

Fintech companies going after the EU market are finding it difficult due to the uncertainty around Brexit. The US is also a difficult nut to crack, requiring significant investment to get the reach required. The global fintech market is full of wider opportunities, however.

"South Africa is a really interesting market to explore," said Hewitt. *"It's very well*

connected from a cellular and mobile data point of view. It's also starting to look at things like cloud accounting; it's really an emerging market."

Canada is also a huge opportunity for UK fintech, explains Hewitt. "It's quite similar to the UK in terms of how it's set up. It feels much more like one country than the US does."

Hewitt also sees a lot to praise within the UK government's approach to promoting UK fintech, particularly the Tech Nation network and education initiatives. He would like to see more work done to build a solid foundation for the sector in the UK before the government turns its attention to the rest of the world, however. Enforcing total compliance from banking institutions around Open Banking would be one thing, and more emphasis on growing non-London fintech businesses.

"Whatever incentives they can offer to help there would be really valuable because there are lots of ideas out there across the country – it should not have to revolve around London. Scotland especially is really well placed with its kind of financial background to bring a lot to the table."

THE EU-BASED LENDER

CapitalBox is a fintech SME lender with offices in Stockholm, Helsinki, Vilnius, Copenhagen, Perth and Liverpool. The company is looking to expand further but had to put its expansion plans on hold thanks to the pandemic. Its CEO Scott Donnelly sees the company's European base as a massively competitive edge

"The US has some really big players. In the UK, there are a lot of businesses in the space, but they're all small-to-medium-sized. On the continent, it's wide open."

The real opportunities in fintech come from targeting smaller countries, rather than large markets, says Donnelly. He believes the size of the US and UK market holds companies in those regions back from expanding globally – trading internally is much easier than trying to get to grips with multiple languages, currencies and regulations.

"We have a bit of an edge in that our parent company (The Ferratum Group) operates in 25 countries and has a lot of experience dealing with internationalisation and understanding the regulatory environment in every country," says Donnelly. *"If you can deal with those difficulties, and they are real difficulties, there are opportunities to take. If you've managed to do it efficiently, you can have a big presence in a couple of smaller countries."*

Brexit will be a benefit for continental fintech players, says Donnelly, as it will add more regulatory hurdles for fintech companies looking to enter the market. However, this may be a double-edged sword. "It's less likely they're going to have an easy time getting established in the UK. But some will. Companies like Revolut, which seems to be everywhere, will manage it."

Reaching out beyond the West and into emerging markets is an opportunity but will require partnerships with local businesses and organisations. This is where the UK government's programme could be helpful.

"I think the currency risk from a fintech perspective is quite large in a lot of regions," continues Donnelly. *"There has to be some kind of funding source that is able to deal with this, with the ability to hedge. This, of course, eats into the margins, so it's pretty complex. If the UK government can connect players in the UK to large players in those environments, they could find a way to work together."*

UK Economic Prospects

By PwC's UK Economics Team.

UK economic growth in 2019 was largely shaped by the uncertainty surrounding the UK's withdrawal from the European Union. Strong GDP growth in the first and third quarters of the year coincided with increased stockpiling activity ahead of the March and then October Brexit dates. However, confidence waned due to uncertainty over Brexit, dampening consumer spending and business investment, particularly towards the end of the year.

Following a period of flat output in the fourth quarter of 2019, economic prospects showed signs of turning early in 2020, as Brexit-related and political uncertainty faded. The services and manufacturing purchasing managers' index (PMI) both showed an upswing into positive sentiment territory in January, which was largely sustained through February. This period also marked the first time that the manufacturing PMI had indicated an expansion in activity since early 2019. Similarly, the services PMI pointed to a stronger recovery in business activity and employment in January.

But this reprieve was short-lived. As global COVID-19 cases rose, social distancing measures began to be imposed in various countries – as early as January in China, followed by parts of Europe from February. The implementation of restrictions in the UK forced the closure of non-essential retailers, required people to work from home whenever possible and to avoid social places.

Despite the lockdown being in place for only eight days in March, the impact of social distancing measures on the economy was significant. The services sector experienced the largest decline in output across all sectors in March, largely driven by the halving of output in travel, tourism and accommodation, while footfall at retail venues fell in March by 45% year-on-year.

April was the first full month spent under lockdown, and the month when the economy bore the brunt of the contraction in output. The worst affected sectors were either activities that required physical interaction, could not be carried out remotely or had their supply chains disrupted.

Stay at home restrictions caused activity in the hospitality and accommodation sectors almost entirely to stop, while construction and manufacturing output fell markedly. There was a limited reopening of the economy in May that accelerated in June. Growth was strongest in manufacturing and construction where workers were able to return to factories and building sites. Economic activity remained weakest in the non-essential retail sector where restrictions prevented up to a fifth of regular spending.

The overall effect of the virus on the UK economy was to erase around a quarter (25.6%) of GDP in 2020 Q2.

On external trade, the UK's exposure to the economic slowdown in other countries reduced both exports and imports in the first half of the year. Tourism (both inbound and outbound) was severely impacted due to border closures in the UK and abroad. The greatest fall in goods trade was in manufactures and fuel, reflecting the sharp fall in global demand for oil as industrial activity fell. The overall impact on net trade was positive, such that the UK recorded a trade surplus of £8.6bn for the three months to June.

The UK was officially in a recession following two consecutive quarters of negative growth in 2020 Q1 and Q2. As global coronavirus (COVID-19) cases rose, social distancing measures were imposed in the UK, forcing the closure of shops, businesses and schools from the end of March until the beginning of July. The overall effect of the virus on the UK economy was to erase around a quarter of GDP in 2020 Q2.

Early signs in Q3 pointed to a recovery, which accelerated in June, buoyed by the release in business and economic activity, partly supported by pent-up consumer demand and growing confidence from the drop-off in COVID-19 cases. This, combined with the additional economic policies announced in July (e.g. Eat Out to Help Out, the temporary cut in VAT for the hospitality and leisure sector), helped boost spending.

There is still significant uncertainty over the pace and path of the recovery, especially in light of the growing number of cases which have led to another round of limited national restrictions, as well as the behaviour of the virus in the winter, degree of economic scarring and the outcome of the UK-EU trade negotiations.

Under our 'contained spread' and 'further outbreak' scenarios, the expected contraction in GDP ranges from around -11% to -12% in 2020 before returning to growth of around 10% and 4% in 2021. Our expectation is that the UK economy would recover to the pre-lockdown levels by the end of 2021 under the 'contained spread' scenario, and in the middle of 2023 under the 'further outbreak' scenario.

We anticipate that most sectors will return to growth in 2021, including hard-hit sectors such as retail and hospitality as they recover from a low base in 2020. There is some variation in the impact of the crisis across regions, with the impact on 2020 output to be relatively less disruptive in London. Regions in the north, which have seen targeted lockdown measures are more likely to experience bigger economic impacts.

However, risks are clearly weighted to the downside in relation to both the length and depth of the COVID-19 impact and the possibility of no UK-EU FTA deal by the end of 2020, as well as wider global economic risks.

We expect inflation to remain somewhat below target for the rest of 2020 in our main scenario, mainly due to the continued impact of energy prices, the temporary reduction in VAT as well as subdued wage growth. Inflation is then expected to pick up again in 2021 as these effects unwind. The reversal in spare capacity, and the rise in consumer demand as economic activity recovers and wage growth picks up again will feed through to an increase in domestic price pressures.

Our public finance projections suggest a sharp increase in the 2020/21 budget deficit to about £380bn to £430bn, or around 19% to 22% of GDP. Into 2021/22, we expect much of this rise to reverse, with a smaller deficit of around 6% to 12% of GDP. The extent to which it improves will depend on whether any further fiscal stimulus measures are introduced to provide a boost to the economy. Under both scenarios, the deficit would still be above the 3% of GDP ceiling implied by current fiscal rules. Therefore, we expect some longer-term fiscal tightening will be needed after full recovery has been achieved.

WILL COVID-19 LEAD TO A REBALANCING OF THE UK HOUSING MARKET?

UK house price inflation has remained relatively resilient so far in 2020, despite the uncertainty in the economic outlook and the limitations on daily life introduced as a result of the pandemic.

Over the first half of this year, house prices rose across all UK regions. In Scotland, Wales, Northern Ireland, and two thirds of English regions house price growth has averaged more than 2% in the first half of the year.

COVID-19 has, so far, affected house price transactions. Transactions in the first half of the year are down across by one quarter across the UK. The biggest decline was recorded in Scotland, where house price transactions were around 39% lower in the first half of 2020 than in the same period last year.

"UK house price inflation has remained relatively resilient so far in 2020, despite the uncertainty in the economic outlook and the limitations on daily life introduced as a result of the pandemic."

We have developed two scenarios, which we use to project forward UK house prices. In our 'contained spread' scenario we expect UK house prices to grow by around 1% next year. In our 'further outbreak' scenario we expect UK house prices to contract by around 7% in 2021, which is around two thirds of the drop experienced during the Global Financial Crisis.

To better understand the dynamics in the UK housing market we ran a nationally representative survey during September. We asked the survey participants on how COVID-19 impacted their willingness to purchase a place to live, and the type of area they would be most likely to move to in the future.

20% of respondents to our survey said they are now less likely to buy a home than before the pandemic, while 10% of respondents say they are now more likely to do so. These varying intentions illustrate the uneven impact that COVID-19 has had on personal finances.

Our survey also showed that workers in some sectors are more likely to choose to work from home more than they did pre-COVID 19. This trend is stronger in the business services sector which coped well with the transition to digital and working from home during the national lockdown.

We also find that the national lockdown increased people's desire to live in lower density areas. Around 30% of those who previously thought they would move to a city centre now want to live in the suburbs or towns and villages.

Likewise, 19% of those who previously thought they would move to the suburbs now think they will move to a town or village. The results of our survey also show that around 34% of 45-64 year olds who currently live in London expect to move to a different region outside of London the next time they move, an increase of 16 percentage points compared to before COVID-19.

If these changes materialise in the next few years businesses may want to adjust their operating models to take account of these new realities. Policymakers will also need to take these changes into account as early planning could help to facilitate the longer-term economic recovery in the UK.

CONCLUSIONS

Home ownership is an aspiration for many in the UK and this is unlikely to change in the future. We therefore project that UK house prices will continue to increase in real terms in the medium-term.

"Home ownership is an aspiration for many in the UK and this is unlikely to change in the future. We therefore project that UK house prices will continue to increase in real terms in the medium-term."

Over the next decade, however, it is possible we will start to see some shifts and rebalancing in the UK housing market, stimulated by COVID-19 and an increase in working from home – particularly in the business services sector. While prices are likely to continue to rise nationally, local areas may respond in different ways. Changes in working habits, and a desire for larger properties in lower density areas, may push up house prices in some areas and weigh on price growth in others.

Our survey shows that there has been a shift towards desiring lower density areas. This could mean that towns and villages could be in higher demand over the coming years, while city centre properties could become less attractive. This desire could also see more people choosing to move to different regions, to take advantage of more affordable housing as well as the shift towards working from home allowing people to locate closer to their family and friends.

These trends could have a particular impact on London, which is typically urbanised and less affordable than other parts of the country.

How these changes in demand will ultimately affect prices is difficult to say, but it is possible COVID-19 could help to rebalance the UK housing market to some extent. If this is the case, we could start to see prices in city centres, and especially in London, come under pressure. Property prices in suburban areas and could grow relatively more strongly – particularly if these have good transport links.

It is important to note that the research we present in this article can only be interpreted as the views of our sample at the time it was run. As the situation with COVID-19 continues to evolve, no doubt there will be further changes in what people are looking for and where they want to live.

Nonetheless, businesses and the Government should start thinking now about what this could mean and how they need to respond. The trends described in this article could have implications for both, and early planning could help to facilitate the longer term rebalancing of the UK housing market and wider economy.

This article is a brief extract from PwC's UK ECONOMIC UPDATE issued in September 2020. The full report, which can be obtained from PwC, is based on a survey carried out between 11th and 14th September.

To receive future editions of PwC's UK Economic Update by e-mail please sign up on the company's website **www.pwc.co.uk/economics**

TIMBER TRADING ACROSS THE WORLD

Eleven International Ltd. is one of the leading privately owned timber trading companies in the United Kingdom.

The company was established in 2017 in London and has now been operating for 3 years. The company's main operations involve exporting sawn timber and other forest products from South America to Asia and the Middle East; countries such as China, Vietnam, Thailand, Indonesia, Saudi Arabia, Dubai, Abu Dhabi, Oman and Qatar.

Since the beginning Eleven International Ltd. has been co-operating with several sawmills from which the company purchases the exported sawn timber. This long-term co-operation has developed a strong relationship between Eleven International Ltd. and its partner sawmills.

The variety and diversity of the company's resources and the strict compliance with all terms of environmental protection regulations has made Eleven International Ltd. one of the fastest growing timber trading companies in the world.

Eleven International Ltd. is always committed to meet its business partners' needs including various types of specifications, quantities and grades of sawn timber at competitive prices in order to strengthen their ability to spread and gain new customers worldwide.

Eleven International Ltd. can also arrange the production of special grades and sizes of timber at the customer's request to satisfy more specific needs.

1 Royal Exchange Avenue, London EC3V 3LT United Kingdom
Tel: **(0) 207 523 5011** | Email: **admin@eleveninternational.co.uk**
www.eleveninternational.co.uk

Tips, opportunities and potential pitfalls for international companies establishing and operating successfully in the Middle East

by Wayne Merrick, Managing Director of CBD Corporate Services

With the global impact of COVID-19, many businesses may feel that now is the time to consider exploring new markets such as the Gulf Cooperative Council countries and their wider Middle Eastern regional neighbours.

The Middle East is a fast-growing region and the UAE, strategically located in the Arabian Peninsula and sharing borders with Saudi Arabia and Oman, is quickly becoming a global commercial hub with its increasingly liberal economic policies. By setting up a business in the UAE you are well placed to take advantage of the opportunities locally and regionally.

In this article, Wayne Merrick, Managing Director for CBD Corporate Services, identifies some of the key considerations to successfully establish and operate a business in the Middle East. During his thirteen years in the region, Wayne has advised and assisted hundreds of international companies with their market entry requirements in multiple jurisdictions such as UAE, Qatar, KSA, Kuwait, Oman and Bahrain.

MARKET RESEARCH AND FEASIBILITY

As with any market or region it is vitally important to undertake research to see if it is feasible to be successful by gathering, analysing, and interpreting information about a segment of a specific market. The objective is to determine how the business concept / model is likely to fit within the current market conditions and will include research about your competitors and the needs and preferences of your target audience. The regulatory business landscape can change very quickly in the Middle East and therefore it is increasingly important to determine all market requirements before considering the establishment of an entity. Risk management professionals are playing increasingly important strategic roles. In some cases, risk managers will be called upon to help determine the viability of doing business in the region based on in-depth analysis of risk and reward. Historically reliant on oil and gas, the Middle East countries are committed to continuing to diversify their economies into other sectors, including tourism, institutional investments, healthcare, technology, artificial intelligence, real estate and more. In September 2020 the UAE signed the Abraham Accord, a normalisation agreement with Israel to drive economic growth between the two countries.

UNDERSTAND THE APPLICABLE LAWS AND REGULATIONS IN THE TARGET MARKET

The regulatory landscape across all countries in the Middle East has evolved at some pace in the last twenty five years. During that time there have been many new regulations enacted or updated and therefore it is very important that companies are in full compliance. One example is the wage protection system (WPS) in the UAE, this was enabled to ensure that salaries are paid on time and in full to employees. There are strict fines and penalties for offending companies, therefore ensuring compliance is critically important.

CORPORATE GOVERNANCE

It is typical in the Middle East countries that the General Manager is responsible for ensuring all necessary processes, governance and controls are in place for the success of the business. Such responsibilities are enshrined in the laws and regulations, failure to observe them can result in civil and / or criminal cases. It is therefore vital that the Manager is aware of the regulatory changes and developments, that all important decisions are recorded in the Company book and calling a General Meeting if the company losses fall below the percentage as prescribed in the Companies Law in that jurisdiction. All of this should be considered to avoid exposure to any personal liability.

PROFESSIONAL ADVICE

The importance of legal advice when entering the UAE market is paramount. There are many examples where international companies or investors have not engaged legal counsel to save initial costs but, the real risk of higher cost can be far greater by not taking this important step from the onset. As a corporate service provider, CBD stipulate that clients take independent legal advice before market entry and that the law firm drafts and advises on the suite of legal documentation to incorporate the company. As well as legal advisors it's just as important to have a number of experienced and professional companies that cover all areas of doing business in the Middle East. Whether this is tax, audit, office solutions or corporate service providers it is imperative to the success of the ongoing maintenance and health of the company to have on the ground expertise to call upon.

CORPORATE STRUCTURE

Once the international company has decided to enter the market it needs to consider the optimum corporate structure taking into consideration the legal, operational and tax implications. From a legal and operational perspective, the two key considerations are the business activity to be undertaken and the target client audience. The former will determine the type of licence and ownership requirements whereas the latter will dictate which authority to be registered in. Most international companies who want to contract with both public and private sector businesses should consider setting up onshore, commonly known as mainland.

CHOICE OF PARTNER

In the last ten years there have been numerous examples whereby foreign companies have had a relationship with a local partner, national service agent or commercial agent which has unfortunately broken down. It is therefore critical to the success of the business in the Middle East that the choice of partner or agent is considered carefully and due diligence undertaken before entering the market. There are several options in this regard, but it is very common for new market entrants to choose a corporate service provider such as CBD where the international company has beneficial ownership of the business and guarantees a clear exit and succession plan. Many companies are sometimes influenced by agents promising contracts wins without considering the security and protection of their asset. Having a secure corporate structure with 100% control means you don't have to be concerned with any potential issues in the future whilst at the same time independently seeking new business relationships and wins with unlimited clients.

Tax

Corporation tax is not applied in all countries in the Middle East. For example, it does apply in Qatar and KSA but is not applicable in the UAE. However, VAT was introduced in the UAE at the beginning of 2018 and therefore companies should develop an effective implementation and continuation strategy in order to be well-positioned in terms of compliance, reducing risk, and managing cash flow. Other tax considerations include withholding tax and import / customs tax so taking professional advice from the onset is extremely important.

CONTRACTS

The terms and conditions with target clients depends on the nature of the activity to be undertaken and the jurisdiction. In some cases, the terms can seem excessive and risky to international companies looking to do business in the Middle East and not akin to what they are used to in other countries. Investing in professional and experienced contract experts is a key consideration to ensure that the company won't encounter future commercial disputes such as non-payment.

KNOW YOUR AUDIENCE

An important point of consideration is cultural etiquette when looking to secure contracts in the Middle East. This can involve several meetings, building trust and relationship with the key contacts at the end user regarding the capability of the company to deliver the service. Displaying patience and always ensuring respect to local laws and customs is imperative. It is important to study Middle Eastern cultures, particularly as this communicates an individual's credibility and is a key driver of their personal reputation. Business and personal relationships are the same thing, so aim to develop a true bond.

LOGISTICS

For those companies trading in products it is important to research the procedures for import and export. This will be aided by partnering with professional and experienced clearing agents. The UAE is constantly innovating and seeking opportunities to increase its attractiveness as the regional hub for international business. One example of that is the creation of the "free zone" corridor linking the port, Jebel Ali Free Trade Zone and Al Maktoum Airport, making the UAE and the GCC a highly attractive destination for regional and international business and investment.

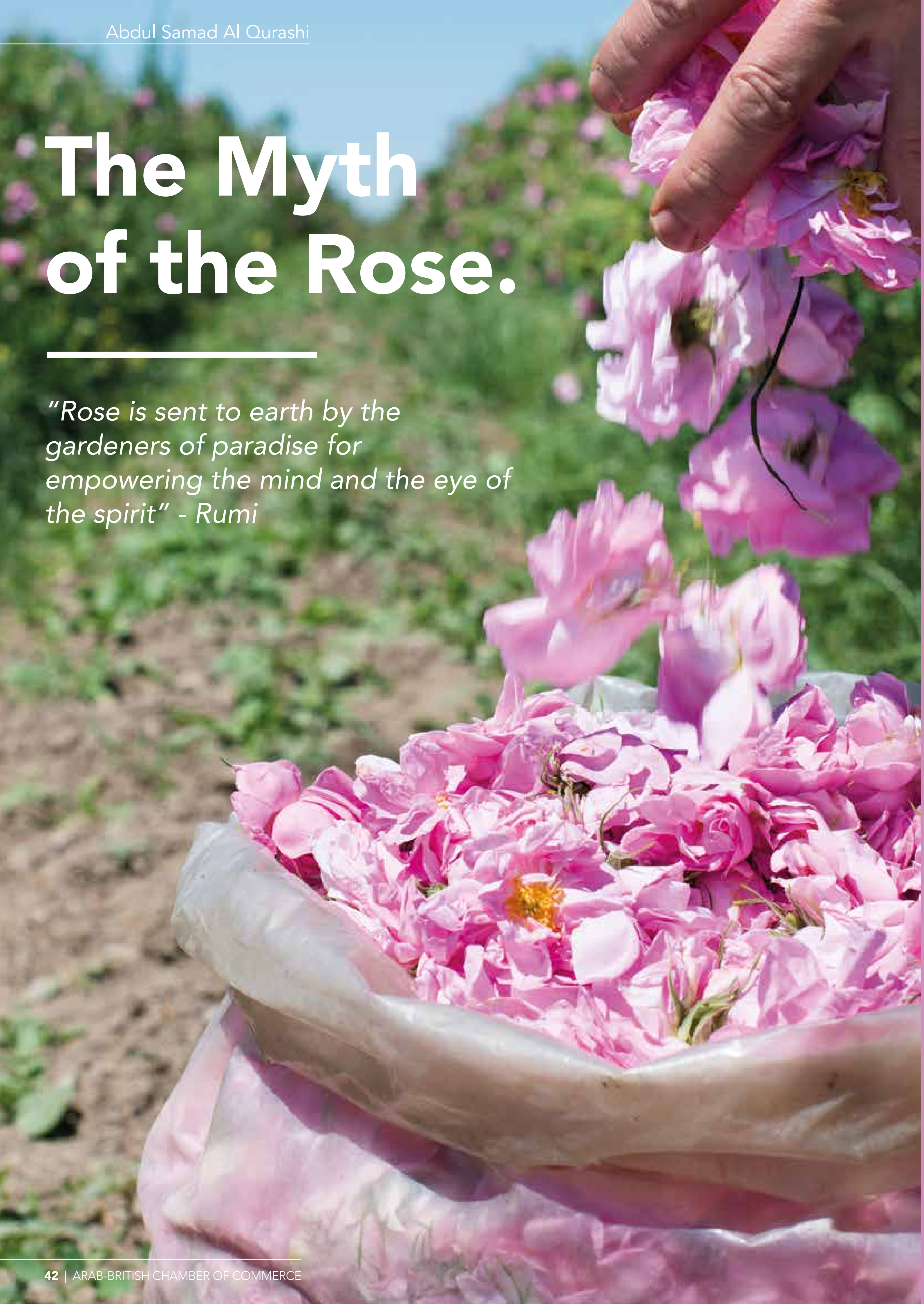
VISAS

All applications for foreign nationals looking to reside in the country are subject to the government authorities in that jurisdiction. It is worth noting that as part of the HR plan, international companies should have contingencies and not assume that an entity will get the desired number of visas allocated or the applicant will be approved by the Ministry. Engaging with a corporate service provider, such as CBD, will ensure that companies get the right professional advice to assist with their visa requirements.

CBD Corporate Services is the UAE's leading nominee partner providing reliable and secure professional sponsorship and structuring services to businesses throughout the Middle East. Their advice is to laser in on one country, do your homework, put your boots on the ground, get an understanding for the culture and, to assist you along the way, partner with a number of professional firms who specialize in the various other disciplines already discussed in this article. CBD are happy to provide guidance in this regard and look forward to assisting your business entry and initiatives in this exciting commercial region.

For more information visit our website at **www.cbddubai.com**

CBD CORPORATE SERVICES



The Myth of the Rose.

"Rose is sent to earth by the gardeners of paradise for empowering the mind and the eye of the spirit" - Rumi

"At Abdul Samad al Qurashi we keep our own farms in the Taif district and harvest our own roses. As it is one of our finest ingredients, we have our own people cultivating, growing, extracting and distilling the oils from the roses."

An enduring symbol of love and devotion since ancient times, the exquisite rose is the queen of flowers, reigning over her floral kingdom for nearly 40 million years.

The intoxicating aroma of this fragrant bloom renders a scent that is like no other. A scent that was sacred to Aphrodite and Venus – the Greek and Roman goddesses of love – and to the Egyptian Queen of the Nile, Cleopatra.

The rose spans a vast array of cultures and religions, but it is the Damask rose which is the most highly prized in perfumery. It's typically sourced from Bulgaria, where it has been cultivated for more than 330 years, and Isparta in Turkey.

SOME FACTS ABOUT THE TAIF ROSE OF SAUDI ARABIA.

However, in Taif, a mountainous region in Mecca in Saudia Arabia, a landscape rich with pomegranate, figs and honey, there is another variant: Rosa damascena trigintipetala – better known as wardh taifi.

It remains a mystery how the 30-petal wardh taifi arrived in Taif.

With similarities to the famous Bulgarian Kazanlik rose, some say it was brought to Saudi Arabia by the Ottoman Turks, who once ruled a vast empire over much of the Arabian Peninsula. Others claim that it came from the Persian rose plantations around Shiraz and Kashan, or even India.

Regardless of how it arrived in the highlands of Saudi Arabia, there are few aromas as revered in the Islamic world.

With its deeply floral, honeyed notes, Taif rose symbolises nobility in the Middle East.

The precious essence of Taif rose is intertwined with Islamic culture, most

notably in the twice-yearly ceremonial washing of the holy Kaaba in the Grand Mosque of Mecca, which uses the highest quality rose oil.

Because Taif rose is so exceptionally rare – with anywhere between 10,000 and 15,000 hand-picked roses creating just a small vial of oil – it is the ultimate gesture to honour a guest with a dab on their wrist or bestow a newly-married couple with a vial as a wedding gift.

Every April, the terraced fields of Taif transform with pink, fragrant flowers. However, the season is fleeting, lasting just a month.

Just as fleeting is the harvest, which takes place well before dawn to prevent the heat from the sun to cause the volatile rose oils to evaporate.

Once the hand-picked blooms are gathered in baskets, they are taken to local distilleries where the flowers are sorted, weighed and distilled in giant copper alembics. Today in Taif, there are only a handful of rose distillers producing a fraction of the oil extracted in Bulgaria, Turkey or Iran. However, a few centuries ago, Taif rose petals were not distilled in Taif at all. They were gathered and transported by camel caravan to the Muslim holy city of Mecca where artisanal Indian distillers were responsible for gently pressing the flowers and extracting the precious oil to craft magnificent aromatic blends known as attars.

Today, distillers use the process of steam distillation, which releases the essential oil into vapour. Once the vapour condenses and cools, the rose absolute essential oil separates from the rose water, the globules of oil rising to the surface, where they are carefully syringed away.

This highly prized oil is then collected and sold – usually in the form of a "tolah" – a small glass vial of 11.7 grams.

The price of a tolah will vary according to season and quality, and later according to age, but it is common to see tolahs of Taif oil sold for upwards of $800 in some perfume houses in Dubai.

The finest oil – usually just a handful of vials brought back from the latest harvest – is the most expensive and is often hidden away beneath the counter.

Taif rose is especially prized in perfumery, beloved for its deep fragrance – which is even more intense than the better-known Damask rose to which it's related. It also gives hints of tea alongside the soft powderiness.

Taif roses have 30 petals and grow around the city of Taif in western Saudi Arabia, not far from Mecca. The city's 2000 metres above sea level, and the cooler temperature may be partly responsible for how well it flourishes there, under the control of just five local families. As with all roses, it's important to harvest Taif roses early in the morning, before the heat of the

day destroys the precious essential oils. The attar of roses which is produced is powerful and expensive – and no wonder: it takes around 40,000 rose flowers to produce one 10gr bottle of rose attar.

After 12 hours of distillation process, it results in 3 major rose products rose water, rose oil and skin care products. Copper pots are very important for distillation process.

March-April are the only two months given for harvesting, collecting and dis-entitling roses. Taif also hosts the largest rose carpet in the world with 100,000 flowers of 50 various varieties of roses.

The best premium roses are grown in Al Hada district, 2000 meters above sea level, and is very close to Makkah. The premium perfume has this essence so soothing and gives you an almost relaxing sensation.

Almost 800 farms in Taif make around 300+ million roses per year.

At Abdul Samad al Qurashi we keep our own farms in the Taif district and harvest our own roses. As it is one of our finest ingredients, we have our own people cultivating, growing, extracting and distilling the oils from the roses.

Most of our perfumes and oils contain taif rose oil extracts, as it gives the fragrances that unique velvety and powdery scent specific to this type of rose. It multiplies the scent of any aoud oil or perfume and adds to its longevity and uniqueness.

As mentioned above, we provide rose oils which differ in age and accordingly in price – the older the rose oil the more long-lasting and expensive it is.

At Abdul Samad al Qurashi, we have a selection of rose oils, to present to our valued customers, which range by age and by intensity and are in its purest form.

We have conducted numerous researches in learning the trends in fragrance industry and we have developed a system of identifying in which country and which fragrances are most popular.

We not only produce the aoud based perfumes or pure oud oils, but we have a large variety of perfumes which will suit any customer. The perfumes range from strong oud to sweet oud, from fresh and floral scents to pure essence oils, like taif rose essence and jasmine essence and amber and saffron and etc. You name it and we have it.

Come to our store to find your own personal perfume and our staff will be happy to help you and tell you more about our brand.

Visit our store on 353 Oxford street, London to choose your scent and take advantage of our current offers.

Leading Muslim charity Al-Khair Foundation has been delivering humanitarian aid to disaster and conflict zones across the world despite the difficulties caused by the COVID-19 pandemic

Al-Khair Foundation (AKF) has been forging ahead with a series of initiatives to bring much-needed food, water, supplies, shelter and hope to devastated communities in Lebanon and Sudan.

The charity galvanised projects that have provided fast response and its chairman and founder Imam Qasim has been leading the efforts with an important fact-finding mission to Beirut after the port explosion that killed 178 people, injured 6,000 and left countless people homeless or struggling for basic needs.

His experiences and meetings with senior local figures helped co-ordinate a huge relief effort in the country.

AKF, which is one of the fastest growing Muslim charities in the UK, was also active in Sudan, where heavy rainfall, flooding and tribal clashes have worsened already tough living conditions for more than 500,000 people. The charity's staff have faced added complexity since March from the risk of coronavirus infection and contamination to water supplies.

"Our staff and volunteers have been working hard to make a real difference to people's lives. I have witnessed the incredible need on the ground and it is vital that we respond," said Imam Qasim. "Our supporters from across all communities have made generous donations and that has gone straight to helping people displaced and disadvantaged by these events.

"We will continue to offer and provide help and, although coronavirus does create difficulties and delays, the people can be assured that AKF will be there to provide aid and help people reclaim their dignity."

The warehouse blast that struck the Beirut docks on August 4 damaged 47,000 apartments in the area and affected more than 170,000 residents. The stricken area is also suffering high levels of COVID-19.

Imam Qasim conducted a six-day visit to understand the issues and develop mechanisms and logistics to alleviate suffering. He visited the blast scene and affected areas and held meetings with government officials, religious leaders and NGOs.

He made several field visits to oversee AKF's distribution of food packs and medical boxes while organising future humanitarian help and re-building programmes.

AKF, which was founded in 2003 and has delivered £175 million in aid globally over the last ten years, has a wealth of experience co-ordinating emergency relief projects and supporting communities to rebuild.

Its effective programmes rapidly swing into action in response to the impact of earthquakes, floods and other national disasters. The work ranges from supplying basic shelter, food and water to sustainable recovery schemes that help communities rebuild their lives and independence.

AKF is often one of the first charities on the ground and has a reputation for maintaining its support until towns and villages have re-established core services, such as education and employment, and are able to return to their lives.

The cornerstones of Imam Qasim and AKF's approach are that all human life is equal and every person has the right to lead a self-sufficient, dignified life while every community has a right to benefit from the world's natural resources. This ethos has inspired a self-help dynamic and empowered volunteers to support all sections of communities.

AKF is continuing to supply extensive aid to Syrian refugees but one of its main projects this summer was in Sudan, where 17 out of 18 provinces were affected by heavy rainfall and flooding since early July that has affected 110,000 people. More than 100 people died due to mudslides and flooding and the government declared a three-month state of emergency.

Extended torrential rains have increased humanitarian needs for shelter and household supplies, clean water, sanitation and health services.

AKF's Kenya branch was quick to offer help in Tokar, Port Sudan, where the floods had destroyed homes and business while problems were compounded by tribal clashes and COVID-19. Staff were able to join forces with government officials to arrange a convoy stacked with 100kg food packs to reach families impacted by the crisis.

"We are committed to helping people in need and our guiding statement of 'Together We Are Making A Difference' is so important," added Imam Qasim. "The selfless efforts of our volunteers, the hard work of our staff and the generosity of our supporters combined together means we can make a real difference to people who need help.

"Our work continues and we would like to thank everyone who has donated or supported our programmes in any way - they should be aware that they are extending a hand of friendship and help across the world."

www.alkhair.org

122 years of the National Bank of Egypt

Established on June 25, 1898, the National Bank of Egypt is the first and largest commercial bank in the Egyptian banking sector with a paid-up capital of 50 billion EGP and an issued capital of 100 billion EGP. The bank has the largest widespread network of branches and outlets all over Egypt, and captures the largest 24/7 ATM network. Those terminals provide a variety of services including withdrawals, cashing salaries, cash deposits, payments, invoices, donations, and account inquiries, and they further comprise POS terminals. There are over 20,000 employees who skillfully stand behind the bank's extensive operations. These resources enable NBE to broaden its reach and bolster its impact in society.

For more than a century, NBE has played a pivotal role in the banking sector in particular and the national economy at large, by carrying out the role of the Central Bank of Egypt and through its customary banking services as a commercial bank until 1950. After the nationalization of NBE in 1960, the bank purely became a commercial bank, but it continued performing the functions of the Central Bank in areas where the latter had no branches.

> *"NBE boasts the highest financial results in the Egyptian banking market for several years running."*

NBE enjoys a substantial international rank, as reflected through its presence in London (NBE United Kingdom Limited), Khartoum (NBE Khartoum), and its branches in New York and Shanghai. The bank also has representative offices in Johannesburg, Addis Ababa, and Dubai.

NBE boasts the highest financial results in the Egyptian banking market for several years running. This outstanding performance attests to the bank's crucial contribution and cardinal function in society.

Thereby, NBE has continuously proven its commitment to enhancing the lives of Egyptians. As one of Egypt's top contributors to social responsibility, NBE demonstrated its unwavering support and pioneering role in financing healthcare, educational, and economic projects that directly impact the living conditions of Egyptian citizens.

As a foundational financial institution in society, NBE will proudly continue to uphold its stalwart function in the national economy and consistent support of the Egyptian people.

National Bank of Egypt (UK) Limited
البنك الأهلي المصري (المملكة المتحدة)

First Islamic finance degree **unveiled by university**

The first Accounting and Islamic Finance undergraduate course in the UK has been launched by Birmingham City University.

The Bachelor's degree in Accounting and Islamic Finance degree will see students study Islamic economics, whilst developing an understanding of corporate social responsibility in modules exploring how businesses are taking greater responsibility in helping to move towards a cleaner and more sustainable planet.

Islamic finance is one of the fastest growing financial industries, with global assets exceeding $2 trillion and expected to reach $3.8 trillion by 2023.

"The course is being launched at a very crucial time in our history," explained course leader Shaista Mukadam (pictured).

"With the current pandemic and economic challenges, there is an urgent need to rethink an alternative to the interest-based economy."

Islamic finance emerged in the 20th century as an effective tool for financing development worldwide, including in non-Muslim countries. Islamic organisations run their operations in a way that is consistent with the principles of Islamic law.

Sharia-compliant finance differs from conventional banking in key ways, the most notable being a prohibition on charging interest and investing in ethically compliant companies.

"Islamic finance uses tools to ensure a fair and equitable distribution of wealth, resources and growth based on profit, loss and risk-sharing while achieving the United Nations sustainable development goals and ensuring ethical and sustainable processes in business and finance," added Shaista, a senior lecturer at Birmingham City University's Business School.

"Students on the course will be taught the philosophy around these principles and will be encouraged to find ways to implement them in real-world scenarios. It's not just a course for Muslims, it's about an ethical way of doing finance based on the teaching of Islam."

The degree will also provide students with opportunities to partner with organisations including Islamic charities on community advice projects.

Zoë Buckingham with the ADGM academy website.

The Power of Localised Marketing

The ABCC is delighted to welcome new member, Zoë Buckingham Ltd, an international marketing consultancy, headquartered in London and advising both UK and Middle Eastern clients. We caught up with Chief Executive, Zoë Buckingham, to find out more.

Zoë, how would you describe your company and the services it offers clients?

First, I would like to say *"hello"* to the diverse and esteemed members of the ABCC. It is a privilege to have the opportunity to get to know you.

I started my company 14 years ago with the intention of helping companies from around the world communicate better and grow their businesses. Since 2006, we have worked with clients in North America, Europe, Australia and the Middle East. Our objective is to bring the very best ideas, creative and technical implementation to every project, supported by a solid analysis of results. We have worked on incredible websites, digital experiences and printed materials, crowdfunding and investor campaigns, and live events.

In terms of the industries with which we are strongly affiliated, we have a deep connection to the worlds of finance, technology and fintech. We have worked with many clients in these areas, both in the UK and internationally and enjoy the dynamic pace of change.

"Whilst physical travel is currently challenging, there are still many ways that UK companies can build their brands in the Middle East."

How is your company involved with the Middle East?

We work with both UK clients promoting their services in the Middle East and with clients in the Middle East promoting their services to a local and Western audience.

Our UK clients have included a telecommunications company offering specialist infrastructure services. We created their English language website and then localised their website for the Middle East to support their operations in Dubai. We had their website content translated into Arabic and our website development company completely restructured the website so that the Arabic part of the site became right-reading, including all the graphics and other features. Finally, we implemented an Arabic search engine strategy and replaced some of the images on the website to better appeal to the local market.

Plaque marking the opening of ADGM Academy

Working in the Middle East, we were delighted to support the London Institute of Banking & Finance, a 140-year-old institute providing professional education within the City of London which had partnered with Abu Dhabi Global Market to launch the ADGM Academy in 2018. This project involved creating the Academy's website and underlying systems. The website contained a wide range of specialist financial and business training programmes which could be purchased online. I was privileged to be invited to the launch of the Academy which was opened by His Highness Sheik Mohammed bin Zayed Al Nahyan and attended by the then UK Ambassador, H E Philip Parham CMG. My clients and I were delighted that footage of our presentation to the Crown Prince appeared on Dubai television that same evening.

After the launch of the Academy, we supported the Institute as it created its Middle Eastern division and helped to deliver some incredibly exciting projects.

How do you approach a new client relationship?

The simple answer is that every client is different, and every project should be approached afresh. We start by working with the client to understand their position in the market and their aspirations for the future. Then we employ a wide range of approaches to help them get where they need to be. This can involve improving their website, making the company easier to find online, engaging with their customers through individual campaigns and fine-tuning their sales presentations. Increasingly, we represent clients on social media, helping them to project their values and promote their services, building their brands and drawing leads to their website. We also act as a bridge between our client and highly specialised suppliers such as Search Engine optimisation companies, Arabic social media companies and public relations agencies, helping clients achieve excellent results.

What differences have you seen in the market since the pandemic? Is now a good time for UK companies to promote themselves in the Middle East?

Whilst physical travel is currently challenging, there are still many ways that UK companies can build their brands in the Middle East. These include digital strategies, public relations, advertising and engaging local representation. As the ABCC and the Department for International Trade are keen to remind us, companies which trade internationally are stronger, have a higher level of professional skill (as this needs to be developed in order to export) and have a more diverse income stream with different sales patterns. The Middle East, with its individual states and countries, are all developing in different ways and at different rates. This makes for an exciting market with lots of opportunities.

Likewise, I believe that the marketing and technology expertise of my company and other UK enterprises can support Middle Eastern governmental and commercial organisations in moving towards a successful, stronger, and more innovative future. In every project that we undertake in the Middle East, we like to support local teams so that they can carry on the work that we have started.

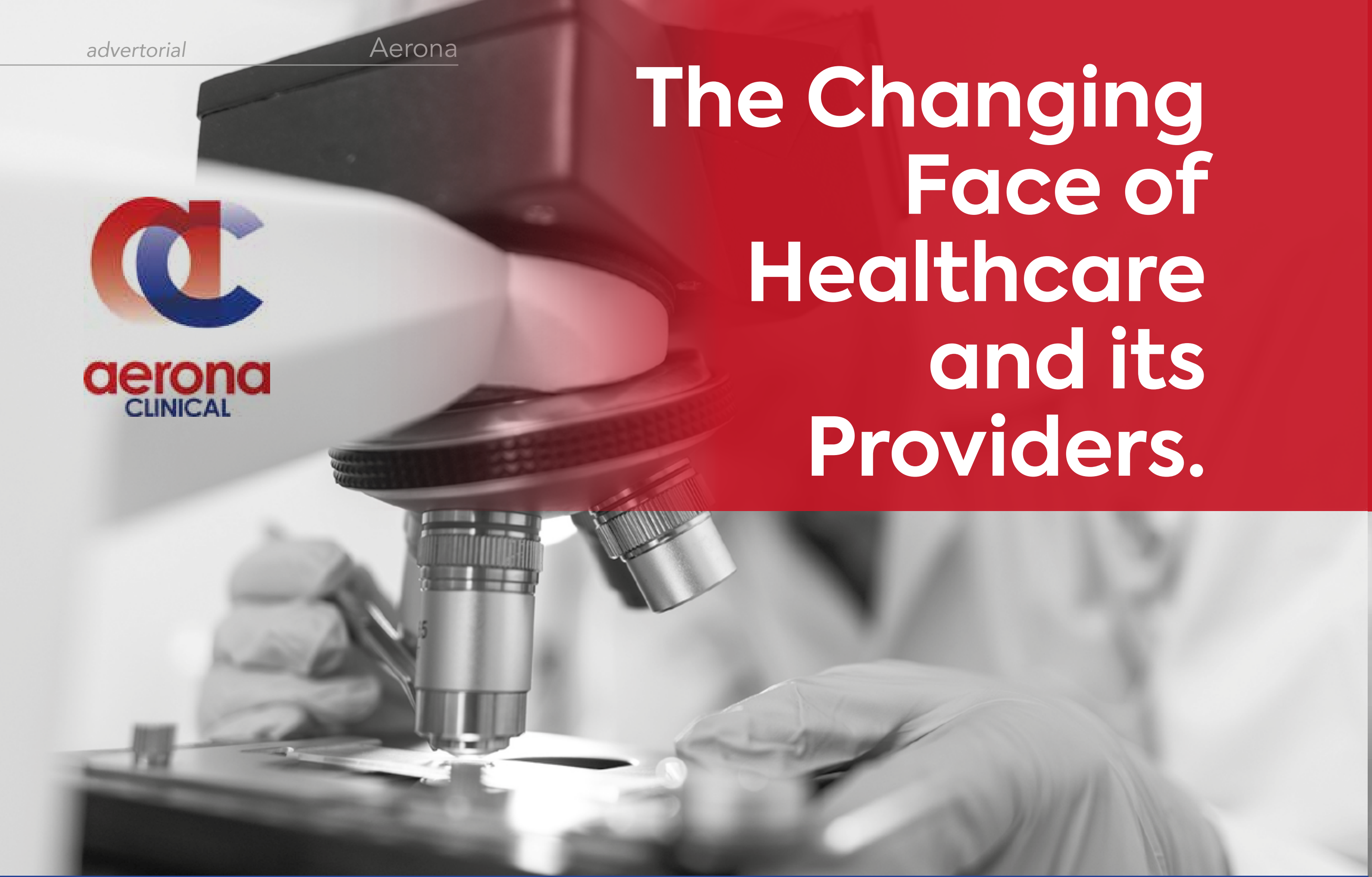
Whilst the pandemic is currently making things more challenging, it is also an excellent time to put together complex product launches and marketing plans in preparation for an easing of the Covid-19 situation.

Can you tell us more about marketing in 2020? How is it changing? What should our readers incorporate in their plans?

The pandemic has accelerated the transition to digital and we are now working on projects involving Virtual Reality as a way of delivering ideas, not just to entertain audiences. In all cases, the objective should be to align new technology with existing systems and business objectives so that audience engagement can be turned into results. As ever, digital experiences should be of extremely high quality. We should take our visual inspiration from brands such as Apple and Netflix and refuse to compromise on design, usability or performance for the sake of convenience or outmoded business practices. Our work should last and not feel outdated within a short period of time.

In terms of messaging, there is a sort of magic that happens when the true message of a company is defined between the client and the marketing team. Suddenly everyone has confidence and certainty which can be projected across design, digital, and the written word. This transitions into a confidence around messaging within the commercial team. We like to help clients reach the point where communication is simple and creatively exciting because the underlying messaging is fully understood.

www.zoebuckingham.com



The Changing Face of Healthcare and its Providers.

In these uncertain times as we all face Covid-19, the Pharmaceutical Industry has been called upon to ensure that not only do we continue to support existing treatments and service to patients continue, but we also offer our brightest minds and technology to help battle and overcome what many see as one of the biggest challenges we have faced in a generation.

Aerona Clinical Limited is one of those companies, and via its large pool of experienced and professional staff, Aerona ensures that it continues to offer solutions and support on an international basis not only for patients and healthcare organisations that have ongoing needs, but supporting and developing solutions that helps put Covod-19 into reverse.

Aerona Clinical Limited is a UK based International Pharmaceutical company that has over 20 years' experience in the UK, EU, MENA and other international healthcare markets, focusing on serving local healthcare needs with local solutions be these introducing more cost effective and patient safety medicines, or offering medicines that have a clinical need, but are not readily available in that market.

We have seen in the past decade that the demands on governments to offer more cost effective but equally effective medical solutions and medicines become one of the most challenging aspects of ensuring that we as a progressive pharmaceutical company can adapt to and capitalise on. To this end we ensure that we embrace all of the 21st century tools and communication channels open to us and develop inhouse technologies that puts Aerona at the centre of the International Pharmaceutical Industry.

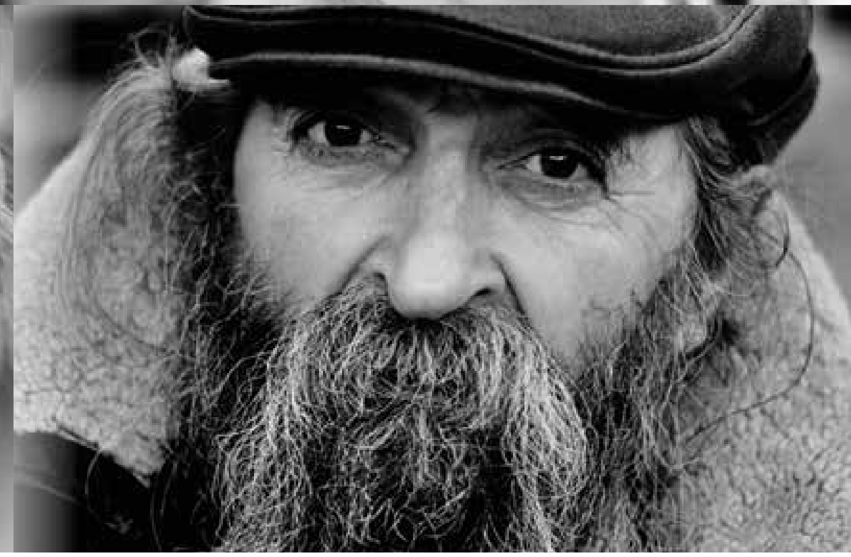
As more *"blockbuster"* medicines continue to come off patent, companies like ours will be able to capitalise on offering *"Generic"* or *"Biosimilar"* products to continue not only to fulfil the needs of existing patients, but to allow these therapies to be used on new patients at a much lower costs, therefore achieving improved economies of scales to governments and health authorities around the world.

Aerona as a company has and will continue to expand its presence in areas such as Oncology, Cardiology, CNS and other chronic long-term medical problems such as Diabetes and Mental Health. We will continue to strive to achieve our strategic objectives through exploring new and alternative treatment therapies such as Medical Cannabis and offer opportunities to be able to undertake projects in co-development, sales, distribution and in-licensing of medical products.

What we as a company have seen and been part of during this pandemic, especially the coming together and pooling of resources, expertise, support and development has been unprecedented in our time in this industry. Vaccines that would ordinally take on average nine years to develop, manufacture and distribute being done in under 18 months shows that as an industry we can do so much more if we work together.

Aerona Clinical Limited is proud to play a part.

Aerona Clinical Limited



Aerona Clinical Limited is a UK based international pharmaceutical company that operates and has representation in over 30 countries worldwide.

Aerona has an established business in the MENA region and supplies EU/USA finished medicines to most GCC countries as well as UK medicines that are imported into various GGC states where there is a clinical need, but at present there is no such medicines on the local market. These are usually specific hospital medicines mainly for CNS, Oncology, Severe Infection and Cardiovascular indications.

Aerona has a portfolio of own niche generic medicines under development for the UK, EU and other International markets, as well as developing and commercialising medicines that are required in the MENA region for local requirements.

OTHER AREAS OF DEVELOPMENT

Aerona is looking at products that are already on the market but require being adapted to offer patients more cost effective and safer presentations that include Biologics for all international and local markets.

The company also sources and supplies reference medicines for the use in clinical trials at phase 2 and 3, and at present we are supporting a number of ongoing Covid-19 trails in this manner.

We see ongoing and expanding growth in the MENA region as well as other international markets and continue to expand our international export and business development opportunities.

Please see our website for further information at **www.aeronaclinical.co.uk**

CONTACT

Spencer Crawford
Aerona Clinical Limited
Mobile: **+447809504104**
Tel: **+442087980623**
Email: **sc@aeronaclinical.co.uk**

Beroya Business Solutions

Beroya Business Solutions is a leading business services provider; we offer company incorporation in the UK, the USA and offshore, as well as banking solutions and entrepreneurial support, including virtual office packages, trademark and intellectual property registration. Beroya has been founded to serve mainly Arab entrepreneurs as well as high-net-worth individuals.

Headquartered in the financial centre of Canary Wharf, Beroya Business Solutions was established in London to meet the growing demand from businesspeople, entrepreneurs, and company owners in the Middle East & North Africa. We offer business solutions for establishing British, American and offshore companies without the hassle of travelling, wasting time and exerting effort in official and government transactions as we serve our clients through an experienced team of experts and specialists.

With over ten years of experience in the market, we offer entrepreneurial support at attractive prices, accessible to all businesspeople and project owners of various budgets and wealth.

Beroya Business Solutions also provides an internationalisation platform for businesspeople who want to take their local business to the next level. We provide UK and offshore banking solutions, offering personal and business bank accounts from reputable financial institutions around the world particularly for those who reside in countries where international transfer and online banking facilities are limited.

We also offer official address and virtual offices packages in the UK, USA, and worldwide for our client companies as well as prime phone numbers, and .london internet domains to meet any business expansion needs.

To protect their business, we assist our clients with trademark and intellectual property registration in the UK and internationally, covering most countries in the world.

Beroya Business Solutions is proud to be a trustworthy, confidential, and transparent platform for businesspeople to launch their projects, take their companies globally, and follow their dreams.

To learn more, please visit our website:
www.beroya.com

Umm Al Quwain Free Trade Zone

Umm Al Quwain Free Trade Zone (UAQ FTZ), in the Emirate of Umm Al Quwain, is situated close to the UAE's primary seaports and within one hour's drive of Dubai International Airport and Sharjah International Airport, ensuring easy access to the rest of the world.

Established in 1987, UAQ FTZ is one of the fastest-growing business addresses in the entire MENA region offering a host of licences, warehouse and office options for industries and manufacturers, multinationals, SMEs, micro businesses and start-ups.

Umm Al Quwain is a friendly, progressive and prosperous emirate with the kind of modern infrastructure we have come to expect of the UAE. Renowned for its desert landscape and unique flora and fauna, Umm Al Quwain is also a popular leisure destination within the wider Gulf region and is conveniently located just 45km from Dubai.

It represents one of the seven constituent emirates in the UAE and can be found in the north of the country. While it is the second smallest emirate, Umm Al Quwain is beginning to receive much more attention as its reputation increases an attractive base for doing business in the Gulf.

Formerly known as Ahmed Bin Rashid Port and Free Zone, the FTZ benefits from and contributes towards Umm Al Quwain's stable economy, which is notable for its open investment climate and affordable costs of living and highly competitive labour costs. These features have made it a strategic business base for trade with the MENA countries, Indian subcontinent, Far East and European continent; all are markets which can be found within easy reach.

The Free Zone has always since it was established been focused on building a great business climate for SMEs and entrepreneurs who want to enjoy all the benefits of setting up their business in the UAE.

UAQ FTZ's investor-friendly environment and procedures means that establishing a commercial base in the UAE has never been simpler. Forward-thinking SMEs and micro-businesses in particular have been able to benefit from advantageous set-up costs, 100% company ownership and zero currency restrictions.

With an emphasis on best value for money, UAQ FTZ offers budget-friendly business licences; highly competitive land, warehouse and office rents; end-to-end advisory services; consistent pricing, scalable leasing options and transparent transactions.

UAQ FTZ styles itself as a Free Zone of the future, which means that it is a place where progressive companies – regardless of the sector in which they operate – can enjoy a safe, secure and prosperous environment from which to engage in their business activities.

Furthermore, UAQ FTZ nurtures strategic partnerships with key organisations, industries and services in its drive to help investors.

INCREASE IN E-COMMERCE LICENSES

With sales making a historic shift online globally, UAQ FTZ's start-up friendly e-commerce license is a boon to retailers in these challenging times as it focuses on minimal investment to sell online. The result can be seen in the 70% increase in new e-commerce licenses issued in the last three months.

In July 2020, UAQ FTZ reported a 70% increase in new e-commerce licenses in the previous three months. Its start-up friendly e-commerce license is seen as a boon to retailers in the challenging times of the pandemic as it focuses on minimal investment required to sell online.

"We have seen a surge growth in sales of our e-commerce licenses in the last few months as people searching for an affordable but value-packed license sees us as a great growth partner," Mr Johnson George, General Manager of the Free Zone, commented. *"Our transparent, flat-fee pricing helps businesses keep cost to the minimum and reduce risk, all while getting a valid license that helps them sell online to any part of the world,"* he says.

"One thing many budding entrepreneurs don't understand is that you can't legally complete transactions without an E-commerce License while selling online," Mr George continues.

"The cost-efficient license helps online start-ups stay compliant and build credibility, but at the same time create higher margins and better cash flow as it offers the flexibility of selling without a physical office. Once the start-up becomes successful, they could scale up by getting an office or warehouse at the free zone as it is a one-stop-shop for all business needs; from logistics to staffing."

WHAT UAQ FTZ OFFERS BUSINESS

- Flexibility and ease of doing business
- Customer-friendly approach
- Investor-friendly climate
- Excellent growth opportunities
- Cost-effective leasing options for office space and warehousing.

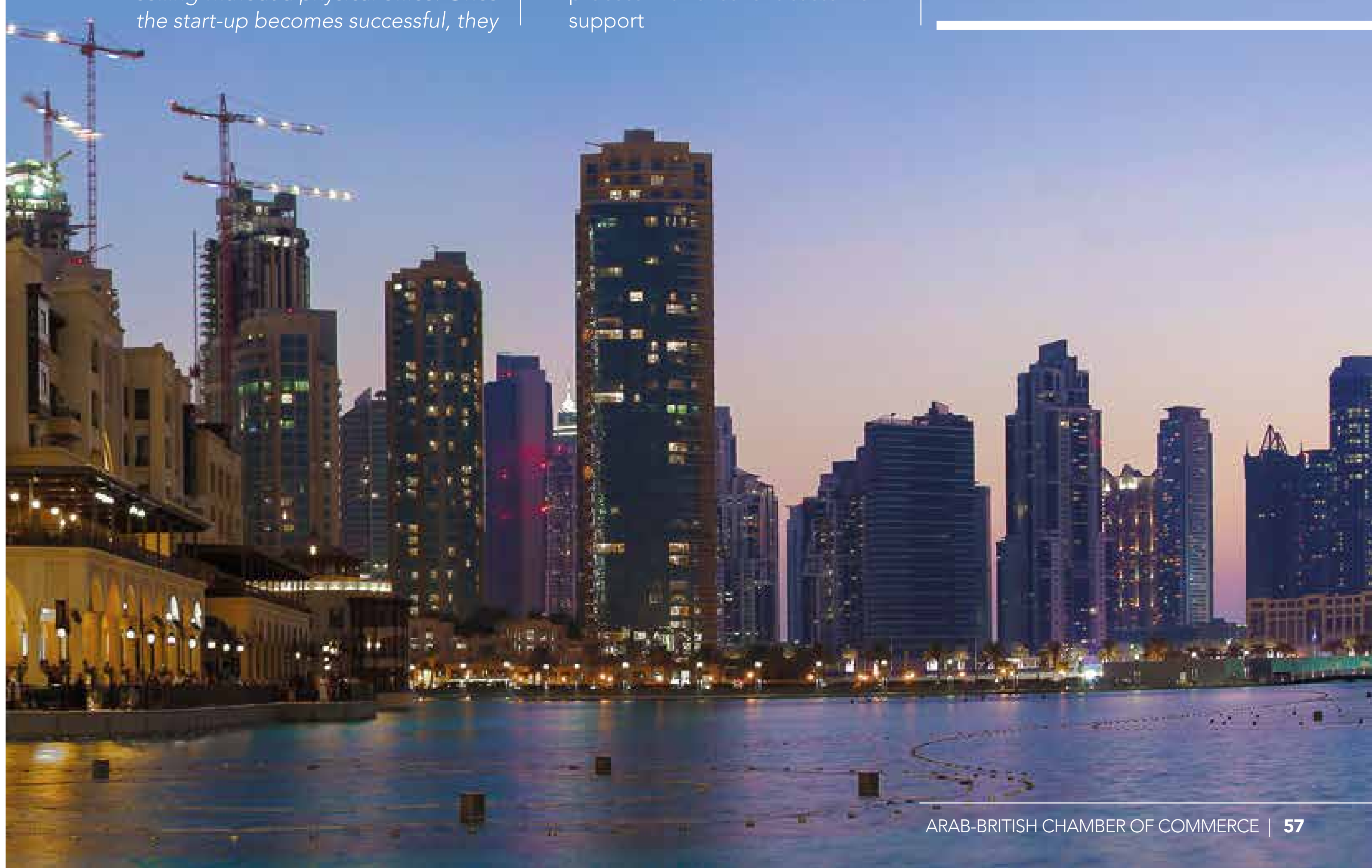
DIRECT BENEFITS

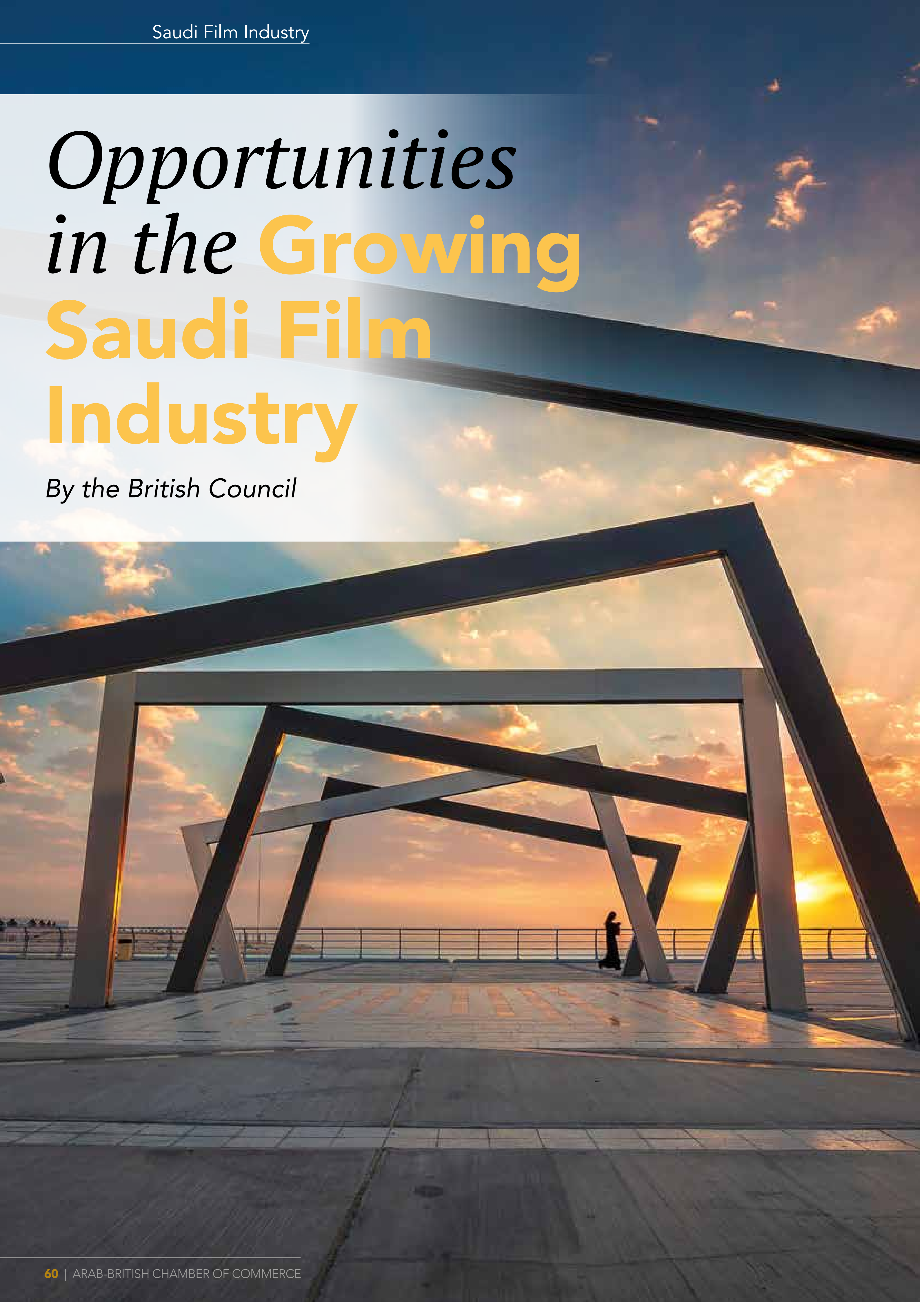
- 0% corporate and personal tax
- 100% company ownership
- Full range of business activities permitted
- 100% repatriation of capital and profits
- No currency restrictions
- 100% import and export tax exemption within the Free Zone
- Simple and fast registration process with excellent customer support
- Hi-tech facilities including office, warehouse and land availability
- Strategic location with access to over two billion consumers
- Ideal location for SMEs and micro-businesses
- Close to two international airports and major seaports
- Special concessions at UAQ's seaport
- No restrictions on hiring foreign employees
- Modern and investor-friendly rules and regulations.

UAQ FTZ offers a quick and easy way to set up in business with several options available. There is a one-stop shop service available to assist and the FTZ is keen to hear receive new enquiries from companies seriously interested in what Umm Al Quwain has to offer.

Please follow the link below to find out more about Umm Al Quwain Free Trade Zone and how it can help your business to expand and grow in the Gulf.

https://uaqftz.com/support/





Opportunities in the **Growing Saudi Film Industry**

By the British Council

What follows is based on research commissioned by British Council in the wake of Vision 2030 and the initial steps that were taken by the Saudi Arabian government to work towards the goals set forth in that document, including the re-opening of cinemas throughout the country.

The research is intended to provide evidence-based recommendations for the British Council's Culture and Sport programme in the Gulf which is focusing on developing long term, collaborative relationships between organisations in the UK and in the Gulf through support to cultural institutions, festivals and public events. In particular, the programme aims to share UK expertise in the creative industries with young people in the Arab world through capacity building programmes.

Opportunities

The British Council focused on the film and cinema sector in Saudi Arabia, and attempts to understand the current profile of the industry, how the industry will develop in the future and how the UK sector can contribute to this. It considers what specific opportunities exist for the sector, and particularly focuses on skills and training needs and how best to fulfil these.

Profile of the Current Workforce

The current workforce overwhelmingly appears to be concentrated in above-the-line roles, though the largest single number of respondents stated they worked in 'Camera and Lighting'. Most individuals in the sector work as freelancers, or supplement their income with other work, and most individuals who work in the sector have been involved in film for four years or less. Overall, the sector is already quite internationally engaged. Most individuals who work in the sector speak English as well as Arabic. Furthermore, the sector appears to employ many individuals who are not originally from Saudi Arabia, mainly in below the line roles which are not considered as prestigious, but also as teachers and trainers in the few film education programmes that exist in the country.

Skill Development, Training and Educational Needs

There is a lack of training and educational opportunities for individuals who would like to work in film in Saudi Arabia. The two University programmes that do exist are both based at women's universities. Nevertheless, a degree in film is considered to be important by employers in the sector. This expectation leads many students to pursue qualifications or training overseas, though this is also not without controversy. Priority areas for future training include scriptwriting and acting, and there is also a need for practical technical training.

Strategy Development

There is some disagreement over the priorities for the sector, however it appears to be agreed that the government has a crucial role to play in supporting the growth of the sector, both by investing in films and training, and by ensuring a wider ecosystem is developed for the sector.

Younger Generation

70% of Saudi Arabia's population is under the age of 30 and finding opportunities for employment and cultural expression have become important pillars for the country's policy and features in the country's ambitious Saudi Vision 2030. Despite this, and the historical links between Saudi Arabia and the UK, the country's younger generations have limited exposure to the UK and to Britain's cultural output.

Saudi citizens are among the largest consumers of YouTube and social media in the world and are renowned for their computer sciences and technical competencies. Now, for the first time in 35 years, cinemas have been allowed to operate in the country since 2018. Through the Saudi Vision 2030 initiative, Saudi Arabia has plans of generating economic growth and satisfying Saudi consumer demand by opening over 45 cinemas in 15 cities by 2020.

Meanwhile, a highly talented pool of Saudi filmmakers exist both in KSA and abroad. Many foreign educated Saudis studied film and media production at world class institutions overseas, and while some returned home to work in broadcast television, content creation or advertising, others continue to work in film outside their home country. Through the world of 'webisodes' and social media, entire sub-sectors have emerged with numerous companies and countless workers operating on online platforms like YouTube and Instagram.

KEY SAUDI DECISION MAKERS

- Vision 2030
- Ministry of Culture
- General Commission for Audiovisual Media (GCAM)
- Ministry of Education

UK FILM SECTOR

- BBC
- British Film Institute (BFI)
- British Film Commission
- Creative England
- Creative Scotland
- Ffilm Cymru Wales
- National School of Film & Television
- London Film School
- Pinewood Studios
- Warner Bros. Studios
- ScreenSkills
- Production Guild of GB
- National Film Youth Academy
- Northern Ireland Screen
- Wales Screen

AREAS OF OPPORTUNITY

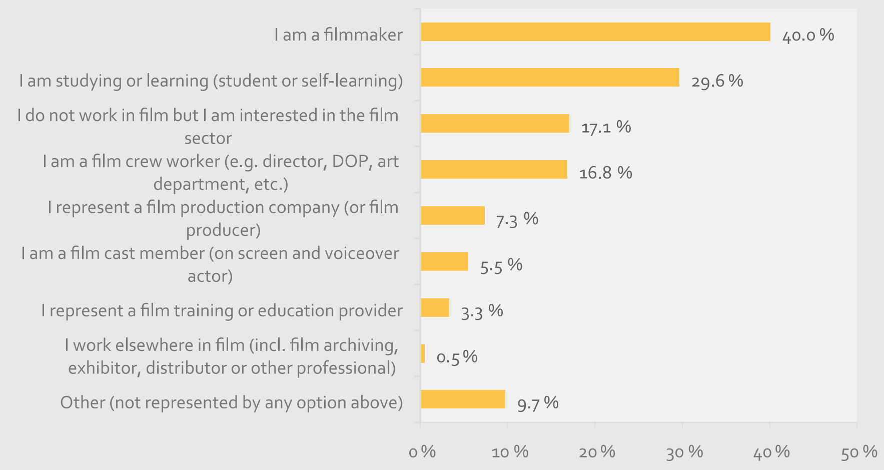
- Economic Growth & Diversification
- Jobs/ Employment Domestic & Int'l Market Audience Development
- Opening of Cinemas
- Screen Tourism
- Cultural Relations
- Creativity & Artistic Development
- Digital Platforms
- Film premieres

- Scriptwriting skills
- Acting skills
- Producing skills
- Soft skills
- Creative skills
- Technical skills
- Strategic planning
- Marketing

POTENTIAL JOINT ACTIVITIES

UK-KSA Film Training KSA
UK-KSA Film Training UK
Certification
Arabic Library
Innovation Centre
Internships & Work Placement
Masterclasses
Consultations
Sector network/ film cluster

Figure 1: Types of stakeholders who responded to the survey (multiple responses allowed)



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Source: 2019 Survey of the Saudi Film Industry conducted by Nordicity

Cultural Heritage

Saudi Arabia has a long tradition of storytelling, which is core to its cultural heritage. And there is a unique opportunity to leverage these traditions for the social and economic development of the country in the form of film. And whilst the cultural policy priorities in Saudi Arabia appear focused on heritage and traditional arts, film is increasingly seen as a new and complementary opportunity. Meanwhile, 8 Saudi Film Skills 9 there is a significant opportunity to partner with the UK's world-class film sector in a mutually-beneficial approach to film sector development.

Saudi Vision 2030

One of the goals of Saudi Vision 2030 is to *"attract local investors and create partnerships with international entertainment corporations"*, and to *"increase household spending on entertainment"* and *"develop a market in recreational services"*.

The General Entertainment Authority was established in May 2016, and the first public music concert was held a year later. Early in 2017, the government announced a large sport, culture and entertainment centre to open in Riyadh in 2022. As a result of the reforms and resulting support that is being provided to the burgeoning culture and leisure sector, the government expects that Saudi families will double the amount that they spend on entertainment and recreation in coming years. Recently, for example large scale events and festivals, such as Saudi Seasons, has focused on bringing world entertainment to Saudi Arabia.

Revival of Cinema

The revival and reintroduction of cinema are seen as supportive of the goals of Vision 2030. The sector is regulated by the General Commission for Audiovisual Media (GCAM), which expects more than 350 cinemas (with approximately 2,500 screens) to be open by 2030, generating roughly $1 billion per year in ticket sales. Films are already hugely popular in the country. A 2014 survey concluded that approximately two thirds of Saudis with internet access watch at least one film online per week. Film festivals with pop up screens have also been on the rise. Some Saudi films have even been made, including Wadjda and Barakah meets Barakah.

Cinemas are also very popular and financially successful in other countries in the Gulf region, suggesting that the Saudi market may offer similar opportunities. Indeed, there has already been significant interest from international operators keen to open cinemas in the KSA. British company Vue International have announced a plan to build up to 30 multiplexes in Saudi Arabia in collaboration with a Saudi real estate group.

Potential for the UK

UK stakeholders may have some advantage when seeking to operate in Saudi Arabia. Positive historic relationships between the two countries mean that UK firms will likely be well received, and the UK is currently the KSA's second largest cumulative investor with 200 joint ventures worth over £11 billion. The UK exported £7.34 billion goods and services to Saudi Arabia in 2015, with over 6,000 UK firms engaged in the Saudi market. The UK is also well regarded as a destination for further study – the education and training system is considered to be of a high quality. Saudi Arabia sends the most students to the UK of any middle eastern country. In 2013-14, this amounted to 9,060 students.

Saudi Arabia is a priority country for both Her Majesty's government and The British Council. With over 50 years of working with Saudi Arabia on supporting skills and English language, this film skills project is a new foray of working in culture for the British Council in Saudi Arabia.

Sector Research

Nordicity was commissioned by the British Council, in partnership with the Ministry of Culture, to undertake the first-ever strategic review of skills in Saudi Arabia's film sector. A combination of primary and secondary research was used, led by extensive fieldwork in Saudi Arabia, focus groups and a series of one-on-one interviews, combining desk research and a literature review. Nordicity conducted an extensive survey of Saudi film sector stakeholders, which was promoted widely by British Council, the Ministry of Culture and other strategic partners. The survey achieved a notable 422 responses from filmmakers and film companies, cast and crew, students, training and education providers and other key stakeholders, the high response rate as a testament to the strong promotion and engagement by the British Council and its project partners.

In February 2019, Nordicity undertook a tenday period of field work in Riyadh and Jeddah engaging with government, filmmakers, educational institutions, students and other stakeholders from across Saudi Arabia and indeed the Gulf.

Film Sector Profile

The Saudi film sector is emerging as an experienced start-up after 35 years gap. Aware of the social and economic opportunities ahead, the Saudi film sector has been working to understand its existing strengths and challenges through sector mapping and planning its next steps. The sector is driven at the grassroots, led by over over 30 independent film companies largely concentrated in the three metropolitan centres of Riyadh, Jeddah/Makkah and Dammam, alongside a number of other film companies located throughout the country. The sector is supported by key private and public sector players including the King Abdulaziz Center for World Culture (Ithra) and the Saudi Film Festival, Saudi Arabian Society for Culture & Arts, Saudi Broadcasting Authority, MBC Group and Misk Art Institute. Other supporters include the British Council and its inaugural Creative Futures Forum, the Arab British Centre, Art Jameels Hayy Creative Hub and the London-based Shubbak Festival of contemporary Arab culture.

Talent Pipeline

The talent pipeline is supported by local and international film education and training providers, including the only two universities providing film education in Saudi Arabia at the time, Effat University and Dar Al Hekma University – both women's universities. In addition, the Ministry of Culture and Imam University both provide tailored training workshops throughout the year, while the New York Film Academy has been active in training Saudi filmmakers in the KSA and the US alike.

There is a vibrant albeit underrepresented talent pool of filmmakers in the country. As a nascent sector, the skills base has been developed professionally abroad and selftaught at home within the country for years. And for Saudi filmmakers there has been little opportunity to further develop these skills and take them to the next level in the KSA, until now. The work experience obtained abroad has been tremendously valuable for creatives in the KSA, including film and other sectors from, work placements and internships, and through this consultation it has become clear the lack of a coherent skills strategy in Saudi Arabia is a barrier to its growth potential. As one stakeholder interviewed during Nordicity's fieldwork put it, education encourages investment, and the lack of investment in the film sector in Saudi Arabia currently means that the industry is not reliable.

Though there are differing perspectives about the route that the industry should take to ensure it can develop in a sustainable way, it is also characterised by a significant amount of optimism. Stakeholders suggest that film in Saudi Arabia will follow a similar growth pattern the country experienced in graphic design over the past two decades. Mirroring the success of Saudi Arabia's graphic design, they believe the film sector could take hold as an area of study and work by developing an initial workforce, enabling graphic designers locally to integrate a unique Saudi aesthetic that speaks to its citizens and local consumers.

The Nordicity survey of 422 Saudi film sector stakeholders provides the first-ever baseline for the film industry in Saudi Arabia. A total of 169 filmmakers accounted for 40% of respondents, followed by 125 students (30%), 72 crew (17%), 71 people interested in the film sector (17%), 31 from production companies (7%), 23 cast (6%), 14 from training or education providers (3%), and 43 from other sector stakeholder positions (10%).

Urban Concentration

The Saudi Film Sector is concentrated in the three major urban centres. Over one-third (35%) of the respondents resided in the capital city of Riyadh, while 29% resided in the western cities of Jeddah/Makkah, and 11% resided in the eastern city of Dammam. A small percentage (2%) lived outside of Saudi Arabia, with almost half of those respondents indicating that they have never lived in Saudi Arabia, but they work in film or have an interest in the sector.

Saudi Arabia's film sector is characterised by a workforce of young people under 30, reflecting the national population. The average age of all respondents was 26, with almost threequarters (72%) of respondents being younger than 30 years. As previously mentioned, this aligns closely with the target audience for British Council and with a key group for Vision 2030.

There is an opportunity to increase female participation in the Saudi film sector workforce. The sector stakeholders are predominantly male, with just over one-third (34%) of the respondents as female. The gender gap is notable given that the two universities with film programmes are both women's institutions. During Nordicity's in-country interviews, it was commented that women who do work in film often work specifically on animation or graphics, as these are roles that can be completed remotely, often from home, and can therefore be seen to be more culturally appropriate.

The Saudi film sector surveyed is highly proficient in English. Boding well for collaborations with UK and US film partners, a large majority (64%) of the respondents indicated that they are fluent in both Arabic and English. Nearly a third of respondents were fluent in Arabic only (29%). This also provides an opportunity for training and education programmes – there is less likely to be a need for content and resources to be translated. However, it is worth noting that stakeholders in Saudi Arabia who spoke to Nordicity noted that the British accent was harder to understand than the standard American accent.

Saudi Film Workers

This section provides a profile of the 213 individuals working in film responding to the Nordicity survey. The Saudi film workforce is comprised largely of employees of small companies, micro-enterprises and freelancers. However, it is important to note that several of the companies Nordicity visited in Saudi Arabia are currently seeking financing in order to be able to employ staff on a more regular basis. Freelancing is also, according to stakeholders interviewed, looked down on.

The sector is comprised predominantly of people with under four years of experience in film. On average, respondents working in film have worked in the industry for five years. The years of experience vary slightly by gender, with the average for female respondents being four years. This reflects the recent growth and interest in the sector, as well as the pattern for Saudi Arabians who study film to work outside of the country.

The sector self-identifies largely as midlevel seniority in their film career. Almost half (45%) of film industry stakeholders indicated being in intermediate positions. Broken down by gender, a larger percentage of female film industry stakeholders were in entry-level positions (11%) than male stakeholders (4%).

The Saudi film workforce is highly flexible, comprising a majority of casual and parttime workers. More than one-third of film industry stakeholders work in film on a casual basis, whereas less than a quarter (22%) work in the industry full time. A higher percentage (56%) of female stakeholders worked on a casual basis in the industry than male stakeholders (33%).

Skills Training

There is a preference for the workforce to have been trained in film within Saudi Arabia. The main priority for experience needed for working in the industry was workers having trained in film in Saudi Arabia (28% of respondents). The second priority for experience was workers having obtained film training outside of Saudi Arabia (22%), followed by internships in film (22%). Meanwhile, previous film work within Saudi Arabia was a priority for 7% of respondents, followed by workers with personal connections in the sector (6%) and previous television or advertising work (5%). Only 4% deemed previous film work experience outside of Saudi Arabia was the most important, and only 3% felt that online training was.

Film Companies

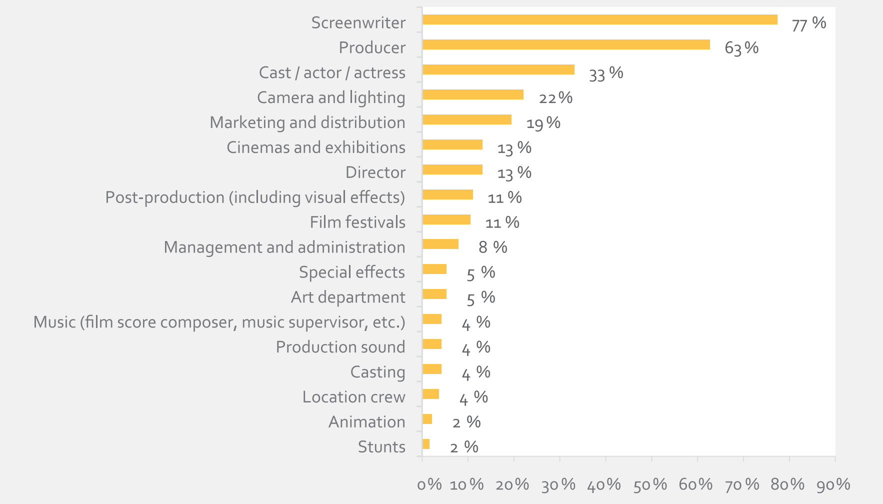
The sector is comprised primarily of microenterprises. The majority of the producers and companies are single-employee enterprises (61%). A quarter of film companies employ 2-4 people, while just under one-fifth employ over 5 employees. Many of these companies additionally employ casual staff and freelance workers.

Online streaming is the most prominent form of Saudi film distribution. A number of distribution methods are employed by companies to distribute film in the industry. The most common form of distribution was via YouTube and Vimeo, where 77% of responding producers and companies have done so. Indeed, several of the producers and companies visited by Nordicity in Saudi Arabia focused their content on online platforms. The second most common form of film distribution was through film festivals (46% of producers and companies), followed by private viewings/screenings (25%), and broadcast television (14%).

Working with the UK

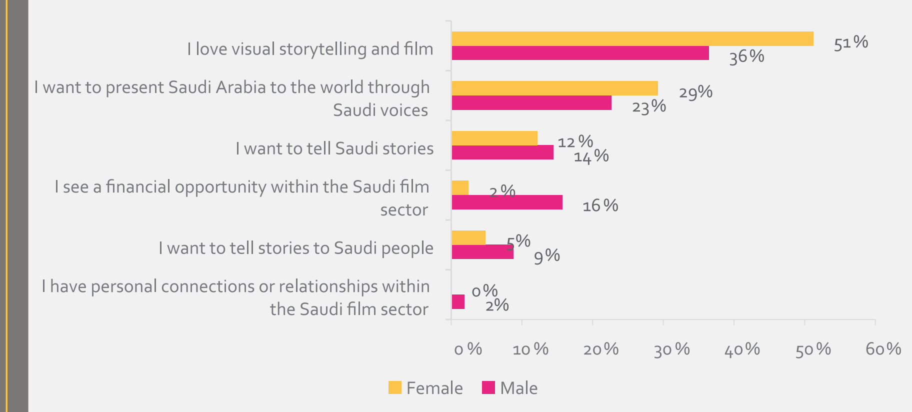
There is a considerable interest in working with the UK film sector. Nearly a third of film producers and companies indicated an interest in working with the UK. When asked where they

Figure 3: Most important roles in film as identified by film industry stakeholders (multiple responses possible)



n = 194
Source: 2019 Survey of the Saudi Film Industry conducted by Nordicity

Figure 4: Film industry stakeholders' reasons for working in film, by gender



n = 192
Source: 2019 Survey of the Saudi Film Industry conducted by Nordicity

would like to work, a large majority of companies (71%) indicated their desire to work in, partner with or co-produce films in the Middle East and North Africa. Key locations for foreign production mirrored current activities. This again may reflect existing links between Egypt and Saudi Arabia.

Film Training and Education

The current provision of film training and education in Saudi Arabia is limited, and many of the sector skills are obtained through training and work experience in other countries including the US and UK.

Sector stakeholders also expressed a desire for a very high calibre of professional training provision, citing current provision as being focused on entry and mid-level careers, and thus insufficient for experienced film professionals. Consultations revealed that a significant amount of training is done informally through peer networks and on-the-job working, whereas many skills have been self-taught.

Saudi Arabia's practical film training opportunities also exist in the form of work placements and internships, often coordinated through the universities. Amongst the training provided, animation featured as the most prominent among training providers responding to the survey. It can be challenging, according to stakeholders, to find appropriate internships to fulfill university requirements.

Potential Opportunities

There is a tremendous economic potential for film in Saudi Arabia. Saudi Arabia has the highest GDP of the MENA countries ($782 billion in 2018) and an expected annual growth rate of 2.2%. With a population of 33.7m and 6m foreign nationals employed in the Kingdom, the country has a significant consumer market and film audience potential.

Viewing Habits

There is considerable demand for a Saudi film sector. 67% of Saudi consumers preferred to watch films depicting their own culture, yet Saudis watched far fewer films from their own country than the rest of the surrounding region.

Only 35% of Saudi consumers watched films in English, which was among the lowest in the region, while 88% watch films from the Arab world, which was much higher than the rest of the region.

In terms of genre, the Action/Adventure genre was by far the most preferred film genre in the Middle East and North Africa region, at 35%. This was followed distantly by comedy (16%), Arab Classic (12%), Drama (11%), Romance (8%), Horror/Thriller (4%) and Children/Family (4%).

Meanwhile in Saudi Arabia specifically, Nordicity's survey found that the drama genre had the greatest opportunity for the country's film sector (33% of respondents), followed by action/adventure (27%) and comedy (25%). The Arab Classic genre was identified as a priority for only 6% of respondents, followed by horror/thriller (5%) and children/family (3%). In addition, several key stakeholders noted a high potential for the documentary and animation genres for Saudi Arabia, as well as VFX given the country's strengths in technology and the indoor studio-based nature of the work in the Gulf climate. During interviews in Saudi Arabia, stakeholders noted that they had already worked on comedies, with the budgets being a bigger obstacle for action or fantasy films.

The demand in Saudi Arabia for cinema is expected to grow, recouping film audience expenditures leaking to its neighbours. Dodona Research anticipated a shift in cinema investment from the UAE towards the Saudi Arabian market given the market liberalisation, and the expectation of an inward shift towards Saudi domestic film tourism given the emergence of cinema in their own country. Indeed, a majority of respondents to the Nordicity survey believed Saudi Arabia had the potential to develop a thriving film industry.

Film Production

Production was the area seen as the greatest opportunity for Saudi Arabia's film sector. Two thirds of Nordicity survey respondents identified production (66%) as the sub-sector with the greatest opportunity. The second and third areas were film distribution (13%) and post-production (12%), followed by exhibition (7%) and film archiving and screen heritage (1%). During Nordicity's time in Saudi Arabia, several of the companies consulted noted their intention to establish themselves more formally as production houses for feature films.

The provision of traditional film education offered in Saudi Arabia was a priority for the sector. The establishment of film schools in Saudi Arabia was identified as the top activity that would help the Saudi film industry (65%), followed distantly by establishing apprenticeships, internships and on-the-job training. The provision of Arabic script writing courses was the third most important area, mirroring the views of industry members interviewed and reflecting the consumer research in the demand for quality Arabic productions.

Opportunities for UK-Saudi Collaboration

The Saudi Arabian film sector has a significant interest in collaborating with the British film industry. The vast majority of survey respondents were very interested in partnering with the UK (72%), while just over a fifth were somewhat interested (22%).

During Nordicity's fieldwork and consultations in Saudi Arabia, film producers and companies highlighted the professionalism of the UK sector, and their strengths in pre-production. These strengths were seen to be distinct from other international film sectors.

Of those who expressed interest in collaborating with the UK, almost half (47%) perceived the biggest benefit of collaborating to be that the UK film industry has leading film industry experience. The second biggest benefit was identified as the UK's international standards of working (21%).

The use of new filmmaking techniques not known in Saudi Arabia was identified as a top benefit by 10% of respondents, followed by the UK's opportunities for international distribution (9%), the UK's technically trained film workforce (7%), and the UK's insight into international markets (5%). Meanwhile only 1% identified the UK's use of the English language on-the-job as a benefit.

Cultural differences were deemed the biggest challenge in UK and Saudi partnering, identified by a third of survey respondents. The cost of travel was the next biggest challenge identified by a fifth of respondents, while the difference in industry standards and travel visas were both identified as the next biggest challenges by 11% of respondents each.

Other challenges identified included differences in government regulation, consumer preferences and language (7% each), while only 6% identified the salary differences as a challenge. Survey respondents were mixed in their views for the form of collaboration with the UK. Just under a third of respondents saw the opportunity to bring UK expertise to Saudi Arabia as the optimal form of collaboration (32%), mirrored by those who saw the opportunity to send Saudi film stakeholders to the UK.

UK Partnerships

- Networks, Peer-to-peer learning & Mentorship – Remote mentorship with UK experts, film sector network, internship scheme – There is a desire to partner with and learn from the UK film sector and their professionalism due to their international prestige and quality filmmaking. The biggest benefit to collaborating with the UK was seen as benefiting from their industry experience.
- The level of training should be concentrated at the intermediate- and senior-levels of experience. This would reflect the sector demand, which seeks to upskill their existing strong talent base from one of service, social media and advertising production towards one of international feature film and cinematic production. Stakeholders noted that the current provision of training is tailored to new entrants and intermediate level film workers, and more advanced training is required.
- Given economies of scale, the more advanced training may be more cost effective to deliver outside of the KSA, by bringing individuals to the UK. E.g. Collaboration with UK training institutions sponsored by MoC.
- Where possible, training and programmes should be done in collaboration with MoC or other local partners to ensure it is sufficiently localised for the Saudi context. This would also help with further capacity building and would help address the challenge of cultural differences between the KSA and the UK as noted by industry stakeholders.

- Promotion of the training provision across the country, including the smaller centres to converge on the three major cities.
- Industry stakeholders were equally open to bringing UK experts to the KSA for training as they were with sending Saudi nationals to the UK.

a. In the short term, it would be advisable to bring UK experts to Saudi Arabia to deliver short-term training and workshops.

b. In the medium-term, it would be advisable to establish programmes that bring Saudi filmmakers to the UK for capacity development with UK partners in-country.

c. In the long-term, it would be advisable for UK experts to help stablish formalised training programmes and institutions in the KSA with local Saudi partners.

This is an edited extract from a report issued by the British Council and is featured in our magazine with permission.

For more information and to read the full report visit: **https://www.britishcouncil.sa/en/programmes/arts/Saudi-Film-Skills** or follow #SaudiFilmSkills on Twitter and Instagram.

The British Council is the United Kingdom's leading cultural relations organisation and a member of the ABCC.

The Road Ahead: Ride-hailing Apps in the UK

Unauthorised rides, monumental breaches of safety and allegations of tax evasion are among the numerous failings which have put ride-hailing apps in the headlights. Yet market giant, Uber, has recently made headlines again after successfully securing the right to operate in London, a year after Transport for London (TfL) rejected its application over safety issues. The license renewal suggests a clean slate, but the question remains as to whether Uber - or any of its ride-hailing competitors - have made the drastic changes necessary to clear up a highly dubious track record.

"UVA UK hope to appeal to drivers who are tired of simply working for tech-led companies that fail to put the interest of its workers into focus."

Uber's license suspension in the capital last November opened up the market for competitors to vie for the monopoly crown. Bolt, Kapten and ViaVan were among the top UK contenders based on app data insights along with a number of other companies who have all been vocal about their ambitions. To make the cut, a significant rise in standards is necessary, and to a degree, companies seem to be taking heed.

Matteo de Renzi, Managing Director of Gett UK, a ride-hailing competitor in the capital, commented on the continued quality of their service 'as more people question the credentials of London's transport providers'. Gett's trained drivers have the uncommon perk of keeping 100% of their tips and are rewarded for referring new drivers too.

Bolt, previously named Taxify, bounced back in London after being temporarily banned by TfL. Now they offer conditional bonuses to drivers along with 24/7 in-app support and an SOS button for emergencies. Similarly, French app Kapten aims to recognise drivers who hit weekly targets by giving them deals and discounts if they climb their three-tiered Rewards Programme.

The effort to recruit drivers has flooded the market with alluring deals. Ola, who launched in February, offered a 0% commission incentive for the first 6 weeks, which then went up to 18%, more than Bolt, Kapten and ViaVan's 15%, but still competitive compared to Uber's 25% fee. Reduced commission rates and increased incentives do go some way to putting more money into drivers' pockets.

Concessions and freebies are used by companies to attract passengers, too. Gett, Ola and Wheely all run a refer-a-friend promotion for riders, while Free Now, who operate across Europe, recently ran a 50% off deal on rides. Bolt claims to offer the lowest fares in London and Kapten offers a loyalty programme to its customers. Whether these kinds of methods are sustainable is questionable, as is the extent to which shortcuts should be permitted in order to survive in such a competitive market.

The growing list of countries clashing with ride-hailing apps suggests that regulators are cracking down. China, Denmark, Hungary and parts of Australia, France, and Germany are among the numerous places where Uber has either been banned or has willingly withdrawn. Breaches of safety are all too common; the 14,000 fraudulent journeys amidst a 'pattern of failure' which put passengers at risk was key to Uber's license suspension in London last year. Lyft has had at least 56 lawsuits filed against it over alleged sexual assault by its drivers and Uber's first ever safety report revealed that more than 3,000 sexual assaults had been reported by its passengers in 2018 alone.

Critics point to poor screening methods which allow unlicensed and potentially dangerous drivers behind the wheel. The last year has seen Uber introduce a series of new training videos for its drivers, and both Uber and Lyft have tightened up on their safety standards with more rigorous background checks. Improvements have been reflected in the competition, too, with Kapten implementing face-to-face verification of its drivers and Ola introducing modules from DriveTech, part of the AA, as part of a more rigorous onboarding process. Yet, Ola's recent ban by TfL to operate in London over public safety issues casts a shadow over the effectiveness of their 'Ride Safe UK' scheme, to which Ola committed a sum of £50 million to develop safety initiatives.

One competitor, UVA UK, seems to be going the extra mile. They boldly pledge to offer the most rigorous driver training of any ride-hailing company so far. And, once their drivers pass the initial deep-dive tests, they are encouraged to take regular modules on a variety of subjects, including Black Lives Matters and LGBTQ+ issues. While critics might accuse the company of 'jumping on the bandwagon' of ethical movements, UVA UK proposes this as a way of strengthening in-car and community relations. By allowing passengers to see the modules studied by drivers, the aim is to develop a layer of trust beyond simply a name and a rating system; part of a broader effort to make both driver and passenger welfare an absolute priority.

By pledging to humanise the ride-hailing system and by having solid values at its core, UVA UK hope to appeal to drivers who are tired of simply working for tech-led companies that fail to put the interest of its workers into focus. By being legally defined as a 'technology platform' rather than a 'transportation company', Uber is essentially just a 'facilitator' of transactions between drivers and passengers. This absolves companies of many responsibilities and arguably removes a crucial human dimension to a service which requires a certain level of trust between parties.

UVA UK CEO, Ayesha Rees commented that 'for too long ride-hailing companies have valued technology above everything else. The result is a faceless service and a loss of genuine human connection'. While UVA UK is still essentially a technology platform, it insists it will bring a human dimension to ride-hailing by improving in-car relations and putting honesty at the cornerstone of everything they do.

Up until now, honesty does seem to be consistently lacking within the industry. Allegations of widespread tax evasion can more often than not be found at the root of ride-hailing app legal conflict. In 2018, ex-Uber drivers in Denmark were slammed for £1.3m worth of dodged taxes. And, last year, Lyft joined Uber's effort to

lobby a proposed municipal tax on ride-hailing apps in Oakland which could have generated up to $2.5m per year. The move of Uber's Bermuda based subsidiary to the Netherlands has reportedly saved them $6.1 billion in taxes. It has also allowed the monopoly king to avoid paying a 20% value-add-tax on rides booked in Britain, a tactic which has allegedly cost British taxpayers nearly £1 billion.

This is another area in which UK based UVA UK is insistent it will do better in. By only recruiting local drivers, either British nationals or official residents, UVA UK claims it will help to directly benefit the local economy. 'Time and time again you see ride-hailing companies making huge profits within the countries that they operate in, and funneling that profit out elsewhere,' say UVA UK, 'we're committed to keeping the vast majority of UK profits within the UK.'

Despite the efforts of newcomers, the assumption could be made that Uber will continue to dominate the UK market in light of their recent win in the capital. Yet, the TfL case with Uber has refocused attention to a business model which seems to be running out of road. Promises to passengers have always been propelled by cheap rates, yet riders often pay high prices during peak times as companies dictate and fluctuate fares. This came under scrutiny recently with Uber accused of capitalising on the recent 10pm covid curfew with a 2.6% fare surge. Kabbee in London is one of the few services who do not raise their fares at busy times, along with UVA UK who promise fixed prices from the word go.

While price will always be a driving factor, the importance of safety is more relevant than ever now, in a post-covid landscape. In an effort to uphold the highest level of safety measures, UVA UK drivers will be required to disinfect their cars after each passenger rides with them, along with a more thorough weekly clean. Measurable weekly updates regarding the condition of vehicles will also be compulsory, making safety checks a fundamental part of the job description.

There is a clear need for a more sustainable ride-hailing business model and while the landscape of this particular industry continues to shift and change, UVA UK's vouch to put people first in all that they do is promising. The road ahead is undoubtedly still long and competition is as fierce as ever, but if honesty remains the central pillar of business practices, then the benefit to workers and customers alike should quickly speak for itself.

To find out more about UVA UK, please visit **uva.uk**

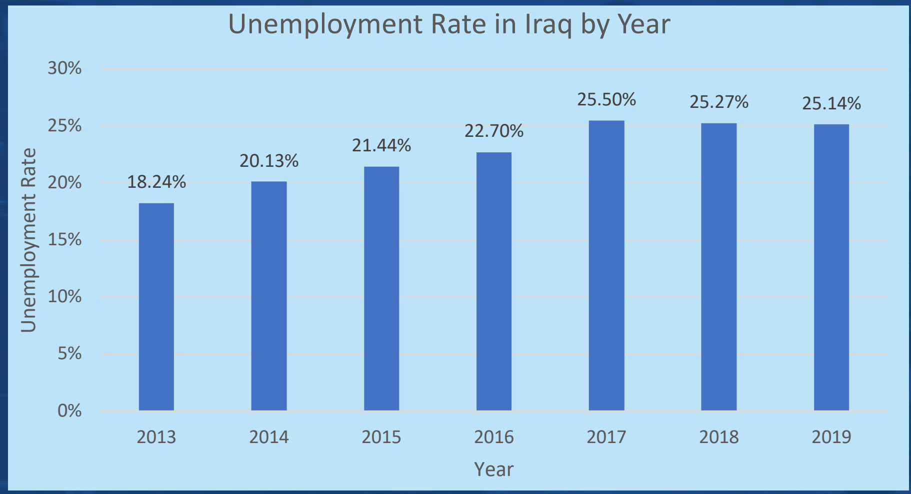
Improving Iraq's Economy **through Supporting Young Iraqis**

By Global Partners Governance

In October 2020, Global Partners Governance (GPG) launched a ground-breaking and extensive research report on ***'The Economic Drivers of Political Discontent among Young Iraqis'.*** This research highlights many key findings which will be familiar to those working throughout the Gulf and the wider MENA region: a population demographic with a very high proportion of young people, young people who are expecting and demanding more from their governments and states institutions; whose sincere desire to play a meaningful role in the rebuilding of their countries' economies and societies, is informing their interactions with politics and the State at all levels. It is crucial for organisations working in these contexts to understand the drivers for the behaviour of young people and their vision for the future of their countries. In this piece, GPG are delighted to present the findings of their research.

It has been a year since young women and men of Iraq took to the streets in October 2019 to protest decades long sectarian politics, corruption, lack of public services and unemployment. The October 2019 protests marked the beginning of a process that led to the resignation of Prime Minister Adel Abdul-Mahdi and his Government, leaving Iraq with a caretaker Government for nearly six months until May 2020. During this time, Iraq faced a wave of daunting challenges including rising US-Iran tensions, crashing oil prices, and, not least, the COVID-19 pandemic.

On the first anniversary of the protests, Global Partners Governance (GPG) launched the findings of a significant piece of research examining how these events continue to reverberate amongst young Iraqis today.



Source: International Labour Organisation (ILO)

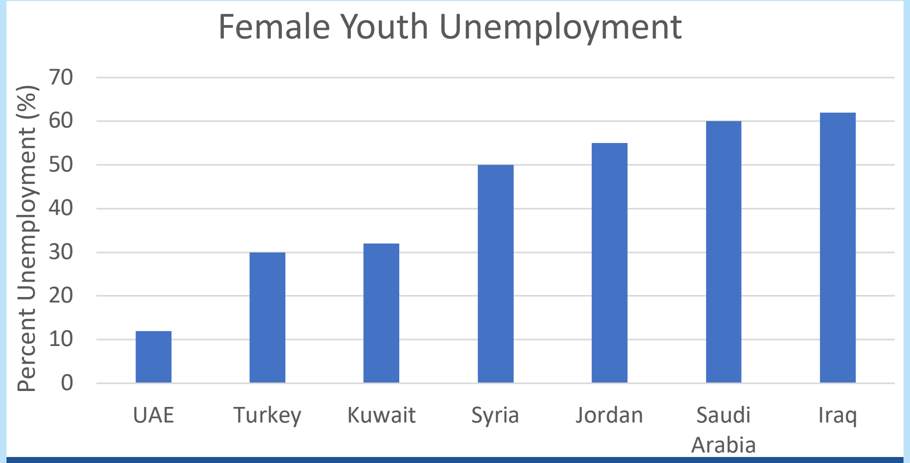
Iraq's economy has been battered by years of wars, sanctions, fluctuating oil prices, and a profusion of insurgencies. In the absence of a strong institutional framework, large parts of the Iraqi economy were opened to global market forces, pushing whole segments of the country's population into poverty while ingraining corruption as a part of politics and business. The strong oil prices and a relatively peaceful environment of the late 2000s granted Iraq a brief period of economic recovery. That period ended in the mid-2010s as the country was hit by a war with ISIS, civil unrest, and further fluctuations in oil prices.

Corruption, in particular, has been the theme that has tied together mass demonstrations since 2010, According to the 2018 public opinion poll conducted by the National Democratic Institute (NDI), 82 percent of Iraqis were *"concerned"* or *"very concerned'* about corruption at the highest levels of government and 83 percent believed that corruption was getting worse.

Iraq also has one of the youngest populations in the world. 60 percent of Iraqis are below the age of 25, meaning that they barely remember a time before the 2003 US-led invasion of their country. It is this group who are affected most severely by the dire condition of Iraq's economy, with very low educational levels, lack of employment, and uncertain futures scarred by decades of conflict and corruption.

The figures are even worse for women. The estimated labour force participation rate for Iraqi men is 72.4 percent, while the same figure is 11.2 percent for women. Only 5 percent of young women are in the labour market. In 2016, about 27 percent of women of all ages were unemployed, compared to 14 percent of men. 65 percent of young women were unemployed compared to 32 percent of young men. All this contributes to Iraq having the highest female youth unemployment rate in the Middle East.

It is against this economic backdrop and growing youth frustration that Global Partners Governance commissioned its research entitled ***"The Economic Drivers of Youth Political Discontent in Iraq."*** Our researchers conducted in-depth interviews with 65 young people between 18 and 30 years of age in Baghdad, Basra and Thi-Qar, the regions that saw the most intense protests, as well as the Kurdistan Region. Our findings clearly illustrate the overall marginalisation of youth in



Source: ILO

the country and capture new trends of inclusive nationalism that are emerging in the country's contested and divided political space.

The research shows that unemployment, corruption and poverty are the biggest concerns for young people in Iraq. A majority of the respondents do not trust the political system on provincial, regional and federal levels. Overall, young Iraqis do not identify with, or feel committed to the current political structures, and political parties receive the biggest share of youth criticism. Young people see the existing governmental institutions to have been captured by political parties, who are thought to be serving their own interests rather than those of the public.

Iraqi youth are clearly demanding a strong, autonomous state that allows for an inclusive Iraqi identity and a more just distribution of the country's wealth. A majority of respondents in Baghdad, Basra and Thi-Qar supported a strong presidential system against the divided parliament, and a direct election of governors against the provincial councils, which they argued were acting according to sectarian and party loyalties. Respondents were also highly critical of patronage networks in the Kurdistan Region. Frustrated by the region's economic problems and corruption, they laid the blame on the two major political parties of the Kurdistan Regional Government (KRG).

Throughout the research, we saw that both in the Kurdistan region, as well as in the rest of Iraq, there is a growing youth reaction against party-led nationalism and sectarianism respectively. As seen in the demands of October protestors, young people are calling for a new national identity, one that breaks with the sectarianism and patronage networks of the ruling elites, and sets in its place a new social contract that will honour "Iraqis first" of the popular slogan. This anti-sectarian sentiment in Iraq draws parallels with the growing alienation of young people from party-defined nationalism in the Kurdistan region. Kurdish youth are less and less interested in the Kurdish nationalism promoted by the region's two dominant parties and identify with a new form of nationalism that combines liberal conceptions of social well-being and government-citizen relationship with a surge of pan-Kurdish patriotism. These two parallel trends in the Kurdistan region and the rest of Iraq present opportunities for better dialogue among the youth of Iraq and are likely to determine the politics of the country in the coming years.

Young people in Iraq reject the patronage system that intersects divisive identity politics. They call for the expansion of the private sector and more government involvement in the creation of jobs, loans and training to support entrepreneurial activities. They demand a strong state, one that is autonomous from the political parties and their sectarian patrons inside and outside Iraq. This is a state that works for its people, promotes social justice and an egalitarian country.

The potential of young Iraqis to improve Iraq's economy can no longer be ignored. The research highlighted four key areas for Iraq and the international community to consider. These include i) improving skills and training, ii) providing better economic opportunities, iii) removing legislative and regulatory framework, and iv) creating genuine political participation.

The importance of developing youth entrepreneurship policies in Iraq is evident. In recent years, especially in the Kurdistan region, online businesses have grown in the service sector. Most of these businesses are small enterprises, providing services in digital media strategy and planning, social media management, online advertising, wedding and event planning. These are positive developments that need to be supported and expanded across Iraq through skills training, funding programmes, entrepreneurship networks and regulatory and legislative changes.

The recent COVID-19 lockdown has created a further push for online businesses in the Kurdistan region. Despite the absence of a credit card system and a loan mechanism, online start-ups have begun running in food delivery, clothing, bakery and childcare services. Conditions are thus favourable for organising virtual training to young Iraqis in fields such as project management, start-ups, accounting, soft-ware, web designing, fundraising, technology development and communication. Foreign businesses operating in Iraq should also incorporate internship, graduate training, coaching and mentoring programmes into their company policies.

As our research has shown, there is a high demand among the youth for inter-ethnic, inter-sectarian and inter-regional interaction. Thus, creation of such dialogue mechanisms through which young people can discuss and debate among each other on social, political and economic issues is critical in regaining young people's trust in political processes.

Global Partners Governance is a member of the ABCC.

GPG are a political development consultancy specialising in adaptive political and governance reform programmes. Bringing expertise from across politics and the public sector, GPG have a track record of delivering successful programmes in Iraq, the Gulf, the wider MENA-Region, and internationally. To read the full report, visit the GPG website at **www.gpgovernance.net** If you are interested in discussing GPG's work in Iraq further, please reach out to **hello@gpgovernance.net**

Expo 2020 Dubai

Reconnecting the World

With less than one year to go until Expo 2020 Dubai opens its doors to the world on 1 October 2021, Expo is ready to convene the global community in a spirit of collaboration and innovation to build a strong, sustainable future for everyone.

Expo 2020 Dubai was to have opened on 20 October this year but that had to be postponed due to the outbreak of the coronavirus. The international trade fair will now run for six months from 1 October 2021 ending on 31 March 2022. It is still being known by its original name, Expo 2020 Dubai and will still be hosted in the UAE.

The major event will contribution towards the international standing of the UAE and wider region, boosting the regional economies by attracting inward investment. It will be a showcase for the progress and development strides made by the entire region.

There will be around 190 participating countries and millions of visitors are expected to be attracted over the course of its six months run.

Commenting on the efforts on the efforts of the UAE in hosting what is expected to be a spectacular event, Her Excellency Reem Al Hashimy, the UAE Minister of State for International Cooperation, Director General of Expo 2020 Dubai Bureau, said: *"Our leadership has spared no effort, guided us, and provided all resources to ensure that our World Expo will be a true expression of the UAE's values, reflecting its ambition to build a better future for us, the region and the world – a future of which coming generations will be proud.*

"Our World Expo has a mission to inspire hope, and in the coming weeks we will begin to share new details and ideas about space, health and wellness, travel and connectivity and other subjects that sit at the heart of this Expo. We hope that people will join us to achieve our objectives to bring the world together and put humanity and the planet on the right path towards dignity for all."

The Minister thanked the entire Expo community for its commitment to delivering an exceptional Expo, adding: *"The journey has been worth it, and in 365 days we will share our excitement and our passion with millions."*

Progress on the Expo site has continued at a steady pace, with more than 210 million work hours completed to date. Final work has focused on landscaping and fit-out of Expo-owned buildings, and the construction of all the Country Pavilions is on track for completion by the end of the year, Expo organisers have announced.

SPACE WEEK HIGHLIGHTS PROGRESS OF UAE'S HOPE MARS MISSION

Expo 2020 Dubai hosted a digital "Space Week" on 5-6 October to highlight the latest developments in space travel and exploration, including the UAE's own Hope Mars Mission.

The Space Week coincided with the Hope probe reaching the half-way mark in its journey towards the Red Planet, the country's Mars mission crew confirmed.

The Space Week event brought together Expo 2020 international participants, official partners, media and the general public to highlight the latest innovations in space research and travel.

Key topics discussed and highlighted included the participation of women in the space sector and the UAE space landscape.

The Space Week was the first of a series of Expo 2020-led thematic weeks that aim to offer a preview of the wide range of exhibitions and initiatives that will be brought together when Expo 2020 Dubai opens next year.

Omran Sharaf, Project Director of the Emirates Mars Mission (Hope Probe) from the UAE's Mohammed Bin Rashid Space Centre, commented: *"The nice thing about space is that we don't have one identity, we are citizens of this planet. So, through this mission, the UAE wants to send that message to the Arab youth and inspire them – if the UAE, a young nation is able to reach Mars in less than 50 years, then we can do much more."*

Brian C Odom, NASA's acting chief historian, added: *"I'm excited, and I know a lot of people at NASA are, about Expo 2020 and NASA's participation. I think it's a great opportunity to talk about our past. It's a great opportunity to talk about where we are in space flight today. I think that's what opportunities like this Expo do for us. It allows us to think about what we can accomplish collectively as a species and what might be ahead of us in exploration."*

ONGOING PREPARATIONS

Preparations for the Expo have been going on for months and much interest has been generated from companies around the world. Expo 2020 Dubai is a World Expo which is one of the oldest and largest international events in the business calendar, taking place every five years and lasting six months. The Expo is an international exhibition designed to showcase the commercial achievements and innovations of all participating nations.

There will be more than 200 participants including nation states, multilateral organisations, private sector businesses, and educational institutions. To date, more than 190 countries from across the world have confirmed that they will be participating in Expo 2020.

Measuring 4.38 km2, the Expo 2020 site is located in the Dubai South district. It is close to Al Maktoum International Airport and within easy reach of Dubai International Airport, Abu Dhabi International Airport and Dubai and Abu Dhabi Cruise Terminals. The site also has its own Metro station, capable of transporting 44,000 passengers per hour.

The world expo will be open seven days a week, from 10:00 to 01:00 on weekdays and 10:00 to 02:00 on weekends and special days from 1 October 2021 to 31 March 2022.

In line with the Expo 2020 sub-theme of 'Sustainability', 80% of the Expo-built buildings and structures will find new life in the thriving future city of District 2020. A key pillar of Expo 2020's aim to leave a meaningful and lasting legacy, District 2020 will be a connected global centre for the next generation of innovators, original thinkers and pioneers.

WHAT EXPO 2020 OFFERS UK FIRMS

There are many ways in which UK firms can participate. The Expo Live programme offers support and funding to those with creative solutions to global challenges, the Expo 2020 Volunteers programme is welcoming more than 30,000 volunteers, the World Majlis sessions bring together current and aspiring thought leaders from across the world. Furthermore, a wide range of business opportunities are available at the Online Marketplace.

Please note, ticket sales for attending Expo 2020 were put on hold when the event was postponed but now that a new date is set, organisers says that tickets will be made available soon.

For more on Expo 2020 Dubai see the official event website:

https://www.expo2020dubai.com/en/support/contact

UK Pavilion at Expo 2020 Dubai

'Innovating for a Shared Future'

The UK will be taking part in the World Expo in Dubai.

The UK's participation in Expo 2020 Dubai will consist of a self-build country pavilion and an accompanying events and content programme. The participation theme is 'Innovating for a Shared Future'.

The UK Pavilion will offer visitors a unique experience, building on previous award-winning installations at Expo 2010 Shanghai (The Seed Cathedral), Expo 2015 Milan (The Hive), Expo 2017 Astana (The Yurt) and Expo 2019 Beijing (UK Garden and Pavilion). The UK Pavilion will highlight leading British expertise in innovation sectors including artificial intelligence and space. It will also provide a platform for a six month programme of business, cultural, educational and tourism activity related to UK expertise and cutting-edge innovation.

The Expo site will be split into three districts termed: Opportunity; Mobility and Sustainability.

The UK Pavilion will be found in the Opportunity District.

Around 25 million visits are expected over the course of the event, including members of the public, global heads of government, business leaders and celebrities. With 70% of visitors expected to be international, this major world event presents a significant opportunity to promote the UK as a global hub of innovation and a world leading destination for trade, investment, education and tourism.

The Department for International (DIT) is leading the UK's participation in Expo 2020 Dubai, with support from the GREAT Britain Campaign and six other co-funding government departments.

For more information about the UK pavilion, see:

https://www.gov.uk/government/topical-events/uk-pavilion-at-expo-2020-dubai

UK invites the world to collaborate on a musical project at Expo 2020 Dubai

People from around the world, of all ages and from every walk of life, are being invited by the UK to collaborate and contribute to an amazing crowd-sourced piece of music that showcases the sounds of humanity.

The soundscape was conceived as part of the design for the UK Pavilion visitor experience by Avantgarde, along with lead designer and artist Es Devlin OBE. The composition will be heard by millions of visitors to the UK Pavilion at the Expo in Dubai.

From singing or playing an instrument, to tapping out simple rhythms, humming or clicking fingers, musical contributions recorded on microphones or mobile phones, in bedrooms, garages or gardens are welcomed from every corner of the globe from people of all ages and abilities . They will be woven together into a 7-minute long, multichannel tapestry of sound, composed by British sound designers Polyphonia.

Celebrating international collaboration and connectivity, the composition will tell a story that spans the breadth of human history and invention, from ancient choral traditions to global satellite communications. Seeking voices from Brighton to Bangkok and instruments from bagpipes to sitars, it reflects the diverse melting-pot of global influences and musical genres that have made the UK world-renowned for its creativity.

For the musical project, see:

https://eu.eventscloud.com/ehome/index.php?eventid=200183338&tabid=200501984&utm_source=partner&utm_medium=socialmedia&utm_campaign=soundscape

After Covid-19, what is next for Islamic banking?

By Oxford Business Group

While Islamic banks emerged relatively unscathed from the 2008 global financial crisis, Covid-19 is having a deeper impact. Nevertheless, the disruption could provide opportunities to diversify the sector and accelerate its expansion once the pandemic subsides.

Relative to conventional institutions, Islamic banks are more exposed to small and medium-sized enterprises (SMEs), microfinance and retail lending – particularly in Asia. The economic performance of core Islamic finance jurisdictions is likely to remain subdued for the rest of the year.

Consequently, although the industry had previously been on track for strong growth in 2020, ratings agency Standard & Poor's (S&P) projected in June that it would record low- to mid-single-digit growth in 2020-21, due both to the pandemic and oil price uncertainty.

This is compared to 11.4% growth last year, which was underpinned by a more dynamic sukuk (Islamic bond) market and new growth opportunities.

Unlocking the long-term potential

Nevertheless, S&P believes that Covid-19 could unlock the long-term potential of the sector, arguing that the pandemic provides *"an opportunity for more integrated and transformative growth with a higher degree of standardisation, stronger focus on the industry's social role and meaningful adoption of financial technology"*.

Sukuk amid the pandemic

Financial certificates similar to bonds in conventional banking, sukuk are a key element of the Islamic finance ecosystem.

However, the sukuk market is more concentrated, smaller and less liquid than its conventional counterpart. In addition, the process for issuance remains relatively complex and time-consuming, and involves higher transaction costs.

As such, it is expected that the overall volume of issuance will be muted this year, even if a slight recovery follows on from the steep decline seen in recent months. S&P anticipates that the volume of issuance will reach $10bn in 2020, against the $162bn seen in 2019.

Nevertheless, there have been signs that the pandemic could prompt an expansion in the role of sukuk.

Sustainability Sukuk

In June, for example, the Jeddah based Islamic Development Bank (IsDB) raised $1.5bn with its first-ever Sustainability Sukuk, designed to aid the recovery from Covid-19 in its member countries.

Proceeds will go exclusively towards social projects under IsDB's Sustainable Finance Framework, with a focus on *"access to essential services"* and *"SME financing and employment generation"*.

Following the success of the sukuk, Bandar Al Hajjar, president of the IsDB, called on the Islamic finance industry *"to promote sustainable and social sukuk as alternate asset classes that have the potential to counter the multi-fold impact of the Covid-19 coronavirus"*.

Several countries have begun exploring the potential of the vehicle in this context.

In June Indonesia issued a $2.5bn wakala (agency) global sukuk in three tranches, one of which was a $759m green sukuk, dedicated to sustainable development.

The principal aim of this sukuk, which was oversubscribed by nearly seven times, was to support the government's coronavirus programme, as well as *"to strengthen Indonesia's position in the global Islamic financial market and support the development of Islamic finance in the Asian region"*, Dwi Irianti, director of Islamic financing at the Ministry of Finance, told local media.

Despite being home to the world's largest Muslim population, Indonesia has yet to fully leverage Islamic financing. This issuance is therefore an encouraging sign.

Meanwhile, it was recently announced that Malaysia's Ministry of Finance will launch a RM500m ($120m) Sukuk Prihatin on September 22. Proceeds will go towards financing economic stimulus measures, as well as helping micro-enterprises, improving broadband coverage in schools and funding research in infectious diseases.

Post-pandemic future

While Covid-19 has given rise to industry-wide headwinds, these recent examples demonstrate how it has also prompted increased awareness of the potential of Islamic finance. How can this momentum be sustained and increased as we enter the post-pandemic world?

Digitalisation and the increased prominence of financial technology (fintech) are key.

"Covid-19 has led us to accelerate the digital transformation that was already under way prior to the pandemic," Ayman Sejiny, CEO of ICD, told OBG.

This will expand access and increase the socially transformative role of the sector.

In addition, fintech can increase standardisation, streamline processes, reduce costs and boost transparency, making Islamic financial instruments more competitive relative to conventional forms.

With regards to sukuk, standardisation is particularly important, both in terms of the theory underpinning the vehicle, and the legal documentation associated with it.

Greater standardisation will also enable Islamic banks to move into new areas.

"Islamic finance should now explore new sectors such as health and sharia-compliant tourism. We should work hard to develop Islamic banking products suitable for these sectors," Sejiny told OBG.

Greater role in trade

There is also the potential for Islamic finance tools to play a greater role in trade, which could help to boost the economic recovery in emerging markets.

"The Covid-19 outbreak has put in motion new opportunities for Islamic finance markets, such as the provision of sharia-compliant trade finance products, as well as trade development programmes to promote a stronger focus on social impact, sustainability, innovation and digitalisation," Hani Salem Sonbol, CEO of International Islamic Trade Finance Corporation, told OBG.

While Islamic banking continues to face significant headwinds related to Covid-19, the crisis could constitute an important watershed in the global growth of the industry.

BRITISH CHAMBERS OF COMMERCE

QUARTERLY ECONOMIC SURVEY Q3 2020

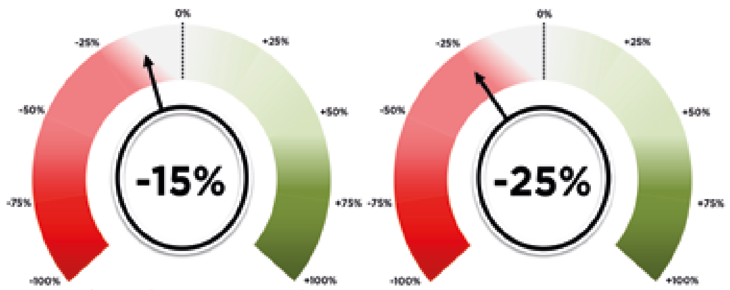
The British Chambers of Commerce's Quarterly Economic Survey is the UK's largest independent survey of business sentiment and a leading indicator of UK GDP growth. The most recent results find that while key indicators have improved from historic lows in Q2, they remain significantly lower than before the pandemic struck. Business-to-consumer firms, including hospitality, fared worst.

> “Our latest survey indicates that underlying economic conditions remained exceptionally weak in the third quarter. While the declines in indicators of activity slowed as the UK economy gradually reopened, they remain well short of pre-pandemic levels with little sign of a swift 'V'-shaped recovery.
>
> While the government's Winter Economy Plan may provide a short-term boost, with restrictions tightening and the economic scarring already caused by the pandemic starting to crystallise, the resulting gains in economic output are likely to fade over the coming months.”
>
> **Suren Thiru** Head of Economics, British Chambers of Commerce

AT A GLANCE

Positive balance (+) = **growth** | Negative balance (-) = **contraction**

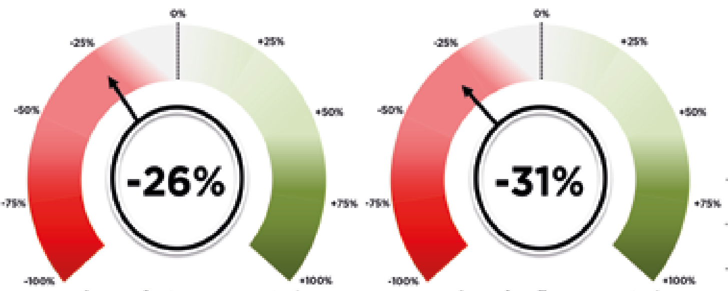
Domestic Sales



...of **manufacturers** reported increased domestic sales in Q3 2020, up from -59% in Q2 2020

...of **service firms** reported increased domestic sales in Q3 2020, up from -64% in Q2 2020

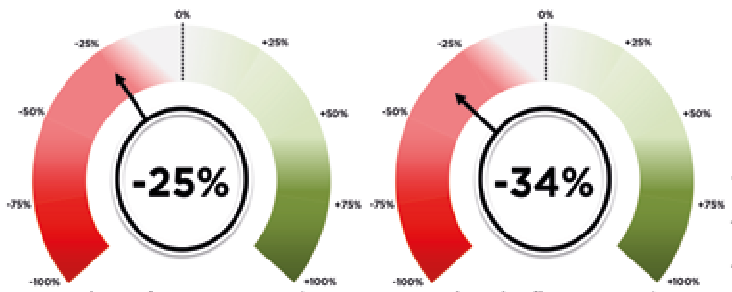
Export Sales



...of **manufacturers** reported increased export sales in Q3 2020, up from -52% in Q2 2020

...of **service firms** reported increased export sales in Q3 2020, up from -55% in Q2 2020

Export Orders



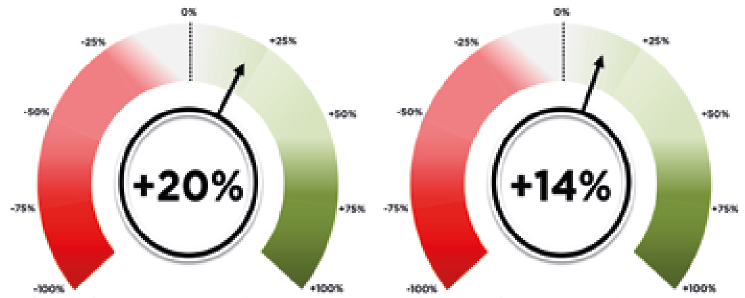
...of **manufacturers** reported increased export orders in Q3 2020, up from -51% in Q2 2020

...of **service firms** reported increased export orders in Q3 2020, up from -58% in Q2 2020

LOOKING AHEAD

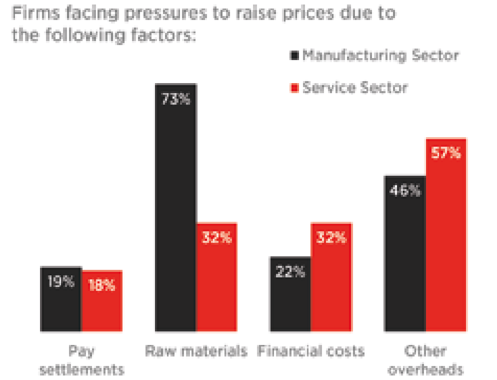
The survey of 6,410 businesses also finds that a significant number of firms continue to report decreasing turnover and profitability confidence, and investment intentions, highlighting longer-term concerns for the economy as many businesses look to downsize. Cash flow, a key indicator of business health, also continued to deteriorate for almost half of firms.

Prices

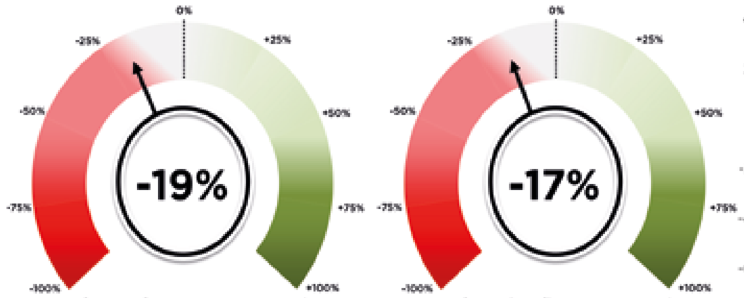


...of **manufacturers** expect their prices to increase, up from +12% in Q2 2020

...of **service firms** expect their prices to increase, up from +5% in Q2 2020



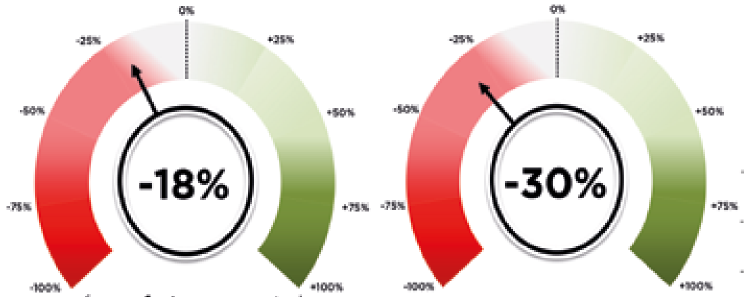
Investment



...of **manufacturers** increased investment in training in Q3 2020, up from -38% in Q2 2020

...of **service firms** increased investment in training in Q3 2020, up from -32% in Q2 2020

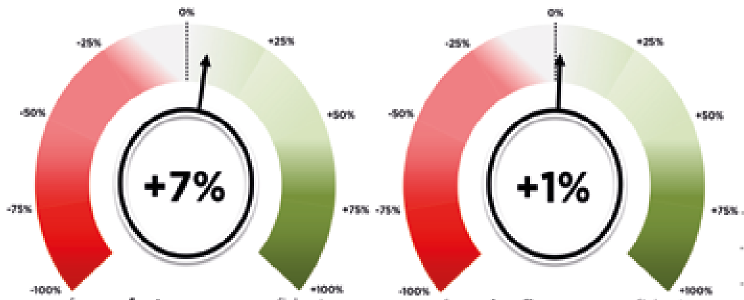
Cash Flow



...of **manufacturers** reported improved cash flow in Q3 2020, up from -47% in Q2 2020

...of **service firms** reported improved cash flow in Q3 2020, up from -56% in Q2 2020

Confidence



...of **manufacturers** are confident turnover will increase in the next 12 months, up from -31% in Q2 2020

...of **service firms** are confident turnover will increase in the next 12 months, up from -36% in Q2 2020

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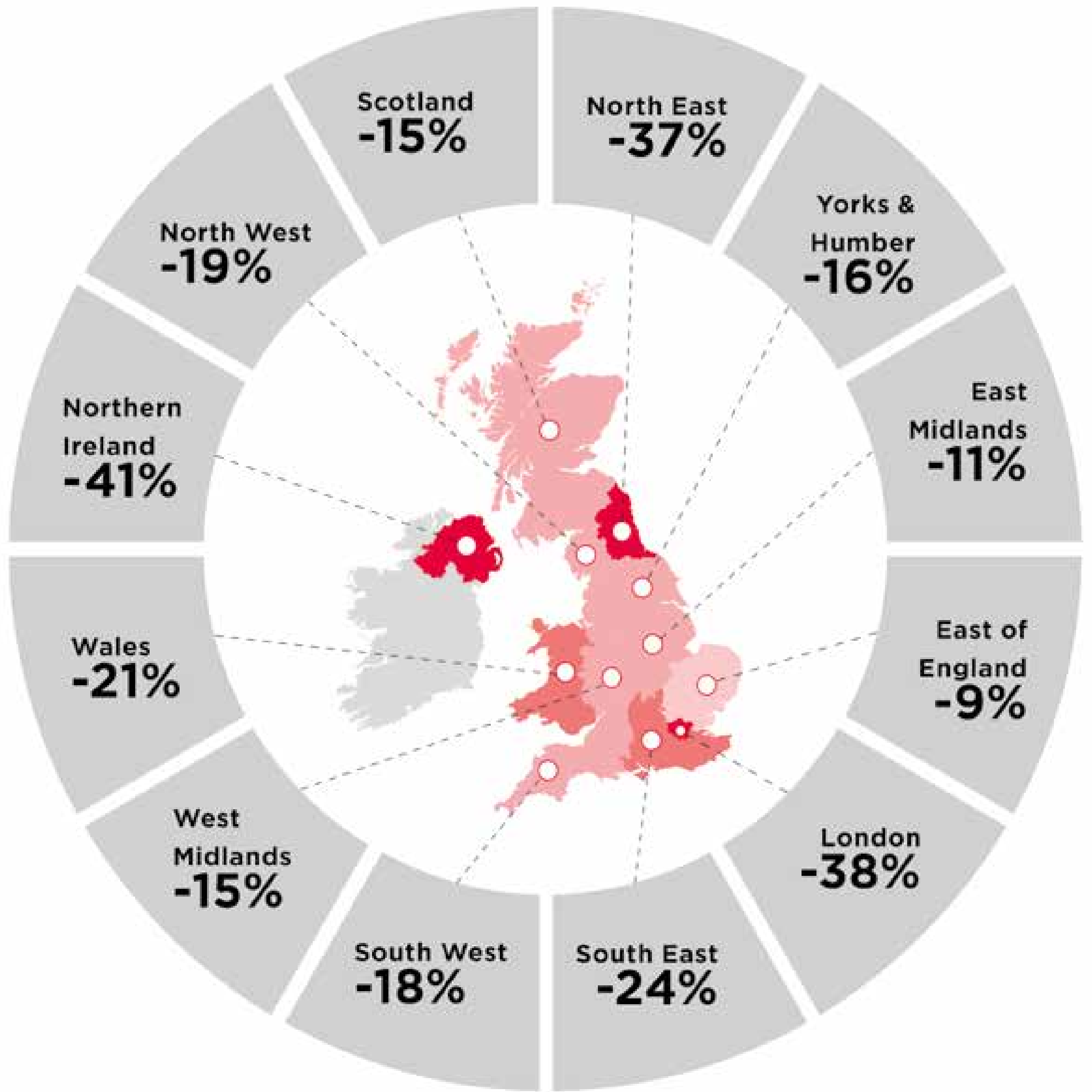
CHANGE IN **DOMESTIC SALES**

In Q3 2020, the balance of firms reporting an increase in domestic sales remained at a level similar to the worst quarters of 2008-09 recession. Overall, a balance of -20% of respondents reported increased domestic sales. The underlying data forming this balance is as follows: 27% of respondents reported an increase in sales, 27% reported no change, and 46% reported a decrease.

The below chart shows the geographical breakdown of the balance of firms reporting increased domestic sales.



"The retail, high street and tourism sectors have not recovered and are unlikely to as we move into the autumn and winter months."

Retailer with 7 employees in Ayrshire

"The greatest challenge at the current time is cash flow. Clients are taking significantly longer to pay their fees and in some instances it is possible that debts will turn into bad debts as a result of business failure for our client base."

Services firm with 126 employees in Kent

"Our industry (live events) was one of the first to close and will be one of the last reopen."

Live events firm with 50 employees in Manchester

"Using capital reserves to avoid increased liabilities. Our revenue pipeline so concerning that repayment looks challenging."

Tourism/hospitality firm with 43 employees in Aberdeen

"A second lock-down would almost certainly cause us to close as cash flow, which is already strained, would not be sustainable and we have decided that we will not borrow simply to keep afloat."

Manufacturer with 3 employees in Worcestershire

ABOUT THE **QES**

The Quarterly Economic Survey is the flagship economic survey from the British Chambers of Commerce. It is a prominent tool used to measure the state of business sentiment and is monitored by a range of national and international organisations, including the Bank of England, HM Treasury, and the European Commission.

The BCC Q3 2020 QES is made up of responses from 6,410 businesses across the UK. Firms were questioned between 24 August and 14 September 2020. In the manufacturing sector, 1,578 firms responded, employing approximately 141,800 people. 64% (1,007) of manufacturing respondents were exporters. In the services sector, 4,832 businesses responded, employing approximately 534,900 people. Of the services sector participants, 38% (1,828) were exporters.

Methodology

QES results are generally presented as balance figures - the percentage of firms that reported an increase minus the percentage that reported a decrease. If the figure is above 0, it indicates overall expansion of activity and if the figure is below 0, it indicates overall contraction of activity.

For example, if 50% of firms told us their sales increased and 18% said their sales decreased, the balance for the quarter would be +32% (an overall expansion).

If 32% told us their sales increased and 33% said their sales decreased, the balance would be -1% (an overall contraction).

This report has been prepared by the British Chambers of Commerce. Further information about any of the region and nation surveys may be obtained from the following:

National
Coordinator: David Bharier
d.bharier@britishchambers.org.uk
British Chambers of Commerce,
65 Petty France, London SW1H 9EU
(020 7654 5800)

Scotland
Coordinator: Colin Campbell
ccampbell@scottishchambers.org.uk
Scottish Chambers of Commerce
(0141 444 7508)

North East
Coordinator: Jonathan Walker
Jonathan.Walker@neechamber.co.uk
North East England Chamber of Commerce (0191 3861133)

North West
Coordinator: Subrah Krishnan-Harihara
Subrahmaniam.KrishnanHarihara@gmchamber.co.uk
Greater Manchester Chamber of Commerce (0161 393 4321)
Contributing Chambers: St Helens, Liverpool, North & West Lancashire, East Lancashire, Greater Manchester, Cumbria, South Cheshire, Wirral

Yorkshire & the Humber
Coordinator: David Bharier (BCC)
Contributing Chambers: Barnsley & Rotherham, Doncaster, Sheffield, Hull & Humber, West & North Yorkshire, and Mid Yorkshire

East Midlands
Coordinator: Chris Hobson
Chris.Hobson@emc-dnl.co.uk
East Midlands Chamber (Derbyshire, Nottinghamshire & Leicestershire)
(0116 204 6606):
Contributing Chambers: Derbyshire, Nottinghamshire & Leicestershire, Northamptonshire, Lincolnshire

West Midlands
Coordinator: Matthew Lowe
matthewlowe@blackcountrychamber.co.uk
Black Country Chamber of Commerce
(01902 912334)
Contributing Chambers: Coventry & Warwickshire, Birmingham, Black Country, Staffordshire, Shropshire, Herefordshire & Worcestershire

Wales
Coordinator: Katrina Thomas
Katrina.Thomas@southwaleschamber.co.uk
South Wales Chamber of Commerce
(01633 242730)
Contributing Chambers: South Wales, West Cheshire and North Wales

East of England
Coordinator: David Bharier (BCC)
Contributing Chambers: Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk

South East
Coordinator: David Bharier (BCC)
Contributing Chambers:
Kent Invicta, Hampshire, Surrey, Sussex, Isle of Wight, Milton Keynes, Thames Valley

South West
Coordinator: David Bharier (BCC)
Contributing Chambers:
Business West, Dorset, Cornwall, Somerset, Devon

London
Coordinator: David Bharier (BCC)
Contributing Chambers: London

Northern Ireland
Coordinator: Christopher Morrow
Christopher.Morrow@northernirelandchamber.com
Northern Ireland Chamber of Commerce (028 9024 4113)

WELCOME TO NEW MEMBERS...

Aerona Clinical Limited
Exeter Science Park
6 Babbage Way
Clyst Honiton
EXETER
Devon
EX5 2FN
+442087980623
sc@aeronaclinical.co.uk

Arab Chamber of Commerce & Industry - Jerusalem
Al Maqasad Building. 3rd Floor
Al Mustawsaf Road
Al Ram Jerusalem Palestine
Juresalem
000000
+972 2 583-3050
info@jacci.org

Arishi
29 The Green Winchmore Hill
LONDON
N21 1HS
020 3006 8000
webcontact@arishi.agency

Beroya Business Solutions
Kemp House
152 - 160 City Rd
LONDON
EC1V 2NX
020 7660 1440
info@beroya.com

Umm Al Quwain Free Trade Zone Authority
UAQ FTZA Umm Al Quwain
UAE PO Box 7072
umm Al Quwain
7072
00971561774779
k.fernandes@uaqftz.com

Diligencia
Summertown Pavilion
18-24 Middle Way Oxford
OXFORD
OX2 7LG
+44 1865 554021
info@diligenciagroup.com

Estate Agent Power Ltd
Unit 3A Adriatic Building
176 Narrow Street
LONDON
E14 8DN
07949501577
support@estateagentpower.com

GLOBAL LINK LONDON LIMITED
232 Edgware Road
London
LONDON
W2 1DW
07736237530
azizashty@yahoo.com

Hyve
Warehouse 5 The Colour Rooms
12 Richmond Parade
Brighton East Sussex
BRIGHTON
East Sussex
BN2 9QD
08006122524
linag@hyve.com

JS Wrights Ltd
292 Marvels Lane
LONDON
SE12 9SE
07985680696
alex@jswrights.com

OHR Aloraij UK LTD
Al Rabie Aliah Plaza
Riyadh
11461
+966546100008
Khalid@OHR.sa

Oxford International Study Centre
6-7 St Aldates
OXFORD
OX1 1BS
01865201009
international@oxintstudycentre.com

Scala Team Studio
Rasadnicka 27
11300, Smederevo
Serbia
+381 66 65 35 102
office@scalateam.com

Water Research Centre Limited
Frankland Road
Blagrove
Swindon
SWINDON
Wiltshire
SN5 8YF
07525 731916
steve.webber@wrcplc.co.uk

Zoë Buckingham Ltd
29 The Green London
LONDON
N21 1HS
0208 242 4458
zoe@zoebuckingham.com

Contact us on
Tel: **020 7235 43 63**

Creating access to **world-class learning for working professionals in the Middle East**

In 2006, The University of Manchester launched the Middle East Centre and the flagship Manchester Global part-time MBA programme at Dubai Knowledge Park in the United Arab Emirates (UAE). Today, the Middle East Centre is the largest in the University's international network of centres in key cities around the world, comprising Dubai, Hong Kong, Shanghai, Singapore, Sao Paulo and Manchester.

The University is committed to creating access to world-class blended learning opportunities designed to meet the needs of working professionals and continues to move higher in a range of international rankings, confirming its status as one of the world's top universities, focusing on the quality of teaching, research and social responsibility. The University of Manchester is ranked as the world's 27th best university and among the world's elite institutions for graduate employability and research.

Since launching, the Middle East Centre has supported over 2,800 part-time MBA students – all highly qualified and experienced working professionals - and developed a community of 2,700 alumni across the region, creating professional networking and other opportunities in collaboration with the wider business community to help enrich the learning experience. The centre has graduated more than 1,700 MBA students. The University of Manchester was the winner of the 'Best MBA Program' award at the inaugural Forbes Middle East Higher Education Awards 2019

The Middle East Centre works in a range of collaborations with professional bodies and industry groups in the region and has forged close partnerships with a range of leading public and private sector organisations through the University's Strategic Talent Partnership programme.

In the Middle East, the University has managed a flexible and dynamic portfolio of learning programmes that is reviewed regularly. Currently, the portfolio includes the Kelley-Manchester Global MBA, offering the best of US and UK business education and the benefits of two degrees. Now, the growing regional portfolio of programmes includes the MSc Real Estate, and MA Educational Leadership in Practice.

The MSc Real Estate is suitable for people working in the real estate industry and related fields, such as banking, real estate finance, or development, or those with an interest in building a career in real estate. The new programme is accredited by the Royal Institution of Chartered Surveyors (RICS) and taught by leading academics experienced in the global real estate industry.

The new programme has been designed to help working professionals face a range of issues from rapid urbanisation to climate change and energy sustainability. It combines academic excellence with the development of transferable skills essential for a career in real estate, internationally. It is also an intensive fast-track conversion course for the RICS. Students can choose to study topics from real estate markets and property cycles to responsible property investment and finance, and valuation. There is also an opportunity to conduct practice-based research on a topic related to the course.

The part-time MA Educational Leadership in Practice is a new, two-year programme suitable for qualified and experienced working educators, from class teachers to nursery/school/ college managers, leaders and principals.

Educators have a powerful influence in guiding the learning and development of children and young adults in the community. This programme empowers educational leaders to face the realities of financial pressures, resource constraints, and the rising expectations of regulators, owners and parents, with the core values of education and compassion.

The MA Educational Leadership in Practice programme takes a practice-based learning approach challenging students to think critically and covers areas such as leadership in international schools, educational models, policy and research, and educational leadership as a social practice.

For both new programmes, the part-time blended learning format combines the flexibility and convenience of online self-study and face to face course conferences twice a year, hosted in Dubai. It provides opportunities for team working, networking and mentoring and enables students to apply their new learning in their workplace. In addition, all part-time master's students have access to the University's regional student support team, careers service and alumni network. The new courses started in September 2020 and lead to the award of a globally recognised master's degree from The University of Manchester.

Randa Bessiso, Director – Middle East at The University of Manchester, said: *"Applications to top MBA programmes tend to rise in challenging times and we have seen this during the current pandemic, as working professionals review their career direction and future employability, and the workplace undergoes dramatic transformation. Through the pandemic, we have been able to ensure continuity of study for our students by virtualising our blended learning programme, while continuing to provide counselling, support and careers advice from our team in Dubai. Our aim is to help students develop sustainable and fulfilling careers beyond this crisis."*

www.manchester.ac.ae

عبد الصمد القرشي
ABDUL SAMAD AL QURASHI

Taif Rose

Abdul Samad Al Qurashi - London
Oxford Street 353
London W1C 2JG
+44 (0) 207 409 2494