

LATEST BRIEFING

Oman: Stable Market

+ 18 December 2006

Due to the holiday season, Oxford Business Group will temporarily postpone its service of online economic briefings. Service will resume during the week of January 8.

Despite the market volatility throughout the Gulf Cooperation Council (GCC) region, the Muscat Securities Market (MSM) has experienced overall growth of 12% in 2006.

In a report issued in August, Merrill Lynch named Oman as one of the top four most attractive markets in the Middle East and North Africa region. The others countries named in the report were Egypt, Bahrain and Kuwait.

Neighbouring markets in the Gulf slumped from record high levels earlier this year. In Saudi Arabia, the downturn came after three years of growth.

Ahmed Saleh al-Marhoon, the director general of the MSM, told OBG that what happened this year was unprecedented in the region. The unrealistic index increases were bound to lead to a correction, which is what started happening in late February of this year.

In Saudi Arabia, the Tadawul All Share Index grew almost eightfold between March 2003 and February 2006. By late November, the Tadawul was operating 49% lower than the same period during the previous year. Meanwhile, the Dubai Financial Market had fallen 64% and Doha 42% over the same period.

Comparatively, the MSM did not suffer from such a slump. If you trace the movements, you will see a realistic increase reflecting real economic growth, al-Marhoon told OBG.

A small dip was recorded from March through the summer and al-Marhoon explained this as normal market behaviour. The MSM is not immune to sentiments in the region, he added.

A limitation for attracting investors to the MSM, despite its stability, is its size. The market has about 140 listed companies of which about 40 actually get traded. The Bank Sohar initial public offering (IPO) will be the only IPO released on the market in 2006.

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RECENT BRIEFINGS



Tunisia: L'adoption des génériques

+ 18.12.2006

L'industrie pharmaceutique tunisienne a été activement développée ces dix dernières années dans le cadre du processus de privatisation. En 2007, le secteur est une nouvelle fois amené à subir des changements importants suite aux réformes du système de santé amorcées par les autorités publiques. ([...more](#))

Lebanon: A Festive Season?

+ 15.12.2006

Lebanon's rival political factions appear to be edging closer to a forming a government of national unity, with hopes being held out that two weeks of damaging protests, heightening tension and instability may come to an end. ([...more](#))

Earlier this month, Bank Sohar released the OR20m (\$51.9m) IPO, which represents 40% of the total paid up capital, the minimum required to be listed on the MSM as decided by the regulator.

Al-Marhoon told OBG that the market would like to see more IPOs, as a way to enrich it and attract more investors.

A number of other IPOs were expected this year, notably through government privatisation. However, these have been delayed. Al-Marhoon said the government was still committed to privatisation but procedural matters had to be dealt with.

Meanwhile, Galfar Engineering and Contracting, the sultanate's largest private construction company, announced in July this year that it would go public by November, but this will also be delayed until 2007. The company is expected to release OR50-60m (\$130-156m) said Mohammed Ali, the managing director of Galfar.

Al-Marhoon said that most IPOs expected over the next few years would come from some of the new tourism developments and oil related industries.

The MSN has also identified the large family businesses and groups that are active in the private sector and that as of yet have tended not to go public.

Al-Marhoon told OBG that he would like to see more family businesses go public. He said it was in their interest, as it would allow for new blood, new ideas and diversification.

Turkey: Bank Management

15.12.2006

Foreign banks are continuing to show strong interest in Turkey's banking sector, as demonstrated by the upcoming sale of state owned HalkBank and privately-held Oyak Bank. ([...more](#))

LATEST PUBLICATIONS



Emerging Egypt 2007

Standing between Africa and Asia, the Arab world and sub-Saharan Africa, the Western and Islamic worlds, Egypt's symbolic and strategic importance is evidenced throughout its rich history as well as its current position among modern nations. Over the past few years reform has been the key word in regards to most areas of Egyptian society, permeating all sectors of the economy, as well as the government. Emerging Egypt 2007 provides a comprehensive overview of a country undergoing extensive changes both to adapt to the modern business world, and to place it at the forefront of international commerce and trade. The publication contains in depth analysis along with interviews and viewpoints from key players, such as Ahmed Nazif, Prime Minister of Egypt, Ahmed Abu al-Gheit, Minister of Foreign Affairs, Mahmoud Mohieldin, Minister of Investment, and Maged Sourial, Chairman of the Cairo and Alexandria Stock Exchanges.

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