SPECIAL REPORT: EMERGING TECH OPPORTUNITIES IN THE GCC

Gulf Business

MARCH 2021

Flying high

How can you protect and boost your investments? By looking to the future, says AIX Investment Group

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Racing ahead: Tech firm Micro Focus on new Jaguar deal

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Gulf Business

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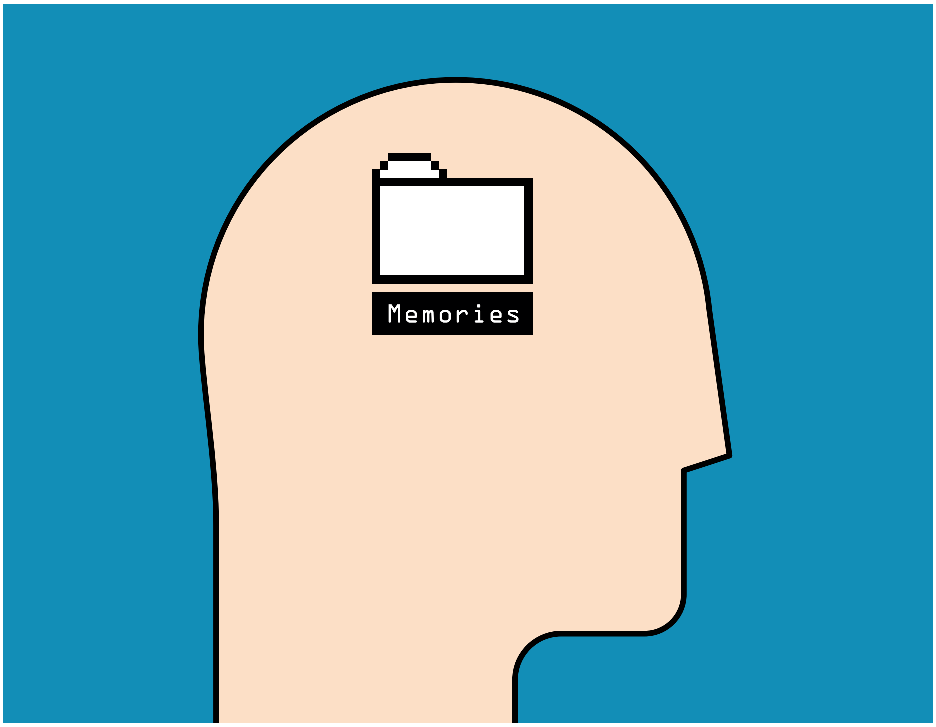

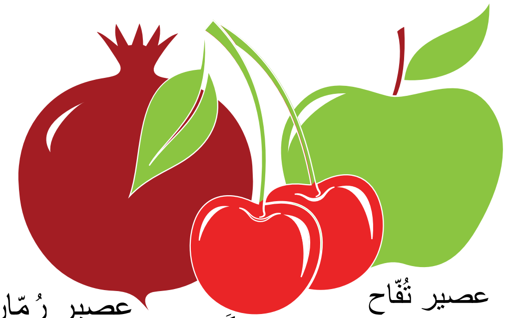

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"اللجنة الأوروبية والوكالة التنفيذية لحماية الصحة العامة والمُستهلكين والمنتجات الزراعية والغذائية" هي غير مَسؤولة عن أي إستخدام أو إستهلاك يُمكن أن يتمّ كنتيجة أو تبعاً للمعلومات المُحتوية في الدعاية.

حملة ترويج دعائية مُموّلة بدعم مُقدّم من الإتحاد الأوروبي.

هيئات الإتحاد الأوروبي تدعم حملات الترويج الدعائية التي تهدف إلى تَرشيد المُستهلكين إلى نَمَط مَعيشةٍ أكثَر صِحّة.

ENJOY IT'S FROM EUROPE

> "The transmission of the Hope Probe's first image of Mars is a defining moment in our history... We hope this mission will lead to new discoveries about Mars which will benefit humanity"
>
> – Sheikh Mohamed bin Zayed, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces

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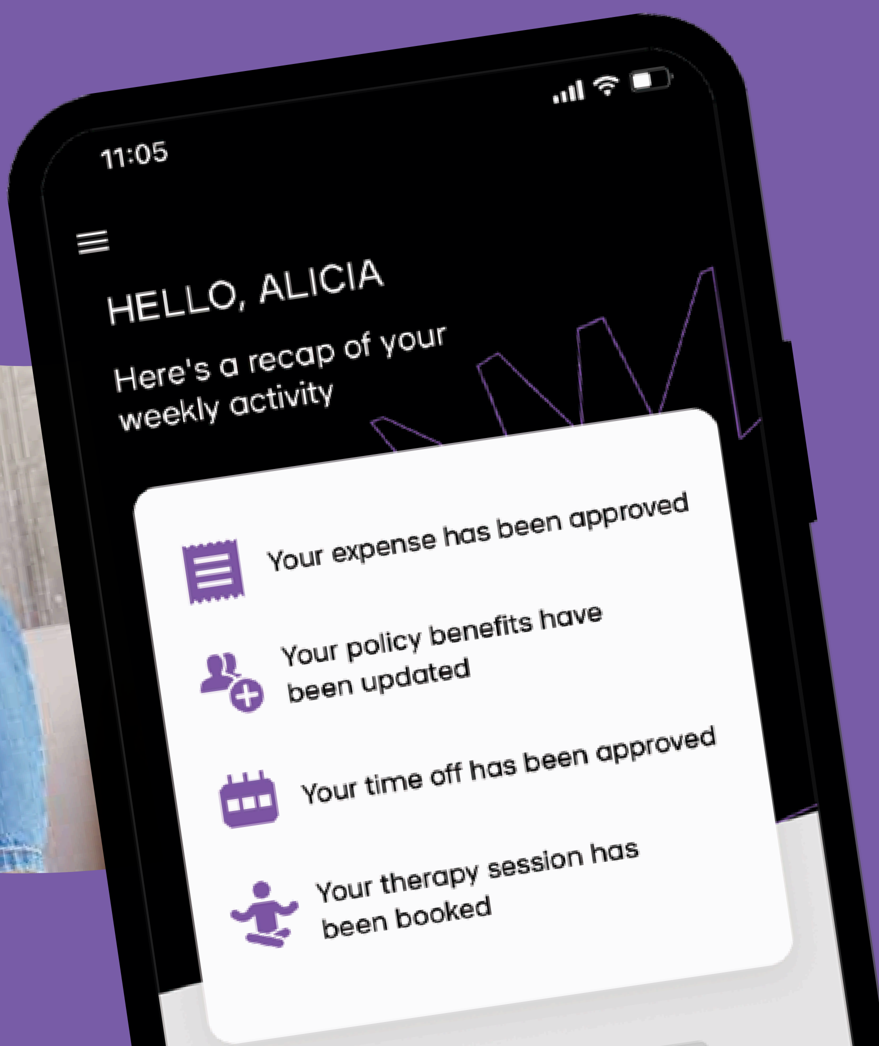

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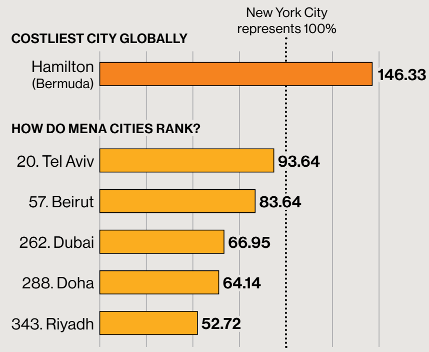
Living standards

How do cities in the MENA region fare when it comes to living affordability?



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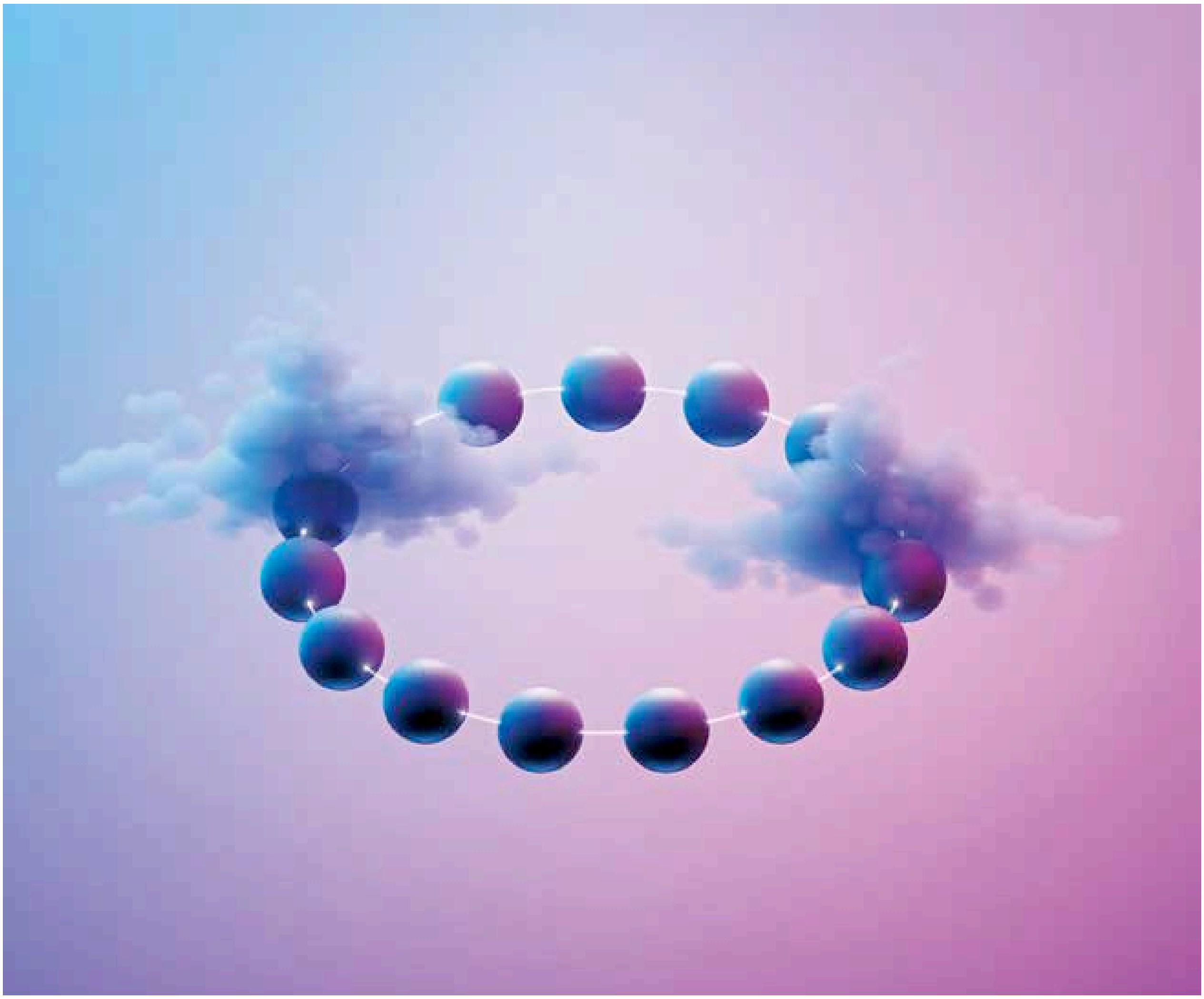

ILLUSTRATION: GETTY IMAGES/JORG GREUEL

Connected systems

The focus on digital transformation in the GCC's public sector has accelerated during the pandemic

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PHOTO: ALESSIA PIERDOMENICO/GETTY IMAGES

Above: Pedestrians walk past a GameStop store in Rome, Italy, on January 28, 2021

ANALYSIS

GameStop frenzy

The equity trading revolution brewing in the US is unlikely to be matched soon in Asia and Europe

On the surface, it looks like the GameStop uproar pitting Reddit day traders against giant hedge funds is going global.

New accounts at Tiger Brokers in Singapore surged end of January. In the UK, Trading 212 is the most downloaded app in the country, while in Korea, GameStop is among the top 10 most-held foreign shares.

Yet even as the hype spreads, the equity trading revolution playing out in the US is unlikely to be matched anytime soon in Asia and Europe. Tighter restrictions on short selling, limited options trading and higher taxes and fees will keep it a US game for now. "There are some important elements in the European markets that differ from the US that make it difficult to see a repeat," said John Garvey, global financial services leader at PwC, who cited limited free trading and restricted short selling.

China would be the obvious place for it to spread further. Retail traders dominate equity markets in the world's second-biggest economy, with stock forums like East Money Information Co. and Xueqiu stirring up buying in Reddit-like fashion. It remains largely a one-sided bet though after short-selling was curbed following a 2015 market crash.

While restrictions have been eased, short interest accounts for a fraction of 1 per cent of the outstanding float of shares on Chinese exchanges. This compares to about 3.5 per cent for companies in the S&P 500 index, according to data from Markit. Short bets are also expensive in China, since the massive pension funds that might otherwise lend shares for a short bet are prohibited from doing so. That means there are few, if any, billion-dollar hedge funds vulnerable to a short squeeze of the kind that helped fuel GameStop's moonshot. There are also no single stock options in China, which juiced buying pressure in the US. Meanwhile, China exchange rules cap daily stock moves at 10 per cent, an anathema for day-traders. Given the restrictions, hedge funds have tended to express bearish views on Chinese companies through Hong Kong or US-listed shares.

Hong Kong allows more short selling, while options trading though the city's markets are dominated by institutions. Trading is also more opaque, so it's tough to know which fund is shorting which stock, with no public information on bearish bets by individual funds. That's in contrast with the US, where Melvin Capital drew the ire of the day-trading herd and suffered a 53 per cent drop in January after disclosing its massive short on GameStop. "I just don't think we have the retail armies in Hong Kong because historically it has been a very institutional market," said Richard Johnston, Hong Kong-based Asia head of Albourne Partners, which advises on alternative investments. "In China, you have retail armies, but they are all on the long side."

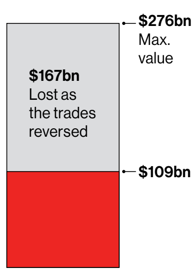
> "IN THE US, IT'S VERY EASY FOR PEOPLE TO GET MARKET ACCESS CHEAPLY. IN EUROPE, THE BARRIERS ARE STILL QUITE LOW BUT THEY'RE MORE"

Elsewhere in Asia, Korean traders have jumped on the GameStop mania, buying the US stock from Seoul to ride the gain this year before this week's collapse. But opportunities to participate in local short squeezes are tougher to come by. The government banned short selling last year amid the pandemic, and a 30,000-strong investor group has gone as far as renting a bus decked out with anti-shorting slogans to lobby for a permanent ban.

Singapore is one Asian market that offers so-called naked shorts, in which investors don't borrow the underlying stock to place a bet. They haven't proven popular, however, because the bets have to be covered the same day. The 50 stocks that Robinhood Markets originally put on its restricted list had added

Rollercoaster

The stocks that Robinhood put on its restricted list gained value quickly, just to loose it days later



$276bn in value from year-end to the height of the recent mania, before $167bn was wiped out in days as the trades reversed, according to data compiled by *Bloomberg*. In Europe, investors have also caught some of the day-trading buzz. Trading 212, which claims to be the UK's first zero-commission stock broker, announced it would stop signing up any new clients due to "unprecedented demand" and warned its existing clients about long delays if they tried to execute buy or sell orders in GameStop or AMC Entertainment Holdings. Freetrade, a commission-free investment app, added 40,000 clients in one day on January 27, compared with a daily average of 4,000 in the fourth quarter, a spokesperson said.

Trading has spiked as a result. The average 28-day volume for GameStop is up 400 per cent on CMC Markets's platform in London, while it's up 1,600 per cent for AMC, another favourite of the Reddit crowd.

"Client interest in equities continues to increase, which aligns with the increased volatility," said Michael Hewson, chief market analyst at CMC Markets, which sells derivatives to retail traders known as contracts for difference.

Yet higher taxes, increased regulation and a more subdued day-trading culture will likely cap the frenzy in London and other European capitals. Those buying BlackBerry and GameStop face US taxes on any gains, plus paperwork. For some, it's simpler to bet on Premier League soccer.

FREE TRADES

"In the US, it's very easy for people to get market access cheaply," said Ryan Paisey, who offers online market analysis for brokers and day traders in London. "In Europe, the barriers are still quite low but they're more than they are in America."

While free trading platforms like eToro are starting to pop up outside the US - trying to mimic the success of Robinhood Markets in Silicon Valley - regulations and trading fees are still the norm. In response to market volatility, eToro on January 27 disabled entry and exit orders on some less liquid stocks when the market is closed and limited their trading only to transactions without leverage.

In Germany, traders need to submit a lot of personal information and pay taxes on each transaction, said Guillermo Hernandez Sampere, head of trading at MPPM EK in Eppstein, Germany. "The average day trader doesn't have the volumes to build up enough positions to justify high taxes on each transaction." Still, Paisey says it's a matter of time before the world eventually catches up to the US. "We've seen a unionisation of retail trading - there's no way that won't spread to the UK and the rest of Europe," he said.

Bloomberg

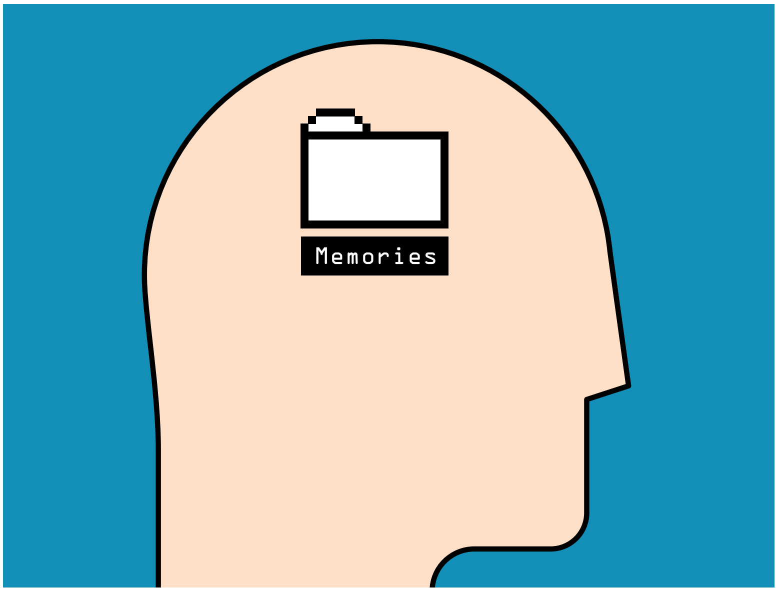


ILLUSTRATION: GETTY IMAGES/DICKCRAFT

Rehan Khan
Principal consultant for BT, educator and novelist

COMMENT

Interrupt me not

Every time we are interrupted by something, such as an email, or we are multitasking, we create anxiety and stress

10 points
The drop in your effective IQ while being in a situation where you are trying to concentrate on a task when an email is sitting unread in your inbox

Constant interruptions, whether they come from people or are electronic, create stress.

Glenn Wilson, a former visiting professor of psychology at King's College, London University, found that being in a situation where you are trying to concentrate on a task when an email is sitting unread in your inbox can reduce your effective IQ by 10 points.

The research with 1,100 people showed an inability to focus, with emails having an addictive, drug-like grip on respondents. Those in the research group found themselves all over the place every time an email appeared in their inbox. Productivity took an impact as employees could not resist the temptation to dip into messages, taking them away from their actual work.

The most damage occurred as a result of respondents' complete lack of discipline in how they fielded emails. There was a compulsion to reply to each new message immediately, which distracted the brain and slowed it down from performing other tasks. Wilson advised that: "Companies should encourage a more balanced and appropriate way of working."

COMMENT

The loss of 10 IQ points is, according to Wilson, more than the cognitive losses from smoking marijuana, which the research says reduces effective IQ by about six points.

Elsewhere Stanford neuroscientist Russ Poldrack found that learning something while multitasking causes the new information to go to the wrong part of the brain. If students' study and watch TV at the same time, the information from their studies goes into the striatum, a region dedicated for storing new procedures and skills, such as learning how to juggle. Without TV distracting the students, the information enters the hippocampus, where it is structured and classified in a variety of ways, making recall easier. Poldrack explained: "When we learn while we multitask, we rely more heavily on the basal ganglia, a brain system that's involved in the learning of skills and habits. [However], when we encode information in a more focused state, we rely more heavily on our brain's hippocampus – which actually lets us store and recall the information."

> THERE WAS A COMPULSION TO REPLY TO EACH NEW MESSAGE IMMEDIATELY

The same holds true when we undergo professional training and learn new information, while simultaneously surfing our smartphones – the information ends up in the striatum. If we had been paying full attention, the information would have been encoded in the hippocampus.

There are also the metabolic costs, which are summarised by Daniel Levitin, author of *The Organized Mind* (2015): "Asking the brain to shift attention from one activity to another causes the prefrontal cortex and striatum to burn up oxygenated glucose, the same fuel they need to stay on task. And the kind of rapid, continual shifting we do with multitasking causes the brain to burn through fuel so quickly that we feel exhausted and disoriented after even a short time. We've literally depleted the nutrients in our brain. This leads to compromises in both cognitive and physical performance."

Every time we are interrupted by something, such as an email, or we are multitasking, we create anxiety and stress, which can affect our mood and behaviour. Whereas if we can remain focused, we end up using less energy and remain productive.

Rabbi Marc Schneier
President, Foundation for Ethnic Understanding and author

COMMENT

United stand

All the major Abrahamic faiths will be celebrating festivals of spring at the same time this year, symbolising hope for the year ahead

This year, the Jewish holiday of Passover takes place from March 27-April 4, only one week before the advent of the month-long Ramadan.

The closeness of these two major Jewish and Muslim holidays, together with the Christian holiday of Easter – which takes place on Sunday, April 4, ensures that all the major Abrahamic faiths will be celebrating festivals of spring at the same time this year. This shared rejoicing in the rebirth of hope, the universal symbol of spring, is an auspicious coincidence for all the children of Abraham after an extremely difficult 12 months in which Covid-19 brought death and suffering to a large number of people across the world. Today, with vaccines reaching ever-larger numbers of people around the world, we are experiencing the growing hope that the year 2021 will bring all of us much closer to defeating the global epidemic.

The similarities between Passover and Ramadan are striking. Both holidays involve prayer, reflection, and communal celebration. In both, adherents of Judaism and Islam observe significant dietary restrictions. During the week of Passover, Jews refrain from eating bread – leavened grains – in line with their tradition. Fasting during Ramadan is more rigorous – Muslims avoid eating or drinking anything from sunrise to sundown every day during the holy month. However, both holidays are similar in the special attention given to the sharing of communal meals; with the Jews holding the Passover seder, an elaborate meal that unfolds over three or more hours while Muslims come together every evening during Ramadan to hold the iftar (breaking of the fast), a joyous communal meal.

THE SIMILARITIES BETWEEN PASSOVER AND RAMADAN ARE STRIKING

Sadly, given that the coronavirus is still very much with us, both Ramadan and Passover will again be limited in scope this year. With large communal seders mostly banned abroad, only nuclear families will be able to gather. Online gatherings linking families across distances is an alternative, but because Jewish law prohibits the use of electricity after sunset during holidays, some extended families will gather together via zoom before sundown. Similarly, in many Muslim communities around the globe, Ramadan iftars will be largely limited to individuals, couples and nuclear families. However, zoom webinars will be extensively used to connect extended families, so that they can celebrate and give charity together.

Despite these limitations, hope is very much with us this holiday season, no better symbolised than by the UAE spacecraft named Hope, which successfully entered Mars orbit on February 9 and will continue to orbit the red planet for two years. This is a brilliant scientific achievement for the UAE and the entire Muslim world.

During the past year, stubborn hope that the future could be better than the past produced a great miracle – the establishment of diplomatic ties between the UAE and Israel. Let that same sense of hope, buttressed by a pooling of the scientific and technological resources of the UAE, Israel, and other states, lead to the elimination of Covid-19 throughout the Middle East and around the world. If together we will it, it is truly no dream.

Decolonising **cloud technology**

OmniClouds cracks the network-as-a-service and the internet connectivity puzzle

When most corporate data and applications were sitting on-premises, enterprises had little to worry about regarding the vulnerabilities inherent in using the public internet.

However, in this age of shared resources with different digital borders, with cloud networking, online applications and off-premises data centres, organisations have had to migrate the majority of their operations and information online. Furthermore, increased connections between branches freely traversing the public internet, exposes an enterprise to a myriad of security risks. With the second digital revolution upon us and all the access it brings to service providers across the globe, any degradation in the quality of service adds more pressure on business leaders seeking to transform their operations.

OmniClouds technologies and digital services were designed to overcome these same shortcomings that include a visionary approach to problem-solving. "Our edge computing devices connect to and work in tandem with our dedicated overlay network. We then leverage the networks of the service providers in the countries we operate from to offer encrypted secure mesh connectivity. Additionally, the simultaneous use of multiple streams of communication significantly improves the quality of service," explains Amr Eid, CEO and board member of OmniClouds.

The company's global overlay dedicated network sits on top of the normal public internet provided by ISPs to offer customers a more efficient and secure way to reach the cloud, virtualise their applications and interconnect their various branches or even work from home.

CLOUD REVOLUTION

Although cloud adoption has greatly accelerated in recent years, many businesses today still find themselves on the wrong end of the cloud revolution.

Eid attributes this reluctance to several factors. The first being personal perception, he says. "In a disruptive market environment, your background works against you, while your mindset works for you. Market dynamics are very different and doing things the same way you used to will lead to failure," warns Eid.

Amr Eid, CEO and board member of OmniClouds

The second hurdle businesses face is inadequate infrastructure. Luckily, the UAE and most of the GCC countries offer high-speed fibre connectivity for virtually everyone. Other countries are not so lucky. "In some of the countries we operate in, the average speed can be as low as 3Mbps compared to 100Mbps available in the GCC," Eid notes.

But even in such situations, OmniClouds has a solution. "We can deliver to businesses up to 100Mbps of bandwidth at a very small incremental price, saving companies and governments millions of dollars spent on passive infrastructure . At the same time, we offer firewall-as-a-service, switch-as-a-service and router-as-a-service, all paid through a monthly subscription fee making it very convenient for our customers to customise our services based on their specific needs," says Eid.

OmniClouds can help bridge the cloud transition through its Cloud Companion service, a consultation service that helps assess performance and assurance requirements that assist businesses to identify the right cloud provider, cost estimates, and helps in devising required organisational reforms.

TECHNOLOGY COLONISATION

While the technology market may appear as a vast and open bazaar to the casual observer, power structures are firmly rooted within the technical infrastructure space. "Today, if you want to buy a router or a switch, there are only specific vendors you can approach. This is called the colonisation of technology. Our strategy involves decolonisation of technology as well as the CAPEX investment associated with it and offer a truly as-a-service offering," says Eid.

The Covid-19 pandemic sent many OmniClouds customers into a spin, including a global contact centre operator, whose agents were locked out of office by stay-at-home orders. An OmniClouds device called OmniRemote saved this company from potential collapse. The OmniRemote connects through an ADSL line and a SIM card, which enabled employees to connect to their contact centre and continue making calls. "Eventually, this business eliminated its office space by moving call centre operations to its home-based workforce, while expanding their agent number by 50 per cent," says Eid.

Another customer in the banking sector is in beta testing for an encrypted virtual desktop, where the bank officer will be able to work from home at the same level of cybersecurity as if he were sitting in the office.

With technologies built for the new way of working, OmniClouds is expanding fast. The company has subsidiaries and offices all over the world including Europe, Asia, and Africa. In the GCC, OmniClouds operates in the UAE and Kuwait and will soon be opening offices in Bahrain and Saudi Arabia. OmniClouds looks forward to bringing the future in as-a-services technology to support businesses during an era that is plagued by a pandemic.

Liam Maxwell
Director, Government Transformation,
Amazon Web Services

INTERVIEW

Explainer: The shift to digital governance in the GCC

Regional governments are rapidly integrating digital transformation processes into their systems to offer better services and boost their economies

What are the key trends shaping the future of digital governments in the GCC?
Several key trends will contribute to shaping the future of digital governments in the GCC, most of which revolve around an open approach. It has already been established that open approaches work faster and will benefit digital governments tremendously moving forward. In terms of related trends, these include open standards due to large scale internet usage; open source because it accelerates operations and practices; open data as this helps identify what works and what does not; and open markets as these can generate significant economic growth.

Some of the fundamental components of digital transformation include continually measuring the transition to establish where success is being driven, identifying the areas which require improvement, and enacting change via implementation. The requirement to change based on user experience is right at the heart of digital reform.

Another trend that will shape the future of digital governments regionally is monitoring user interactions and acting accordingly to implement change where necessary. In the Covid-19 environment, we have witnessed governments move quickly and effectively at scale, with data helping people make policy decisions.

At the same time, we have seen significant acceleration in public and private sector cloud spending across the region due to the pandemic, which will increase as the far-reaching benefits of cloud become more and more apparent. According to a recent survey by IDC in the Middle East, Turkey, and Africa, 51 per cent of public sector CIOs have spent more on public cloud software-as-a-service than originally planned, while 38 per cent spent more on public cloud infrastructure-as-a-service than they anticipated. In terms of hybrid cloud, 55 per cent of CIOs spent their allocated pre-pandemic budget and 34 per cent spent more than they planned.

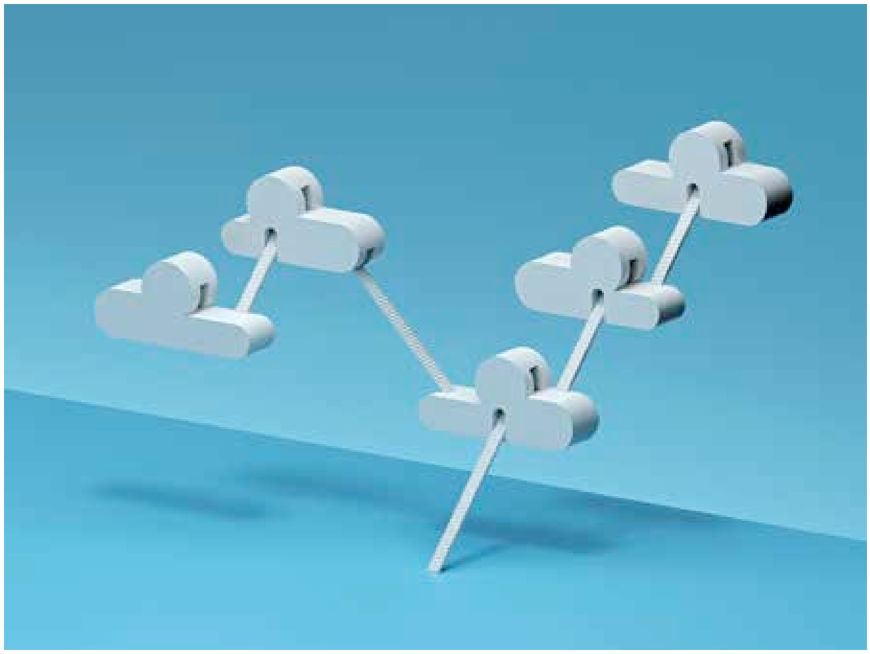


ILLUSTRATION: GETTY IMAGES/JORG GREUEL

Public sector CIOs are aiming to do more with less or the same, with fewer resources and smaller budgets. Looking ahead, this trend will likely shape the future of digital government. As per IDC's survey, 50 per cent of CIOs are shifting their budgets towards digital initiatives in government, healthcare, and education, 34 per cent are pursuing approaches towards greater OPEX spending and reduced CAPEX spending, and 27 per cent aim to spend more on automation to significantly reduce costs.

Are there any regulatory challenges for governments?
There is an opportunity now for governments to tackle regulatory challenges and reap the benefits of next-generation IT practices. A host of cloud-first policies have been adopted worldwide in recent years in order to fuel innovation and allow government organisations to focus on their missions in better serving citizens. In the Middle East, Bahrain adopted a forward-thinking national *Cloud First* policy, with the aim of reducing costs, increasing security, and increasing productivity and agility to improve citizen services. By adopting the policy, the Bahrain Information and eGovernment Authority (iGA), which is responsible for moving all government services online and is also responsible for ICT procurement for the government, has helped to reduce the procurement process for new technology from months to less than two weeks, and

reduced IT infrastructure operation expenditure by up to 80 per cent.

How has Covid-19 changed the timelines of innovation?

Because of the widespread actions to mitigate the pandemic's impact and adapt to an unprecedented situation, innovation timelines have been accelerated dramatically. A prime example from our perspective is the use of data to help make policy decisions, which had already been a topic of conversation for several years prior to the outbreak. In light of what happened around the world, as much as a decade's worth of reform transpired within five months - and the speed of action and change that we have witnessed in the new normal environment would be difficult to put behind us at this stage.

Speed, scale, resilience, and data are all components of innovation, and these will be fundamental to harnessing innovation moving forward. Speed is now an expectation, government services are for everybody and scale is essential, resilience is pivotal to acting quickly and effectively, and data is used to measure what works. The future of IT in governments entails these four areas, which will collectively drive innovation, deliver continuously-improving services, and provide newfound value to government services, customers, and society.

The focus on digital transformation in the GCC public sector has also accelerated due to the pandemic, which is another reason behind faster innovation. Again, IDC's META CIO survey sheds light on this. Although only 20 per cent of regional CIOs have initiated completely new digital transformation initiatives to meet different customer and operational requirements, 51 per cent have increased their efforts in this direction and 49 per cent have continued pursuing related activities as planned at the start of 2020.

What are the primary technologies that will pave the way for regional governments?

Open source and the cloud will pave the way for regional governments in the years ahead. Open source drives transparency, proactivity, and productivity; increases innovation and collaboration; improves service delivery; and results in better time to market. Services can be built that are clearer, faster, simpler, and drive positive change through open source - meaning regional governments can fundamentally transform digitally. In terms of the cloud, most modern governments are already moving towards cloud-first policies and establishing whether the cloud can be used to deliver the desired change.

Because the cloud is a dedicated, custom, and permissive technology, it effectively delivers services that can be changed and modified quickly, and having a cloud-first policy means identifying whether you can use the cloud to deliver the change you want to have.

Alan's Corner

Alan O'Neill
Change consultant and speaker

The 7-steps to profit

These principles are essential to help you tighten up your business model

As the world continues to come to terms with the fallout from these unprecedented times, we are facing lots of uncertainty. Many of us are learning and adapting as we go and are coping really well, despite the global economy being in jeopardy.

But this is no time for complacency. Consumer demand will be challenged for the foreseeable future, encouraging consumers to be more discerning about their spend. That means that businesses need to be mindful of protecting their market share and margin in a new world. However, when under pressure, businesses often become very operations-focused with heads down all the time. We are all in danger of knee-jerk reactions, leading to mistakes, poor practices and dangerous norms.

To prevent this, I'd like to bring you back to the basic principles that are essential to help you tighten up your business model. This will give you the best chance of success.

DEMAND WILL BE CHALLENGED FOR THE FORESEEABLE FUTURE, ENCOURAGING CONSUMERS TO BE MORE DISCERNING ABOUT THEIR SPEND

The 7-steps to profit

1. BRAND DNA: FIND YOUR NORTH STAR

You already know this as vision and mission statements. When a company has not yet considered its real purpose, some team members might believe it wants to be the best in the industry, for example. Others might have polar opposite views and might think the business doesn't care about the customer. To not think about it and articulate it clearly to your people is a missed opportunity. Its absence creates ambiguity and confusion.

2. REFRESH YOUR CULTURE

Culture is a set of behaviours and processes that determine how things get done. If you have been to a Disney theme park, you'll know how much they care about their own people and customers. You can almost feel it in the air as you experience all it has to offer. That's driven by its culture.

3. PLOT YOUR STRATEGY

Budgets are not plans; they are a set of numbers with no reference to how you will achieve them. Your strategy however, is your big picture route to achieving key milestones in the pursuit of your *north star*.

4. DEVELOP YOUR TEAM

One organisation that I know of has a structure that is no longer fit for purpose. Tentacles have grown over the years as the business expanded. It has a team of people that has been with the business for many years. Many of them have assumed responsibility and others have just stood back. Consequently, decision-making is ambiguous and accountability is poor.

5. CONNECT WITH YOUR CUSTOMER

Even before Covid-19, we were experiencing shifts in consumer behaviour. From constantly changing demographics, to high levels of user-acceptance of technology, to dietary preferences and lifestyle changes.

Therefore, customer awareness and connectivity has to be high on your agenda.

6. BUILD YOUR 3-LEGGED STOOL

All of the previous steps will feed into helping you shape the value proposition that customers will judge you on. It's made up of three legs of a stool, your 'product mix', your 'people' and your 'place/route to market'.

For example, Louis Vuitton confidently defines itself as a five-star brand, therefore its product mix and store standards reflect that. In contrast, Carrefour is a proud volume retailer but they obviously don't sell Gucci or Chanel.

ILLUSTRATION: GETTY IMAGES/FANATIC STUDIO

7. EXECUTION: DO AND REVIEW

This is where you spend 99.9 per cent of your time, doing the day-job and cranking the machine.

However, this is where the problems with the system can kick in, such as out-of-stocks, conflict and tension. While there will always be unforeseen and unplanned events that can disrupt the flow of a normal day, even with a great plan, the likelihood is that they will be reduced significantly with regular reviews of steps 1-6.

In times of crisis, it's really difficult to thoroughly plan ahead, so perhaps you might incorporate flexibility in here too.

THE LAST WORD

The *7-Steps to Profit* is a tried-and-tested model that has been around in various forms for hundreds of years. It is being used by the great and the good already, so it will work for you too, regardless of your size.

Check back in here over the next few months and I'll go into more details with each step.

PHOTO: GETTY IMAGES/GIUSEPPE CACACE

COMMENT

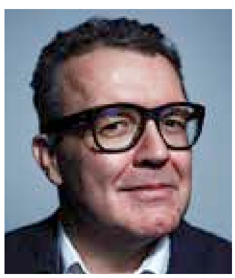
Tom Watson
President, Counterculture and former UK Labour Deputy Leader

An ambitious vision

The UAE's cultural development showcases its traditional values while embracing a modern vision

How do you measure the ambition of a country? The world's rulers, politicians, historians and management consultants can all write books on how best to answer this question. Yet the UAE can answer it in a single sentence: 'We've launched a satellite, and it's orbiting another planet'. The UAE is a young country with interplanetary ambition. That's something that captures the imagination of every child in every country. The Mars satellite will help future generations understand the universe, but it's the head-turning, perception-changing ambition of the UAE that inspires today's generation.

I got a sense of the UAE's ambition as a young UK Parliamentarian when I visited for the first time nearly two decades ago. Back then, I saw some of the region's archaeology from the Neolithic and Bronze age.



Tom Watson

Since that visit, much has changed. There's a phrase we often use in UK politics – traditional values in a modern setting. It's not just the country's archaeology and space programme that demonstrates this. Just look at the quality, depth and pace of the UAE cultural sector's development.

The UAE now enjoys a global reputation for architectural beauty and has some of the world's most aesthetically stunning buildings. Alongside the traditional narrow alleys and stone buildings, epitomised by Dubai's Al Fahidi historical neighbourhood, breathtaking modern constructions now shape the skylines.

I'm going to mention ambition again. There's no more exemplary architectural example of ambition than the Louvre Abu Dhabi. The breathtaking structure is open to the air on all sides and constructed from an irregular honeycomb of aluminium and stainless steel. Outside, the dome appears to float above the sea and inside it creates a dancing interplay between light and shadow around the galleries and reflecting pools.

The UAE understands the importance of cultural placemaking. More than just displaying architecture, the museums and galleries have a clear strategic mission to maximise cultural capital and potential of place and community. The Louvre Abu Dhabi is, for example, part of a larger plan to create a cultural district on Saadiyat Island which also includes the Guggenheim Abu Dhabi. The value of such creative hubs with iconic architecture at their heart is recognised worldwide. In London, a significant area of the city's East End was transformed from a semi-derelict peripheral industrial estate into a new creative urban centre with massive infrastructure investment by the Olympic development. At its heart is the epochal ArcelorMittal Orbit, an architectural focal point for a new artistic community.

Ambition lubricates the UAE's architectural projects, juxtaposing the most modern design with traditional features. The cone-like structures that encircle the Guggenheim Abu Dhabi were inspired by the region's traditional wind towers, instantly linking the building to its environment and community. The feature is also key to the Qasr al Muwaji museum's beauty on the historic UNESCO site.

Museums and galleries across the UAE are adopting this collaborative approach in their design. In Dubai, the Museum of the Future is one of the most challenging construction projects ever attempted – an impressive description bearing in mind the futuristic architectural landscape it inhabits. But while the shape – a giant hula hoop – personifies the future of design, the Arabic calligraphy adorning its exterior firmly roots it in the local cultural heritage. It has also led the way in sustainability. The museum is

COMMENT

equipped with advanced building control solutions, greywater recycling systems and complex solar power, and its exhibits will focus on environmental themes. Art spaces worldwide are leading the way in sustainability.

Another mesmerising building, the Union Museum, located next to the historic Union House on the Dubai waterfront, honours the 1971 signing of the document that created the United Arab Emirates and celebrates its people's rich culture and history. The undulating parabolic curves of its entrance pavilion represent the founding parchment of a new, young country.

THE UAE UNDERSTANDS THE IMPORTANCE OF CULTURAL PLACEMAKING

While the UAE's unique, awe-inspiring cultural buildings fuel economic prosperity, more than this, it is clear that every project has at its core a noble aim. They showcase Arab achievement; the region's intellectual life, its artists, and its rich and diverse culture. The region's history is expansive, complex and of substantial global significance, and the museums and galleries strive to demonstrate this both inside and out.

Traditional values in a modern setting and interplanetary ambition? Now that is what I call outstanding global leadership.

ANALYSIS

In it together

Amendments to the UAE's citizenship law heralds the making of a diverse, talent-based society, writes Zainab Mansoor

In an unprecedented move, the UAE announced a landmark decision this year to open its citizenship to a select group of investors, professionals, and those that possess specialised talents.

The directive was primarily to broaden the country's talent pool and attract and retain the brightest minds to facilitate the country's ascendancy towards development and progress. Professionals that can acquire the Emirati nationality include doctors, scientists, engineers, artists, and authors as well as their families. Potential beneficiaries will have to meet certain criteria to qualify; however, recipients, upon acquiring the UAE passport, can retain dual nationalities.

The decision could prove momentous for a country whose demographic landscape has historically been dominated – in large part – by expatriates. The amendment will prompt the UAE's competitiveness as a residence pad, facilitating foreign residents to fully integrate into its national identity.

"This amendment is in line with the UAE's aim to become not just an attractive hub, but also a permanent one, for investors and for highly-skilled and talented individuals, who contributed and will continue to contribute to the country's development and economic growth," opines Shiraz Sethi, regional head of Employment at Dentons.

"In years gone by, the UAE has always been viewed as a transient hub, but it is testament to the rulers of the country, who have continuously explored ways in which to develop the UAE to make it a more attractive proposition to live and work and to ensure that it continues to attract the best talent from around the world. In addition, this step will boost the flow of foreign investments into the UAE and help support the country in diversifying its economy and sources of revenues."

Foreigners have been a mainstay of the local economy for years, accounting for roughly 88 per cent of the population (according to data from the World Bank). However, all expatriates are required to either have their own businesses, be employed or have a sponsor to continue living in the country. While the UAE did launch a permanent residency scheme in 2019, as well as retirement visas for expats, the latest directive reflects a larger message of inclusivity and unison.

"In the short term, this announcement shall improve the UAE's competitiveness in attracting investors and talented individuals and it will provide more stability to residents and to foreigners willing to relocate to the UAE. In the long-term, allowing foreigners to obtain citizenship will help create a more stable and sustainable society," adds Sethi.

This amendment could also prove to be a bellwether of sorts, setting in motion a trend for other GCC countries to follow. Sethi explains: "The UAE tends to be the pioneer in taking such measures and setting the precedent for others to follow. We anticipate that other GCC countries may take similar steps, or at least we anticipate a relaxation in the residency and investments regulations."

COMMENT

Zaib Shadani
Managing director of Shadani Consulting

Exclusive access

The new 'Clubhouse' app is a global phenomenon – but what's all the fuss about?

The hottest ticket on social media right now is the 'Clubhouse' app - boasting celebrities like Oprah and Chris Rock, and entrepreneurs like Elon Musk. But what is all the fuss about? Here's everything you need to know.

What is Clubhouse?

Clubhouse is an exclusive members-only social media app that is currently only available on the iOS platform (on iPhones). Those who do secure a highly-coveted invite can listen to conversations hosted by a range of people, from celebrities to the guy living next door. Part podcast, part TED Talk and part talkback radio, users can browse the app's 'hallways' and drop into virtual 'rooms' where they listen in on speakers discussing a range of diverse topics. Interestingly, there are no feeds, posts, or videos - just people talking. It's like holding court - with no telling who is going to 'stop by' and pop into the conversation. With celebrities, business leaders and even White House chief of staff Ron Klain being a member, there's no telling whose conversation you might listen in on - for example Elon Musk recently announced that he was going to do a Clubhouse chat with Kanye West.

How does it work?

When you join the app, you can select topics of interest and Clubhouse will recommend conversation rooms and individuals for you to follow or join. It's as a simple as that. You can also think of every 'chat room' as a virtual stage, where the moderator(s), can speak freely and also call on others to participate and ask questions. The best part is that anyone can start a room and 'open' it, whereafter any user can pop in and join. A particular quality of Clubhouse is that it is live and chats cannot be recorded by users; if you missed a chat, then you missed it for good, (although some people have leaked snippets of Clubhouse conversations).

One of the highlights of Clubhouse is that all conversations are moderated, so there is no pressure to participate and one can simply listen in on a range of interesting conversations. If you don't like it, you can simply leave and go into another room.

Another aspect of the app is the ability of the moderator to control the stage and not have conversations highjacked by 'trolls' - chat moderators can remove and block people from entering a room or joining conversations. There is ample leeway for two-way dialogue but there is also tremendous moderator control over the room to ensure there is order and that everyone gets a turn to speak, should they wish to join in.

THOSE WHO DO SECURE A HIGHLY-COVETED INVITE CAN LISTEN TO CONVERSATIONS HOSTED BY A RANGE OF PEOPLE, FROM CELEBRITIES TO THE GUY NEXT DOOR

How to score an invite

Unfortunately, you can't just download it off the app store; you can only get invites from existing Clubhouse users. To add another layer of exclusivity, an existing Clubhouse user only gets two invites initially, so there is a cap on the number of people that can be inducted per existing member. Moreover, it's only available on the iOS platform. However, Clubhouse has said that it may exit the beta stage this year which may lead to some changes, including the app being made available to "the whole world".

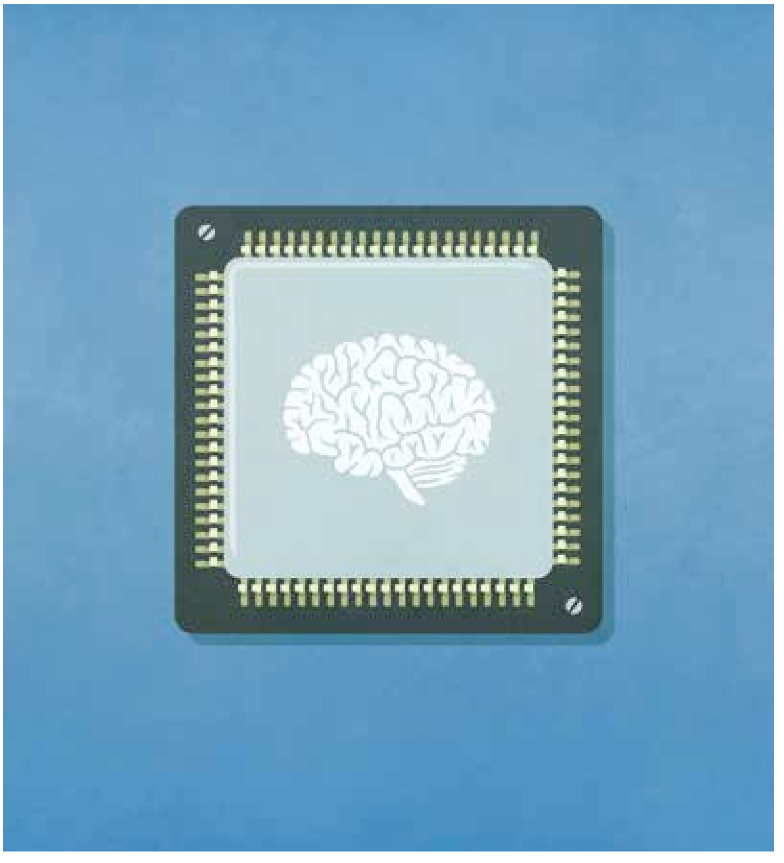


ILLUSTRATION: GETTY IMAGES/MALTE MUELLER

ANALYSIS

Intelligent systems

From healthcare to logistics, AI is disrupting the way industries operate, writes Zainab Mansoor

Artificial intelligence (AI) has been around in subtle forms for several years, powering activities such as web searches and online shopping. However, with growing data collection and emerging technologies, increase in computing power and new algorithms, the scope for AI has been expanding.

A continuous drive to foster technology integration has seen a surge in the adoption of advanced solutions across industries such as healthcare, finance and aviation. This has staged the ground for an unprecedented set of applications and platforms that have sprung up in recent years, for product and workforce optimisation, streamlining of processes as well as operational efficiency.

Furthermore, the Covid-19 pandemic and resulting social restrictions that enabled the world to convene and operate virtually, have reinforced the role of digital transformation and the technologies underpinning it. According to a report by IDC, worldwide revenues for the AI market are expected to total $156.5bn in 2020, an increase of 12.3 per cent over 2019.

That figure is anticipated to surpass $300bn in 2024 with a five-year compound annual growth rate (CAGR) of 17.1 per cent.

"AI is one of the major drivers of digital transformation. The pandemic has proved AI's value, from repetitive task automation to workforce optimisation, as well as demand predictions and efficiency increase in the internal processes by allowing informed decision-making. The companies who adopted AI in late 2020 already started to see the tech payout with increased savings and revenues," opines Melda Akin, CEO and founder of D14.AI, a UAE-based company for AI-driven workforce optimisation and predictive systems.

D14 provides an AI-driven software platform for healthcare clinics, gyms and logistics companies to optimise their workforce and manage business operations. D14.AI technology is flexible and can evaluate millions of combinations within minutes, the CEO says.

"Healthcare clinics lose high revenues because of no-shows, late cancellation, non-automated health record systems and non-personalised patient journey. D14's platform helps clinics decrease the no-shows and late cancellation rate and reduce administrative work by automating business operations and optimising the workforce," adds Akin.

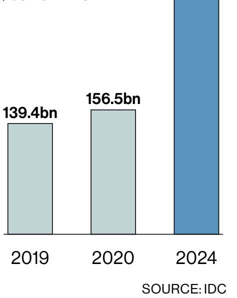
Meanwhile, due to increased demand during the pandemic, logistics companies face dynamic scheduling problems. "Delivery and logistics companies benefit from D14's technology to evaluate millions of possible combinations within minutes to shorten the delivery time and rebalance their fleet. D14 technology can schedule more than one million orders within minutes and 3,000 times faster than other solutions by obeying all the business requirements and regulations," says Akin.

AI may prove to be the cynosure of the upcoming digital era with companies striving to make the technology more accessible. In the wake of the Covid-19 pandemic, China's Alibaba's research institute Damo Academy reportedly developed an algorithm to detect coronavirus cases using CT scans, while Google Cloud launched its *Rapid Response Virtual Agent* programme, helping government agencies, businesses and organisations respond rapidly to customer concerns regarding the virus.

Looking ahead, it's clear that digital transformation technologies are paving the way to a more connected and intelligent future.

Artificial and profitable

Worldwide revenues for the AI market are expected to double in four years



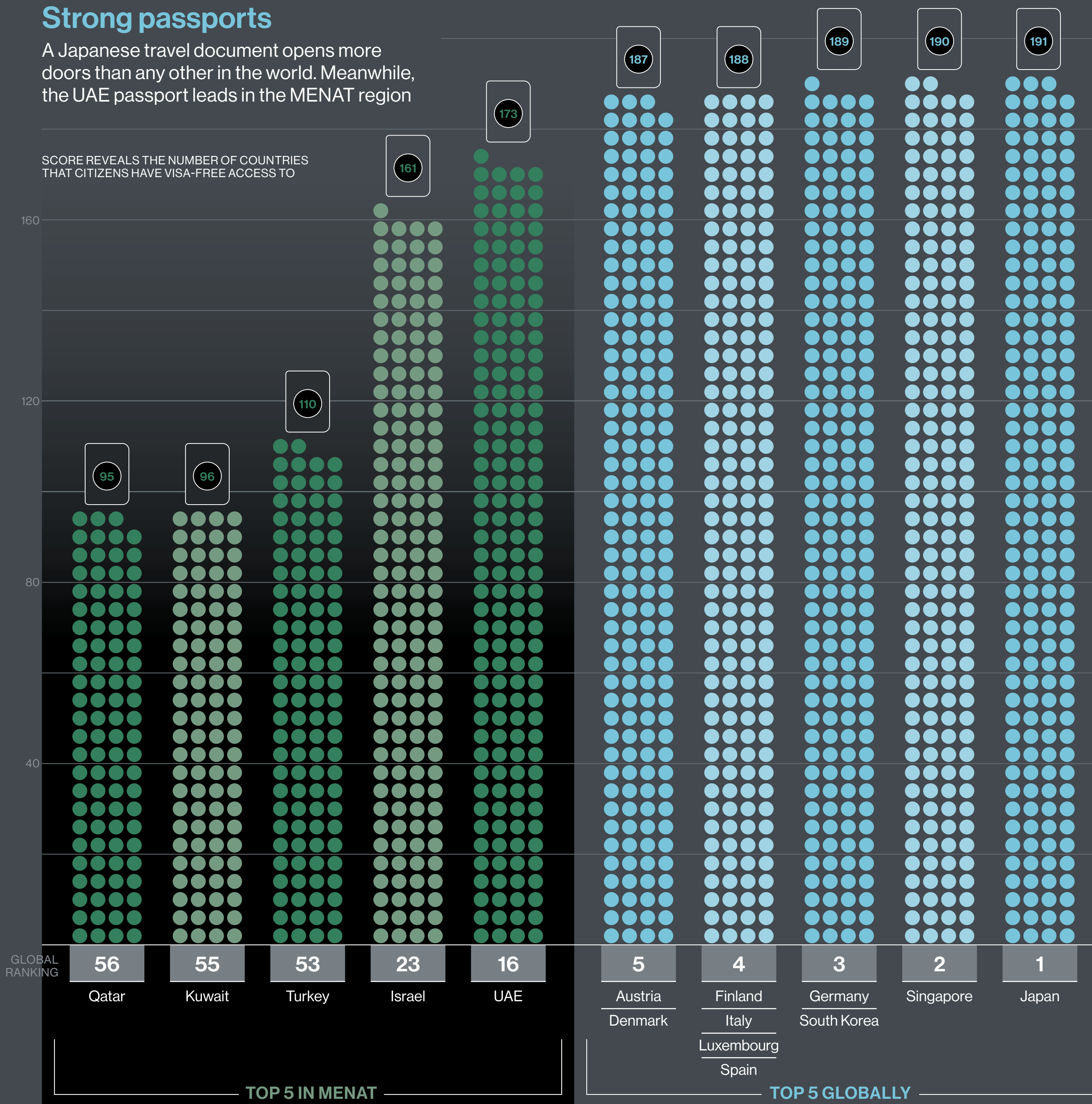
SOURCE: IDC

Hello, world!

Due to globalisation and integration, the world opened up considerably, with many passports offering easy travel around the globe. And then 2020 happened

Strong passports

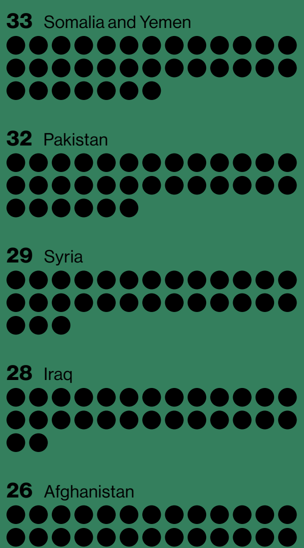
A Japanese travel document opens more doors than any other in the world. Meanwhile, the UAE passport leads in the MENAT region



Weakest passports

These are the countries placed at the other end of the global mobility spectrum

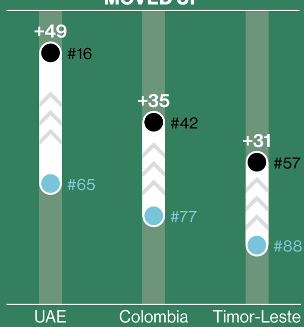
NUMBER OF COUNTRIES THAT CITIZENS HAVE VISA-FREE ACCESS TO



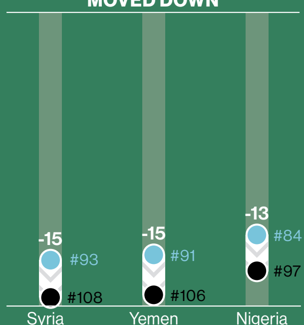
Biggest changes: 2011–2021

2011 2021

MOVED UP



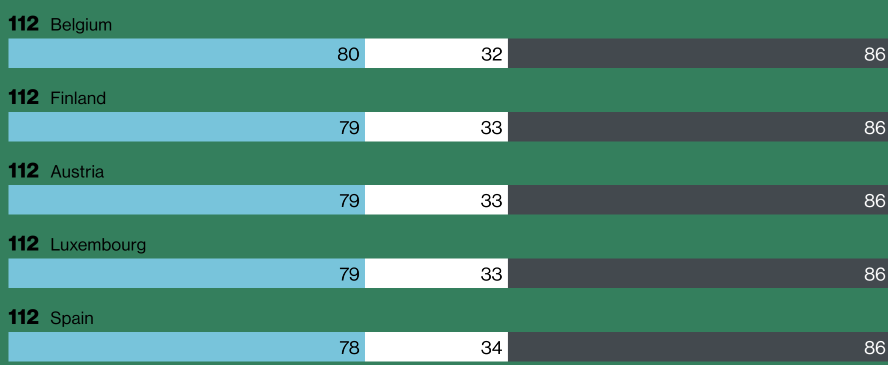
MOVED DOWN



THE ‘PANDEMIC’ EFFECT

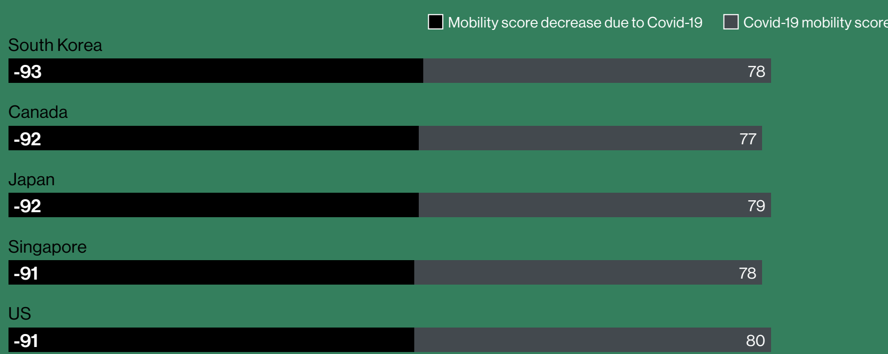
The most powerful passports during the pandemic

The Covid-19 outbreak caused major disruptions to mobility by restricting travel and revoking existing visa privileges of travellers



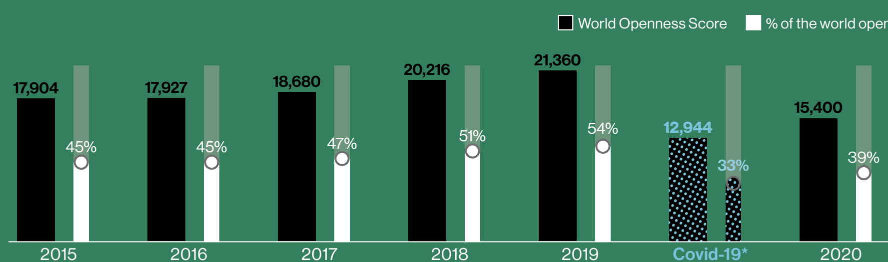
Hit hard

South Korea recorded the highest fall, nosediving from third place with a mobility score of 171 last year to 78 during the pandemic



New restrictions

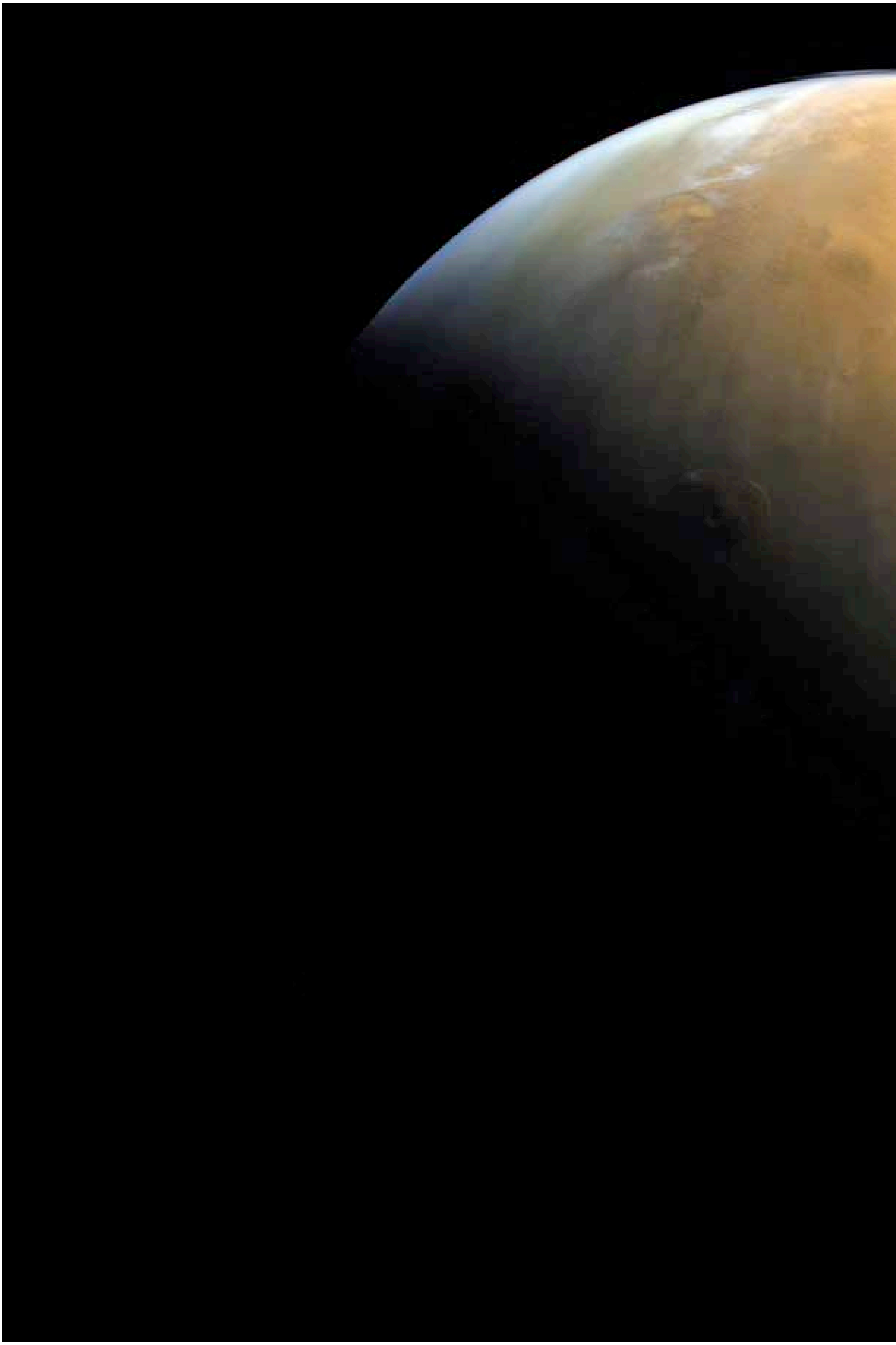
The world was opening up at an average pace of 6 per cent until 2020, according to the World Openness Score (WOS), that monitors travel ease between countries



*Between December 31, 2019 and May 31, 2020

SOURCE: THE PASSPORT INDEX, BY ARTON CAPITAL

SOURCE: HENLEY PASSPORT INDEX 2021



The first image of Mars captured by the Emirates Mars Mission's Hope Probe 25,000 kilometres above the planet's surface. It was shared on Twitter by Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai

PHOTO: DUBAI MEDIA OFFICE

BY AARTI NAGRAJ PHOTOS: JOACHIM GUAY

INVESTING IN THE FUTURE

The pandemic has further emphasised the need for diversification among investors while also accelerating the adoption of new assets in the digital space. What comes next? Gulf Business speaks to AIX Investment Group's board advisor Fadi Dabbagh and senior financial advisor Khalid El-Mikhi

Gazing out of the glass on the 146th floor of the world's tallest tower in Dubai, the Burj Khalifa, I had a reasonably clear panoramic view of the rapidly growing city with only remnants of the morning fog visible.

It is a vista that the executives working at AIX Investment Group – and their growing list of clients – enjoy on a daily basis, even as Dubai's and the wider GCC's investment landspace expands, despite the fog that has settled worldwide due to the pandemic.

The Covid-19 pandemic has impacted economies in various ways, with most industries struggling to adjust to the crisis. However, the investment landscape has managed to remain fairly buoyant, since the pandemic has fueled a greater need to preserve and grow wealth – both globally, as well as in the GCC region.

"Interestingly, the pandemic does not seem to have adversely affected the demand for investments in the region, but rather seems to have encouraged investors – both individual and institutional – to start assessing the security of their cashflows and to consider building more diverse investment portfolios," says Fadi Dabbagh, board advisor at Dubai-based AIX Investment Group.

"We have certainly noticed a change in the types of opportunities investors are seeking, but not a reduction in their appetite for investment. On the contrary, the appetite for investment seems to have increased and the number of first-time investors that approached us looking to begin their journey towards financial independence was higher than ever before in 2020. Our data suggests several factors for this, and many of them seem to be direct results of the changes caused by the pandemic."

Some of these include **excess cash due to reduced lifestyle expenses** – most regional countries enforced lockdowns that forced the closure of entertainment avenues; **an increased feeling of instability and fear of revenue disruption** – several workers faced salary cuts as well as work disruptions; as well the **need for additional passive income.**

Meanwhile the pandemic also bolstered the need for investors to further diversify their portfolios, as they look to protect their assets. "One of the key lessons investors took from the economic uncertainty that 2020 brought is the importance of having multiple revenue streams and spreading assets across multiple uncorrelated classes. While previously we would find our investors trying to identify one of our investment vehicles as the one that most matches their needs and objectives, they are now inquiring about the possibility of splitting their funds across multiple of them. Our answer is always the same: 'We strongly encourage you to do so'," explains Khalid El-Mikhi, senior financial advisor at AIX Investment Group.

"In 2020, we witnessed countless businesses and industries that seemed to be on an unstoppable upward trajectory come to a screeching halt, and in many cases fail completely. This was perhaps the greatest reminder since the dot-com-bubble that allocating all of your resources into one asset class is most certainly unwise. At AIX Investment Group, we provide investors with a diverse set of investment opportunities and also seek optimal asset allocation and diversification within individual investment vehicles," adds Dabbagh.

The shift towards diversification was already underway before the crisis. A survey by consultancy EY in January 2020 found that 23 per cent of wealth management clients in the Middle East were planning to move assets in the next three years, with 50 per cent having already moved their assets in the past three years.

PERFECT PORTFOLIO?

If there is one standard response that you can get from any wealth manager or financial advisor, it is that there is no such thing as a "perfect portfolio". But at the same time, most concur that diversification is key and that it is prudent to have assets spread across the risk spectrum while avoiding geographical and industry concentration.

"It is of paramount importance that any portfolio in today's market conditions should be spread across multiple asset classes. While doing that, maintaining liquidity for a part of one's portfolio is equally important. We recommend allocating a part of your portfolio into a safe fixed income product which secures a part of your portfolio with regular cash flows, while maintaining a more liquid portion working capital, which a client can always reach out to on a rainy day," states El-Mikhi.

"While return on investment remains a key driver of all investment decisions, we have noticed a dramatic shift in focus away from yields and more towards the safety and sustainability of revenue streams"

AIX Investment Group recommends that seasoned investors follow a 40-40-20 approach:

- **40 per cent** of the portfolio is allocated in a fixed income product, generating steady cash flow with almost no risk involved.
- **40 per cent** is distributed in a variable income product, that is completely liquid with a medium risk involved, accelerating the growth of the fund at a higher pace than the fixed income allocation.
- **20 per cent** is allocated to a high-risk product, with a calculated risk approach, which makes up for the slower and steadier returns in the fixed income product.

"While return on investment remains a key driver of all investment decisions, we have noticed a dramatic shift in focus away from yields and more towards the safety and sustainability of revenue streams. As such, it is only natural for investment sentiment to have shifted towards the more risk-averse side, and our investors are counting on us to advise and counsel them through these changes," adds Dabbagh.

AIX Investment Group, which was set up in Europe 13 years ago, has generated passive income for its clients ranging from 14 per cent to 40 per cent per annum. "A core part of our strength as a business stems from the 'financial transparency' model we have built our operations on. The general principle is that the architecture of an operating model should be easy to understand, monitor and analyse. This must hold true for all stakeholders - and this is embedded within the core of our operating philosophy," states Dabbagh.

Having a model that works is key in the region to retain and gain new clients. According to the EY survey, wealth management clients in the Middle East are equally likely to switch wealth asset management providers for any one of six reasons: Quality and reputation, products, advisory capabilities, personal attention, pricing, or technology.

The survey found that while investors may switch providers for reasons related to service capabilities, they are also looking for wealth managers that share similar values. In the region, 53 per cent placed more importance on digital savviness, 48 per cent said they wanted

PHOTO: GETTY IMAGES/WALID AHMAD

advisors who are proactive and attentive, and 45 per cent selected advisors who demonstrate sound judgement.

"As a company, we feel confident that we are on the right track. The infrastructure we have built was designed on setting a solid foundation and gradually scaling our operations to the next level of growth," says Dabbagh.

"We have a resilient and balanced portfolio of products and a strong position in some of the world's fastest growing markets. We will continue to find new opportunities to grow our business both domestically and internationally and establish alliances with globally recognised institutions."

The company doubled in size last year and expanded its office space to include the 144th floor of Burj Khalifa. "What we believe is most important is the continuous development of AIX Investment Group's employees. With difficult financial times predicted, it is important for all members of the team to be skilled and experienced in handling all situations that may arise during their day-to-day work. We have been allocating a lot of time and effort towards education and training for all our employees to ensure their continued development," adds Dabbagh.

THE DIGITAL QUESTION

Another talking point within the market this year has been the digital currency bitcoin, which – following the recent announcement of a $1.5bn investment from Tesla – has seen its value cross $50,000 (an increase of over 50 per cent in 2021). Basically, $1 of bitcoin in July 2010 is worth around $800,000 today.

"This astronomical return paved the way for the over 8,000 digital assets available in international capital markets today with a total market cap exceeding $1 trillion. Which assets will continue to grow and develop more real-life use cases beyond speculation is a matter of constant debate. But there is one thing that seems certain – blockchain, the underlying technology powering digital assets that is designed to provide a decentralised ledger allowing for irreversible peer-to-peer transactions and immutable storage of data will be the next major disruptive technology, and that is what we are most excited about," explains El-Mikhi.

"Blockchain has the potential to revolutionise the way people interact with each other and the way the integrity of financial and transactional networks is maintained. What is even more exciting is the development of programmable blockchain networks capable of implementing smart contracts, an area which has led to significant growth and advancement in decentralised finance (DeFi) among many other applications. We do not see this trend reversing, and we anticipate the continued growth of blockchain technology powering the global economy and our day-to-day interactions."

Blockchain adoption in the region is on the rise, supported in large part by national strategies. The UAE government launched the Emirates Blockchain Strategy in 2018, which seeks to transform 50 per cent of government transactions to the blockchain platform by 2021. Dubai also has its own blockchain strategy, with the emirate aiming to become the world's first city fully powered by blockchain. Saudi Arabia and Bahrain have also established blockchain strategies for the public and private sectors.

"We are now witnessing governments and major financial institutions developing their own blockchain networks for various uses such as the storage of personal information and legal documents, the tokenisation and transfer of assets through non-fungible tokens (NFTs), the development of transactions and payment systems which are decentralised and transparent, and even the storage of electronic proof of ownership – as is the case now with all title deeds issued by Dubai Land Department," states El-Mikhi.

Looking ahead, he stresses that they remain bullish on fintech, digital assets, DeFi and cloud computing. There is also greater interest for forex trading in the region. "There are many benefits to trading forex, which include high liquidity, trading volumes above $6 trillion daily, convenient trading hours (market is open 24/5), the ability to trade both directions – long and short; and the ability to trade on margin. We are in a region where currencies are pegged to the US dollar and we anticipate significant swings for USD in 2021 which will result in many opportunities for profit. The pandemic has also had a significantly adverse effect on global trade and as we continue to become accustomed to the new norm and the global economy continues to recover, the forex market will continue to grow and present opportunities for the creation of sustainable revenue streams," explains Dabbagh.

AIX Investment Group has generated passive income for its clients ranging from 14 per cent to 40 per cent per annum

The industry is also being propelled forward by the younger generation of investors, who are seeking more technology-driven, high-return investments in a shorter span of time

The company also expects the investment growth in startups, growth industries, sustainable businesses, and safe-haven assets to continue.

"We do not claim knowledge of the future, but our team of expert analysts, traders, and blockchain specialists will continue monitoring alpha-generating opportunities on behalf of our investors wherever they may arise," says Dabbagh.

AN EYE ON THE FUTURE

Similar to other sectors, the investment landscape is also facing significant disruption from technological innovation, with terms such as wealthtech and robo-advisors now common parlance. Globally, wealthtech secured more than $200m of global investment in the first half of 2020, according to a report by KPMG, with the figure expected to rise significantly in the future.

However, the investment industry has always been one that is highly relationship-focused and is based on trust between investors and those they entrust with the management of their funds, states Dabbagh.

"Our investment philosophy is built on a combination of data-driven analytics and our own judgement and experience in navigating complex financial markets. Of course, we rely on our proprietary algorithms and on the power of AI neural networks capable of constantly learning and improving – these are valuable tools that assist us in providing consistent returns to our investors through market turbulence. But they are only tools that allow us to better analyse historic trends, spot patterns, and better understand market volatility. We do not rely on these tools to perform trades for us or initiate positions. We have seen many examples where doing so has ended badly, and that is a risk we do not plan to expose our investors to," he explains.

Meanwhile the industry is also being propelled forward by the younger generation of investors, who are seeking more technology-driven, high-return investments in a shorter span of time.

"With that in mind, as financial advisors we tend to adhere to their needs by focusing on more dynamic portfolios, but at the same time we tame their expectations and implement proper structure and allocation within their portfolios, helping them understand the balance between risk and reward and allowing them to build portfolios which will serve them well for years to come," states El-Mikhi.

From digital assets to robo-advisors, the investment landscape is facing monumental changes in the way it operates. And similar to an investment portfolio, while there is no perfect formula for success, it is all about making the right call at the right time.

Phi Trends: Are digital currencies the next big thing?

The reward from hopping onto the digital currency bandwagon is imminent, states entrepreneur and investor Shailesh Dash, who shares his market perspective in this monthly column

Digital payments have created a great deal of buzz in recent times, and more so amid the pandemic. Current trends are also clearly pointing towards embracing digital currencies as a mainstream avenue, which is likely to have a profound impact on the functioning of financial markets across the globe. Although paper currency continues to remain the main source of transacting, the current trend clearly depicts a major transition in the day-to-day payment and transaction needs of customers. The acceptance of digital currencies has consequently allowed them to morph into Wall Street's next trillion-dollar asset class, and as the cumulative worth of all cryptocurrencies surpasses the $1 trillion mark, the buzz around it is gradually shifting from its chances of survival to how massive this phenomenon could potentially become.

Digital currencies can come in various forms including those issued by central banks, or cryptocurrencies that are price-stabilised (such as stablecoins backed by the US dollar) or not (such as bitcoin). While such currencies earlier received widespread backlash and criticism due to their high risks and lack of comprehensive regulatory framework, they were adopted in greater measure than ever before in 2020. Notably, the rally this year witnessed high participation from large institutional investors, contrasting the purely retail investor-driven rally into crypto markets in the past. The rise of these assets has prompted central banks to revisit their policies and frameworks in terms of the inclusion and regulation of digital currencies. A recent BIS survey further shows that roughly 86 per cent of central banks are exploring the advantages and shortcomings of central bank digital currencies (CBDCs) and are accordingly transitioning from concept-based research to physical experimentation. The latest BIS paper also notes that central banks are likely to unveil retail CBDCs within the next three years.

Large corporations have also entered the digital currency space at an accelerated pace in recent years. Tech giant Facebook, for example, has been leading developments on a new cryptocurrency, Diem (earlier termed as Libra), which is intended to operate as a global financial payments and infrastructure platform. Digital payments behemoth PayPal as well as Square have also fast-tracked their move into this market by enabling buying and selling of cryptocurrencies on their platforms. However, the real market upheaval was caused by Tesla's $1.5bn purchase of bitcoin and its announcement that it would soon accept the cryptocurrency as a payment method, which prompted a rally in cryptocurrencies, peer digital currency and cryptocurrency miners.

Given the aggressive push towards the acceptance and adoption of the maturing digital currencies ecosystem, there are a number of ancillary and complementary industries that stand to reap benefits from the adaption of this phenomenon. Accordingly, investing in stocks of companies that are using this technology and enabling its growth could prove to be a successful alternate strategy for gaining from this rally. For instance, semi-conductor companies such as Nvidia and AMD are world leaders in designing graphics processing units (GPUs), which have been found increasingly useful in computing-intensive applications such as AI, data centres, and blockchain – a foundational block in creating crypto assets. Meanwhile,

Performance of top stocks affiliated with crypto/digital currencies

Company Name	Market Cap (USD bn)	Revenue (USD bn)	EPS (USD)	P/E Ratio	P/B Ratio	P/S Ratio	EV/ Sales	EV/ EBITDA	Stock Price (USD)	52-Week High	52-Week Low
Nvidia	379.6	10,918.0	7.1	86.5	24.8	25.5	25.5	73.7	613.2	614.9	180.7
AMD	110.8	9,763.0	1.0	89.4	18.9	11.1	11.2	64.9	91.5	99.2	36.8
PayPal	356.9	21,454.0	2.5	123.6	17.8	16.7	16.1	80.6	304.8	309.1	82.1
Square	124.5	4,713.5	-0.2	-	59.9	15.8	16.1	8,234.8	276.0	283.2	32.3
CME Group	68.0	4,868.0	6.1	31.3	2.6	13.9	14.2	22.5	189.4	222.2	130.0
Bitcoin (BTC)	950.9	-	-	-	-	-	-	-	50,964.3	51,410.0	4,106.9
Riot Blockchain, Inc.	5.3[a]	6.84	-0.37[a]	-	62.8[a]	319.9[a]	375.5[a]	-327.4[a]	59.5	79.5	0.5
Marathon Patent Group, Inc.	4.5[a]	1.19	-0.42[a]	-	51.4[a]	329.7[a]	1,120.4[a]	-594.1[a]	43.6	45.3	0.4
Grayscale Bitcoin Trust	34.4	-	-	-	-	-	-	-	50.3	51.5	5.0

*Note: Data as of February 16, 2021; [a]As of February 17, 2021

SOURCE: BLOOMBERG, YAHOO FINANCE

The adoption of digital currencies is only expected to accelerate in the foreseeable future

digital payment companies such as PayPal, Visa and MasterCard are also poised to profit from an uptick in digital currency adoption, as their existing infrastructure already supports the seamless transfer of virtual money. Such companies have been accordingly accelerating this move, evident in their recent partnerships enabling the integration of bank cards with digital and cryptocurrency wallets, such as Visa with Coinbase, and MasterCard with BitPay, in 2020. PayPal, meanwhile, was responsible for sparking the latest flight to bitcoin assets after it announced plans to extend buying and selling options within bitcoin and some other major cryptocurrencies to its 346 million users in October 2020.

Another phenomenon that is quickly gathering momentum is that of digital asset wallets. The potential in this avenue is sharply rising, driven by initiatives such as Visa's Fast Track programme, through which the firm brought in 25 cryptocurrency wallet providers (Fold, Cred, etc). A report further suggested that Apple could unlock a potential multi-billion dollar business by making its foray into crypto trading within its Wallet app. With the uptick and growth in digital assets trading, investing in companies like CME Group, which operates one of the largest bitcoin futures exchanges, is also likely to prove beneficial in the long term.

In recent months, digital currency stocks and ETFs have touched record highs due to consecutive rallies. Their performance is thus worth tracking, especially over the last year. Bitcoin had an especially phenomenal run, exploding with a mind-numbing 303 per cent price surge in 2020, and a surge of over 608 per cent from the beginning of 2020 (as on February 16, 2021), breaching the historic $50,000 a coin mark. The bitcoin frenzy is also spreading to associated companies, such as bitcoin miners Riot Blockchain and Marathon Patent Group. On February 11, Riot Blockchain achieved a milestone in its crypto mining operations courtesy of the bitcoin price surge, with its record hash rate capacity leading to a roughly 26 per cent spike in production and driving its stock up by 25 per cent in the same day. Marathon's aggressive cryptocurrency mining activity is also drawing rising attention from investors. Its stock jumped nearly 113 per cent in the first two weeks of February, and by more than 317 per cent in 2021, and a staggering 4,850 per cent since 2020. To draw a comparison, the S&P 500's modest rise of just over 16 per cent in 2020 paled by a large margin. Digital currency ETFs have displayed a growth spectacle that is equally remarkable. The Grayscale Bitcoin Trust (GBTC) surged 291 per cent in 2020 and cumulatively jumped by over 514 per cent since the start of 2020 (as on February 16), while the Bit Digital ETF witnessed an exponential price multiplication of nearly 70 times from $0.4 to reach $28.3 (as on February 16). Such performances only highlight the rapidly rising interest from retail and institutional investors in digital assets.

The adoption of digital currencies is only expected to accelerate in the foreseeable future. Moreover, institutional investors have been warming up to exploring this avenue, even as governments and central banks move closer to officiating digital currencies. More radical or extreme cheerleaders of this phenomenon have even suggested its potential as a digital form of global cash, or the first global currency. Whatever the outcome, the reward from hopping onto the digital currency bandwagon is imminent, if investors aim to gain by levelling the playing field in a highly digitalised post-pandemic world.

Disclaimer: This column is purely for academic and educational purposes. Nothing mentioned here should be taken as solicitation to trade or a recommendation of a specific trade. The author has direct exposure in some of the recommended stocks.

PHOTO: FADI EL ASSAAD/FIFA VIA GETTY IMAGES

QATAR: SCORING THE GOAL

View of the Lusail Stadium on February 8, 2021 in Doha. The stadium is scheduled to host the 2022 World Cup final

Normalisation of ties with the GCC, the upcoming FIFA World Cup and economic reforms are painting a positive picture for the gas-rich nation

BY ZAINAB MANSOOR

For Qatar, the year 2021 commenced on a resolute note.

The signing of the AlUla Declaration in Saudi Arabia in January this year not only signalled an end to a three-year regional row and helped restore ties among the GCC countries, but it also thrust Qatar into the spotlight as a potential investment and growth spot.

Multiple sectors could reap the benefits from the end of the blockade. Financial institutions, airlines, tourism and energy are among the industries expected to extend gains on the back of increased air traffic, transfer of liquidity and greater economic collaboration.

"We expect that the restoration of ties between Qatar and boycotting countries will improve political and economic cooperation within the GCC and wider region," observes Shokhrukh Temurov, analyst, Sovereign Ratings, S&P Global Ratings.

"Qatar's intra-regional travel, tourism, and real estate sectors will have some economic benefits from improving relations, but the impact on bilateral trade could be marginal. Intra-regional trade was relatively limited even in the pre-boycott period given the almost uniform concentration of GCC member states' exports on hydrocarbons and the limited scope of strong agriculture or manufacturing sectors in the region."

Additionally, Saudi clients, who withdrew deposits from Qatari banks due to the blockade, are expected to start shifting some of their funds back, according to a note by Fitch Ratings. The blockade led to the withdrawal of about $30bn of non-resident deposits from Qatari banks in June-October 2017. "This will provide Qatari banks with an additional pool of liquidity, which will diversify their funding base, reduce their reliance on price-sensitive government-related entities and corporate deposits, and cut their funding costs," the agency said.

Antoine Nasr, partner, Global Economic Development at Kearney Middle East

Qatari entities share the optimism: QNB Financial Services, part of Qatar National Bank (QNB) Group, said in a strategy report that banks in the country will benefit from the GCC resolution 'based on general investor optimism'. "Qatar Airways and consequently Qatar Fuel Company could benefit from increased air traffic between Saudi Arabia and Qatar," the report adds.

Playing host to the FIFA World Cup next year, the first to be staged in the Middle East, is also projected to support the country's growth momentum. The tournament, to be held from November 21 to December 18, 2022, will be a shot in the arm for Qatar and its long-term strategic goals. A total of 32 teams will play 64 matches over 28 days, during which over one million people are expected to visit the country. A staggering amount of roughly $8bn has been budgeted in total for the tournament's infrastructure.

"The FIFA World Cup will solidify Qatar's position on multiple fronts, including economic, social, environmental, and international standing and perception. Preparing for FIFA 2022 has served as a catalyst to accelerate several nation-wide projects that form part of Qatar National Vision 2030, enabling plans like the metro, the new airport, the expansion of road networks and world-class hotels," opines Antoine Nasr, partner, Global Economic Development at Kearney Middle East.

"From an economic perspective, FIFA 2022 is expected to create 1.5 million new jobs in sectors such as construction, real estate and hospitality, and expected to generate QAR66bn by 2025 for the Qatari economy. The tourism sector in particular will enjoy a strong rebound as a result of FIFA 2022 in the short-and long-term. Qatar anticipates over one million visitors for the World Cup. Beyond the World Cup, state-of-the-art hospitality infrastructure left as a legacy of the event, and the memory of an enjoyable experience will lead to visits by tourists that had not previously considered Qatar as a target tourism destination."

"THE MOVE TOWARDS ASIA FOR GREATER INVESTMENTS IS A LOGICAL STEP TOWARDS INCREASING QATAR'S DIVERSIFICATION AND GROWTH POTENTIAL"

Economic prospects, despite being strained by the Covid-19 pandemic, don't look too bleak either: Real gross domestic product will grow 2.7 per cent this year, following a projected contraction of about 2.5 per cent last year, the International Monetary Fund (IMF) stated, following virtual meetings held in December 2020. The recovery will be supported by increasing gas production and a rebound in domestic demand.

Meanwhile, its sovereign wealth fund is looking at deals in Asia to diversify its investment portfolio, *Bloomberg* reported in January. Qatar Investment Authority manages around $300bn in assets and ranks as the world's 11th biggest by total assets, according to the Sovereign Wealth Fund Institute.

"Qatar Investment Authority's investment portfolio is currently heavily weighted towards North America and Europe. These are in especially high demand by the Gulf sovereign wealth funds (SWFs), especially as interest from Gulf SWFs in American assets jumped to the highest on record in 2020. In this light, the move towards Asia for greater investments is a logical step towards increasing Qatar's diversification and growth potential," explains Nasr.

Passing the ball

Qatar has made several strides in its efforts to diversify its economy and wean its dependence off hydrocarbons. Its *Economic Diversification and Private Sector Development Strategy* hinges on two main

The Bin Mohammed train station on the gold line in the Doha Metro, which became operational in 2019

PHOTO: MATTHEW ASHTON/GETTY IMAGES

focus areas: productivity and competitiveness; and private sector-led growth. The strategy also outlines manufacturing, financial services, professional and scientific activities, tourism, logistics services and ICT as priority economic sectors to develop the national economy.

"Qatar National Vision 2030 (QNV) and its subsequent blueprint *Economic Diversification and Private Sector Development Strategy* earmarked a number of priority sectors for diversification. Years after the publication of QNV, it is clear that Qatar has made significant strides in its diversification efforts: the share of oil and gas contribution to GDP declined from 60.1 per cent in 2011 to 48.2 per cent in 2017, thanks to unprecedented investments and plans for target and enabling sectors (such as new universities and research centres, hospitals, Hamad Port, Hamad International Airport, mega tourism developments, Qatar Science and Technology Park, Qatar Business Incubation Center)," explains Kearney's Nasr.

Qatar ranked 30th out of 63 countries in the *IMD World Digital Competitiveness Ranking 2020* that measures the capacity of economies to adopt digital technologies as a driver for economic transformation.

Meanwhile labour reforms and policy changes have also been gaining momentum in Qatar. The country set the minimum wage for all private sector workers at a monthly figure of QAR1,000 last year, and also scrapped the requirement for workers to seek permission from employers to switch jobs. Additionally, it reportedly announced in 2020 that foreigners could own properties in nine areas across the country, up from an earlier figure of three. Qatar also said that it will grant residency permits to owners of properties worth at least QAR730,000 and their families.

"The ambitious structural reform agenda underpins Qatar's economic diversification efforts to enhance long-term potential growth. The abolishment of the Kafala sponsorship system and strengthening labour protection are welcomed steps in facilitating labour mobility and spur productivity. These measures along with the new real estate and public-private partnerships (PPP) laws should help Qatar to improve its competitiveness," IMF said.

Temurov expands on it: "Qatar derives about 50 per cent of its GDP from the hydrocarbon sector. This makes the country's concentrated economy vulnerable to sharp volatility in hydrocarbon prices and global demand. The government is bringing in structural reforms to diversify Qatar's economy. This could gradually increase Qatar's long-term growth potential but will require a long timeline to materialise. Nevertheless, apart from being among the cheapest and largest LNG producers, Qatar has large fiscal and external assets, which provide a buffer against economic and financial shocks."

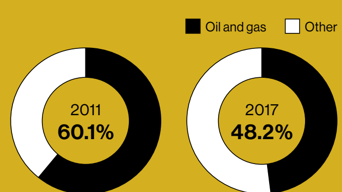
Furthermore, various infrastructure and development projects are underway in Qatar. In 2020, the country dedicated the biggest budget in five fiscal years to the completion and development of new mega-projects, says Nasr. Some of the key projects include: 2022 FIFA World Cup stadiums; Qatar Rail, Al Sharq Crossing, Hamad International Airport expansion, Lusail City development, Msheireb Downtown Doha regeneration; Bul Hanine Oilfield redevelopment, Barzan Gas Development, North Field expansion and Al Kharasaah Solar Photovoltaic Power project. Going forward, Qatar aims to spend QAR72.1bn on major projects in 2021, including those related to the World Cup. Understandably, the tournament will play a more definitive role.

"From an international standing perspective, Qatar has the opportunity to create a long-lasting image that truly portrays the country's vibrant culture and values, as well as negate any negative misconceptions. With this being first time a Middle Eastern country is hosting the World Cup, Qatar has the unique opportunity to define the image and perception for the region," states Nasr.

It now remains to be seen whether Qatar will succeed in scoring the goal.

A push for diversification

The contribution of oil and gas to Qatar's GDP has declined in recent years



Investment outlook **2021**

Following a year that surprised and shocked the world, Vijay Valecha, chief investment officer at Century Financial, reveals the trends expected to shape the investment landscape in 2021

2020 was a year of surprises: The speed at which the deadly coronavirus spiralled, the severity of the lockdowns and restrictions, the size of fiscal stimulus and monetary measures globally and the magnitude of the equity market rebounds.

Perhaps the biggest surprise was that global equities ended the year on a highly positive note – an outcome few would have predicted in March 2020.

Well, the past is now behind, and it's time to focus on what the future may hold. Here's what to expect for the year 2021, how the various asset classes are likely to perform, and broad investment themes for the year ahead.

Where to invest in 2021?

When comparing relative attractiveness across asset classes, equity markets continue to look quite promising. The broad backdrop should remain supportive for equities given ultra-loose monetary policies globally and continued fiscal support from governments. The path of least resistance for risky assets seems higher since the consensus is for more robust economic growth in 2021. Global activity should be driven higher by large economies such the US, China and EU, which are making steady progress in vaccinating their residents.

Besides, the earnings slump in 2020 due to the pandemic should prove to be transitory. Consensus forecasts for global equities imply that 2021 earnings will exceed the 2019 level, which should support equities for the year. Up to 79 per cent of the S&P 500 members that have reported earnings so far have beaten analysts' estimates. Record inflow into stock markets is supporting the rally in equities.

Are the equity valuations too high?

The equity price-to-earnings multiple is expensive in absolute terms, but with low-interest rates and reasonable growth prospects, the context is different. Besides, coming on the heels of a recession, it's not unusual for multiple expansion [expansion of a stock's price/earnings ratio] to drive the first leg of a stock market rally. Earnings usually come through later. The typical pattern should play out in 2021.

Nonetheless, high valuations do warrant some caution, and investors should shift their attention to undervalued sectors. Besides, timing the market is extremely tough, so a SIP (Systematic Invest Plan) approach is better than investing a large sum in one single shot.

Vijay Valecha, CIO, Century Financial

> "Recovery, reflation and rotation against the backdrop of accommodative monetary and fiscal support will set the stage for crucial market calls in 2021"

Within the equity space, which sectors and markets look more appealing this year?

Recovery, reflation and rotation against the backdrop of accommodative monetary and fiscal support will set the stage for crucial market calls in 2021. In 2020, there was a substantial divergence in returns between growth and value stocks. Nevertheless, in 2021, value stocks can catch up as economic growth picks up pace.

Key beneficiaries should be stocks at the pandemic's epicentre, such as aviation, hospitality and energy. Banks and financial service companies are also likely to benefit from higher yields through higher net interest margin. Financial Select Sector SPDR Fund (XLF) is an excellent way to play this trend. Other sectors that will thrive include healthcare, technology, sustainable investing and other transformational or revolutionary technologies such as AI and robotics.

Among the regions, emerging markets stocks are likely to outperform given their more cyclical nature, commodity exposure, China sensitivity and relative valuation advantage over US stocks. An ideal way to play this trend will be through long positions in Global X MSCI China Consumer Discretionary ETF (CHIQ), iShares MSCI India ETF (INDA), VanEck Vectors Russia ETF (RSX) and iShares MSCI Brazil ETF (EWZ). Among other Asian markets, Japan appears well-positioned as a traditional global cycle play (iShares MSCI Japan ETF).

What are the expectations for bond markets this year?

The best days for bond investors are when central banks tighten and act as defenders against inflation. We now live in a world that

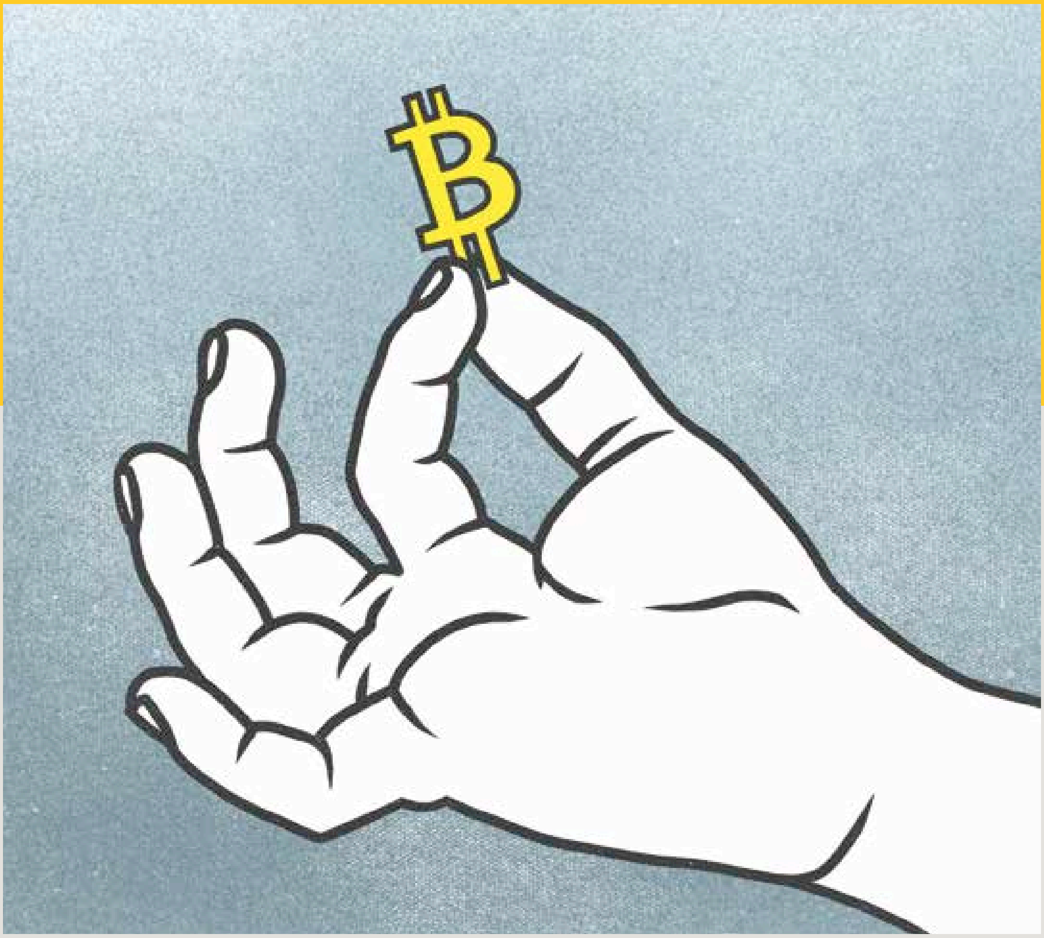


ILLUSTRATION: GETTY IMAGES/MALTE MUELLER

$58k
The high that bitcoin prices have reached this year following a strong rally

is almost the opposite. 2021 will be a challenging year for bond investors, as interest rates are already low and inflation is likely to rise. Long-term government bond yields are likely to come under upward pressure from a vaccine-led recovery in 2021. Additionally, the anticipation of more extensive government borrowing to fund the US fiscal stimulus might continue to push the treasury yields higher, and weigh on bond prices.

What is the outlook for major currencies?
The US dollar could remain weak as the global economy recovers, given its counter-cyclical behaviour. The dollar typically gains during global downturns and declines in the recovery phase. One powerful theme in the coming months will be the reflation trade, and the primary beneficiaries should be the economically sensitive commodity currencies: the Australian, New Zealand and Canadian dollars. Besides, accelerating Chinese economic growth will also buoy these currencies. Additionally, in contrast with other major nations, China has not announced any large scale stimulus, which is reflected in the Chinese 10-year yields near 3.24 per cent. This high yield makes Chinese assets enticing for overseas investors, indicating further downside for USD/CNH pair.

Meanwhile, reduced spreads between German 10-year bunds and US Treasury 10-year yields and the prospect of European fiscal stimulus is bullish for the Euro. Also, the Eurozone is a current account surplus country. On the other hand, the US is a current account deficit country, and higher fiscal stimulus will lead to worsening the trade balance, further impacting the dollar.

Is it safe to invest in gold this year?
Gold prices have foundered since hitting record highs of nearly $2,075 an ounce in early August and suffered a more profound setback from November onwards as vaccine breakthroughs for Covid-19 suggested rapid economic recovery. Gold's ETF holdings have declined from an all-time high of 111.23 million ounces to 106.86 million ounces currently.

The metal is generally considered a hedge against inflation and currency debasement resulting from the widespread stimulus.

However, higher bond yields have challenged that status recently as they increase the opportunity cost of holding non-yielding bullion. The anticipation of larger government borrowing to fund the US fiscal stimulus and the ongoing economic recovery might continue to push the treasury yields higher, with benchmark 10-year Treasury yields currently at 1.21 per cent, the highest level since March 2020. The increase in yields should continue to weigh on gold in the future. Moreover, young millennials favour altcoins as a reserve currency over gold and the recent surge in bitcoin prices could keep a check on gold's gains.

What drives the current rally in bitcoin? Will cryptocurrencies continue the bull run?
After witnessing a 300 per cent rally last year, bitcoin has rallied by more than 50 per cent year-to-date with prices briefly crossing the $58k mark. The reason for investors' newfound faith in the crypto has a lot to do with the increased interest amongst big institutional players and hedge funds. The likes of Stanley Druckenmiller, Paul Tudor and big corporates like Paypal, Square, MicroStrategy buying bitcoin has favoured broader participation. The recent example of Elon Musk and Tesla's leadership on bitcoin adoption is acting as an effective magnet for other companies. Besides, the news about Canada approving North America's first BTC ETF has added another feather to bitcoin's cap.

Purpose Bitcoin ETF will invest directly in physically settled bitcoins. Markets are expecting similar moves by US regulators now that most corporations are at least pondering over having BTC as an alternative investment asset on their balance sheet. However, traders/investors should be prepared for extreme volatility. Individuals looking to invest in cryptocurrencies should allocate only such amount of their portfolio that they'd be okay with losing entirely. The advice for traders, as of now, is to keep a close eye on regulatory changes. These will affect the value of cryptocurrencies, but it is difficult to predict the direction.

NOT SET IN STONE

Keeping pace with the changing times has been key for retail heavyweight Landmark Group even as it continues to expand, reveals its CEO and chairwoman Renuka Jagtiani

Aarti Nagraj

Above: Renuka Jagtiani, CEO and chairwoman of Landmark Group

When Landmark Group launched in the GCC in 1973, the retail landscape was wholly different – not just in the region, but also globally. Shopping meant brick-and-mortar, with e-commerce still a futuristic concept as the internet was non-existent. In fact, 1973 was also the year that Federal Express (now FedEx) was created, paving the way for the logistics supply chain that now forms an integral part of the online shopping experience.

Hence the fact that Landmark is still here today – and has not just survived but also thrived to become one of the largest retail organisations in the Middle East and India, has meant the group has had to constantly reinvent itself and its offerings. “We started with a single store in 1973 in Bahrain and now have over 2,200 outlets across the region with a strong online offering across all our brands,” explains Renuka Jagtiani, CEO and chairwoman of Landmark Group.

“My husband Micky Jagtiani started Landmark Group with a belief that listening to our customers across the region and constantly adapting to answer their needs would always keep our brands relevant. We stay true to his vision by focusing on bringing value to customers and reinventing our offering with the times – by scaling up our technology, logistics and digital initiatives and ensuring better customer experience in-store and online,” she says.

The company’s brands include the likes of Centrepoint, Babyshop, Splash, Shoemart, Lifestyle, Max, Home Centre, Home Box, Emax and discount outlet Viva. The group has also diversified into the leisure, food and hospitality segments with Citymax Hotels, Fitness First and restaurant division Foodmark.

More recently, Landmark also ventured into pure-play e-commerce with a new brand called Styli, focusing primarily on the Saudi market. Offering over 30 brands including private labels and external sports brands such as Nike, Puma and Under Armour, Styli targets the kingdom's burgeoning youth segment, and has served more than 375,000 customers since its launch in November 2019. "We observed how fashion-forward the Saudi youth was with an online-first consumer behaviour," says Jagtiani.

Roughly 70 per cent of Styli's customer base is under the age of 25, with women's clothing the best performing category in its first year of operations. In line with that, the entire Styli customer service team in Riyadh is staffed with Saudi women.

"At Landmark Group, gender is not a differentiator. We have a 40 per cent women representation at the senior-most level and close to 50 per cent of our retail store staff are women. The last few years have been very positive for women in the region with the government supporting and driving initiatives to support women at work and in entrepreneurship – especially in Saudi Arabia," says Jagtiani, who has been at the helm for more than 20 years.

ALL IN A CLICK

While e-commerce was already on an upward trajectory, Covid-19 provided a massive boost. The e-commerce sector in the GCC is set to reach $50bn by 2025, a recent report by Kearney Middle East found, with a strong growth of 20 per cent CAGR forecast between 2020 and 2022, reducing to a CAGR of 14 per cent until 2025.

The same growth that was expected to occur prior to the pandemic has now accelerated, and consumers, who have adapted to online marketplaces, will associate this as the new normal during and post-Covid, the report stated.

"In our last e-commerce outlook for the GCC in 2017, we forecasted growth of 35 per cent CAGR, which was essentially more than a four-fold jump in value for the sector between 2015 and 2020," said Adel Belcaid, partner at Kearney Middle East.

"By the end of 2019, it was worth just short of $18bn, with signs of maturing growth and intense market competition. However, Covid-19 caused an unforeseen push and gave a new, accelerated lease of life to the sector, in line with what we have seen in global markets. This is due to a rapid change in consumer behaviour, with unprecedented adoption of e-commerce by all population segments, spurred, to a large extent by the new normal of social distancing, lockdowns and reduced capacity in physical stores," he added.

The retail sector in the region has navigated and responded to new regulations and guidelines, states Jagtiani. "Our investment in technology, supply chain and e-commerce for the past few years had a significant positive impact in allowing us to rapidly change our ways of operating to stay aligned with our customers new needs and behavioural shifts," she explains.

Landmark started with a single store in 1973 and now has over 2,200 outlets in the region

Styli specifically received an impetus during the lockdown last year, when most consumers were forced to shop online. "Styli grew exponentially during 2020. But it also put tremendous pressure on supply chains – both in sourcing products from our vendors as well as in delivering orders to customers," states Jagtiani, adding that the group's infrastructure and its ability to leverage economies of scale helped them keep pace with demand.

To keep up with its growing e-commerce and omni-channel capabilities, Landmark also opened a massive Dhs1bn fully-automated logistics and distribution hub at JAFZA in Dubai in November 2019. Claimed to be the MENA region's largest such privately-owned facility, it operates under the brand name of Omega Logistics and features advanced technology and processes.

"Our solid logistics and infrastructure capabilities allows our brands to scale up and respond with speed," says Jagtiani.

Looking ahead, the company will continue to expand brands like Styli while also growing its reach geographically. "While it is Saudi-focused, Styli has now expanded to serve customers in the UAE and Kuwait. The group is very committed to making Styli bigger and in 2021, we will expand our presence to Oman, Bahrain, Iraq, Lebanon, Jordan and Egypt," says Jagtiani.

"2020 has taught us to adapt better and to make decisions faster. In 2021 we will continue to focus on e-commerce, growing our business in South-East Asian markets and strengthening our supply chain infrastructure," she adds.

As the regional retail landscape evolves rapidly, the chairwoman and CEO is making sure that the group remains relevant – for now and the future.

Trending strong

In its first year, Landmark's Styli hit big numbers

Sales made via the app

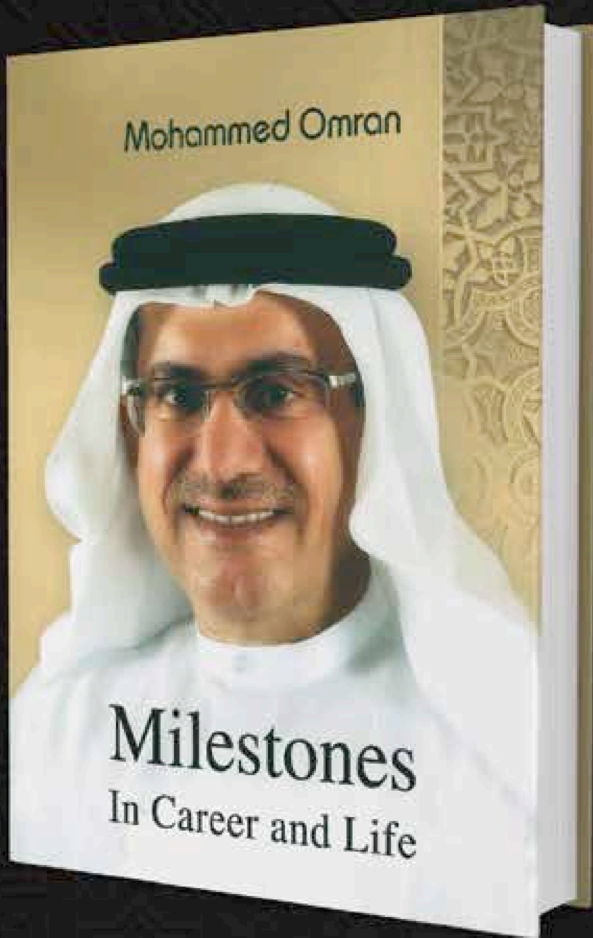
90%

Purchases made by women

79%

250,000
Onine shoppers

500,000
Transactions


Mohammed Omran
Milestones
In Career and Life

Transforming the WAY WE WORK

Digital transformation is more relevant than it ever was in the region, says Wang Di, president of Huawei Digital Power in the Middle East

The Covid-19 pandemic has completely disrupted the business landscape. It has forced office closures and social distancing, which in turn has led to job losses, market volatility, and supply chain disruption.

For the technology industry, it also had the effect of bringing forward a decade's worth of innovation, as enterprises utilised technology to achieve business resilience and look for new competitive advantages. As noted in a McKinsey report from June: "In our recent survey, more than 90 per cent of the executives said they expect the fallout from Covid-19 to fundamentally change the way they do business over the next five years, with almost as many asserting that the crisis will have a lasting impact on their customers' needs."

A big part of that change is digital transformation.

Digital transformation (DX) is slated to accelerate significantly in the coming years, a December 2020 report by IDC found. Direct DX investment will grow at a compound annual growth rate (CAGR) of 15.5 per cent from 2020 to 2023 and is expected to approach $6.8 trillion globally as companies build on existing strategies and investments. The report also predicts that by 2023, 75 per cent of organisations will have comprehensive DX implementation roadmaps, up from 27 per cent in 2020.

Meanwhile by 2025, driven by volatile global conditions, 75 per cent of business leaders will leverage digital platforms and ecosystem capabilities to adapt their value chains to new markets, industries, and ecosystems, it added.

> With greater social responsibility, enterprises need to have a renewed focus on sustainability

To achieve this transformation and deliver an innovative, agile, and resilient environment, many organisations are taking a renewed look at their data centre frameworks.

Transformation projects have been challenging in the past five to 10 years. The rapid acceleration of data accumulation and analysis, in addition to the increasing complexity of data centre and cloud environments, and the need for greater capacity, power, and speed, has created multi-faceted challenges for enterprises.

Huawei is looking to address this via the Smart Data Centre solution, which works on a collaborative approach to meet enterprises' needs, while at the same time lowering costs and building scalability.

Meanwhile, another challenge that organisations face is growing power consumption by the data centre. With greater social responsibility, enterprises need to have a renewed focus on sustainability. In fact, according to the IDC report, by 2022, most companies will realise greater value by combining digital and sustainability, giving rise to digitally-driven and sustainably-enabled projects as the de-facto standard.

In the GCC, where public entities as well as private sector companies are engaged in transforming into digital economies, it is essential that they deploy solutions that also match with their sustainability goals. Hence it is key to deploy solutions that offer a low carbon footprint and reduce energy bills.

Deploying scalable and sustainable solutions such as Huawei's modular data centre solutions will help organisations prepare their environments for the next decade of innovation.

Marketing in the digital era

As martech (marketing technology) adoption grows, Dr Paul Hopkinson, associate head of Edinburgh Business School for Heriot-Watt University Dubai and academic lead for Heriot-Watt Online, explores the opportunities and challenges it presents

Technology has transformed every industry as we know it, and marketing has not remained unaffected either. Enter martech, the blending of marketing and technology. Martech encompasses all the software and tech tools used by marketers to plan, execute and measure marketing campaigns. They are a means to improve reach and engagement with the target audience. CRM systems, customer tracking tools, auto responders, chatbots, content marketing tools, marketing and salesforce automation systems and data and analytics tools are some of the common examples with which we are all familiar. WhatsApp, one of the most popular martech tools, facilitates up to one billion messages between people and businesses every month. As more areas of marketing turn digital, the penetration of disruptive technologies increases. A study by International Data Corporation (IDC) forecasts that spending on AI-based martech is projected to reach $52.2bn by 2021, attaining a CAGR of 46.2 per cent from 2016 to 2021.

Against this backdrop, here are some of the opportunities as well as common challenges in the use of martech.

There is no denying that martech presents a wealth of opportunity. It can boost productivity by automating time-consuming tasks that marketers regularly undertake, such as content creation and delivery, campaign scheduling and execution. It can also automate routine service interactions and cater to increasing consumer demands for immediacy and flexibility in the service provision space. Proper usage of martech tools can generate and identify sales-qualified leads and enable better alignment of sales efforts and content delivery to meet marketing goals. It can ensure data consistency if all parts of the martech stack are connected via one central platform. Most importantly, martech can increase conversions. A study by Forrester Consulting found that B2B marketers using martech experience a 10 per cent increase in their sales pipeline contribution.

With the increasing amount of data at our fingertips, however, one of the most pressing challenges that marketers face is the ability to derive value from this data. In another study carried out by Forrester Consulting, it was found that poor data results in 20 per cent of the total marketing spend being wasted. To leverage data optimally, marketers must have a robust data acquisition strategy in place. Other solutions include having a complete customer and marketing dataset; recognising data sources; and using data relevant to the analysis being performed.

The second challenge is cutting through the clutter. With the tremendous growth in martech, it is easy for marketers to get lost in complexity. To overcome this, they must strive to remain culturally relevant to consumers, and deliver the best-in-class customer experiences and content. Finally, like all other technologies, martech is only as good as what marketers can do with it. While familiarity with analytical tools is important, marketers need creativity and strategic thinking skills in order to derive insights from data and create an impact.

Dr Paul Hopkinson, associate head of Edinburgh Business School for Heriot-Watt University Dubai and academic lead for Heriot-Watt Online

Despite growing awareness around the benefits of martech, marketers tend to shy away from fully embracing it. The reasons are many – relating to the clarity of use cases, perceived levels of risk and ease of use. Marketers also need to be able to navigate through the hype, distinguishing between current and potential applications and those where the potential is not yet proven or fully realised.

Programmes such as Heriot-Watt University Dubai's soon to be launched Masters' in Digital Leadership and Business Analytics and Consulting are designed to help develop the digital skills that will help participants extract the most out of martech and differentiate the value from the hype. With courses in Business Analytics, Big Data and Digital Marketing Analytics, these programmes will reveal the potential of disruptive technology and how to derive value from data.

With the increasing amount of data at our fingertips, however, one of the most pressing challenges that marketers face is the ability to derive value from this data

ILLUSTRATION: GETTY IMAGES/AKINBOSTANCI

SPECIAL REPORT

EMERGING TECH FOCUS

Ahead of the curve: Tech of tomorrow

BY DAVID NDICHU

CEOs have been asking questions about how their businesses can remain competitive in the era of disruption. More and more, the answer lies in a set of inter-related innovations commonly referred to as emerging technologies, although now increasingly mainstreamed.

The six technologies that lend themselves to the emerging technology definition - AI, IoT, blockchain, chatbot, 5G and AR - are important for economies and businesses looking to stay ahead of the competition and evolve.

Gulf countries are some of the leading nations globally in adopting emerging technologies. This can be primarily credited to the ambitious national ICT strategies established by these countries very early on. The UAE, for instance, has developed the National AI Programme and appointed the world's first minister for AI in 2017 to ensure further investment and application of artificial intelligence.

The Huawei Global Connectivity Index (GCI) 2020 positioned all the GCC countries in the 'adopter' cluster of the index, recognising them for commendable work in prioritising their IT budgets and investments.

Covid-19 has further accelerated digitisation across sectors like education and healthcare in GCC countries, observes Li Xiangyu, vice president of Huawei Middle East. "During the pandemic, 5G provided connectivity for remote offices and education to tens of thousands of families with little fibre coverage across the GCC. In Kuwait for example, more than 500 schools are connected by 5G to ensure the best learning experience for students and teachers," Xiangyu adds.

Ambition and optimism are essential in embracing emerging technology, says Lars Littig, managing director and partner, BCG. The GCC is fortunately not lacking in both.

Apart from appointing the minister for AI, the UAE has proactively driven blockchain adoption via the Global Blockchain Council and UAE Blockchain Strategy. Saudi Arabia recently established a dedicated authority to drive the national data and AI agenda, and this commitment has led to the kingdom boosting its ranking on the Global AI Index from 29th to 22nd in one year alone. It's also noteworthy that three GCC countries - Kuwait, the UAE, and Saudi Arabia - are on the top 10 list globally in terms of 5G coverage and speed, Littig observes.

However, GCC countries still have further progress to make before they unlock emerging technologies' full potential and develop robust capabilities along the entire technology value chain. "With sustained success in this direction, they will move from being consumers of emerging technologies to technology producers for local, regional, and global markets," says Littig.

These advanced technologies have proved crucial in helping to combat Covid-19. For example, 3D printing is being used to produce medical equipment, while scientists monitor the spread of the virus using big data tools, observes Wejdi Harzallah, partner and head of Digital Strategy, KPMG Lower Gulf.

But organisations find themselves squeezed between budget constraints triggered by Covid-19 on one end and the demand for digital transformation on the other. Governments and private sector companies adopt different approaches to mitigate budget constraints while pursuing their digital aspirations. Governments on the one hand are focusing increasingly on public-private partnership (PPP) and build-operate-transfer (BOT) type arrangements, notes Dr Houssem Jemili, partner at Bain & Company Dubai.

"Concepts we have seen in the past applied in large-scale public infrastructure projects are being increasingly applied also to digital infrastructure projects, in sectors like mobility, healthcare etc," Jemili observes.

"In the private sector, on the other hand, organisations are adopting a startup like funding approach to digital endeavours (seed, series, A, B, C rounds)."

With the additional budget pressure caused by disruptive events, organisations might find it counter-intuitive to consider transformation activities as a luxury, observes Littig.


ILLUSTRATION: GETTY IMAGES/SANDRAM

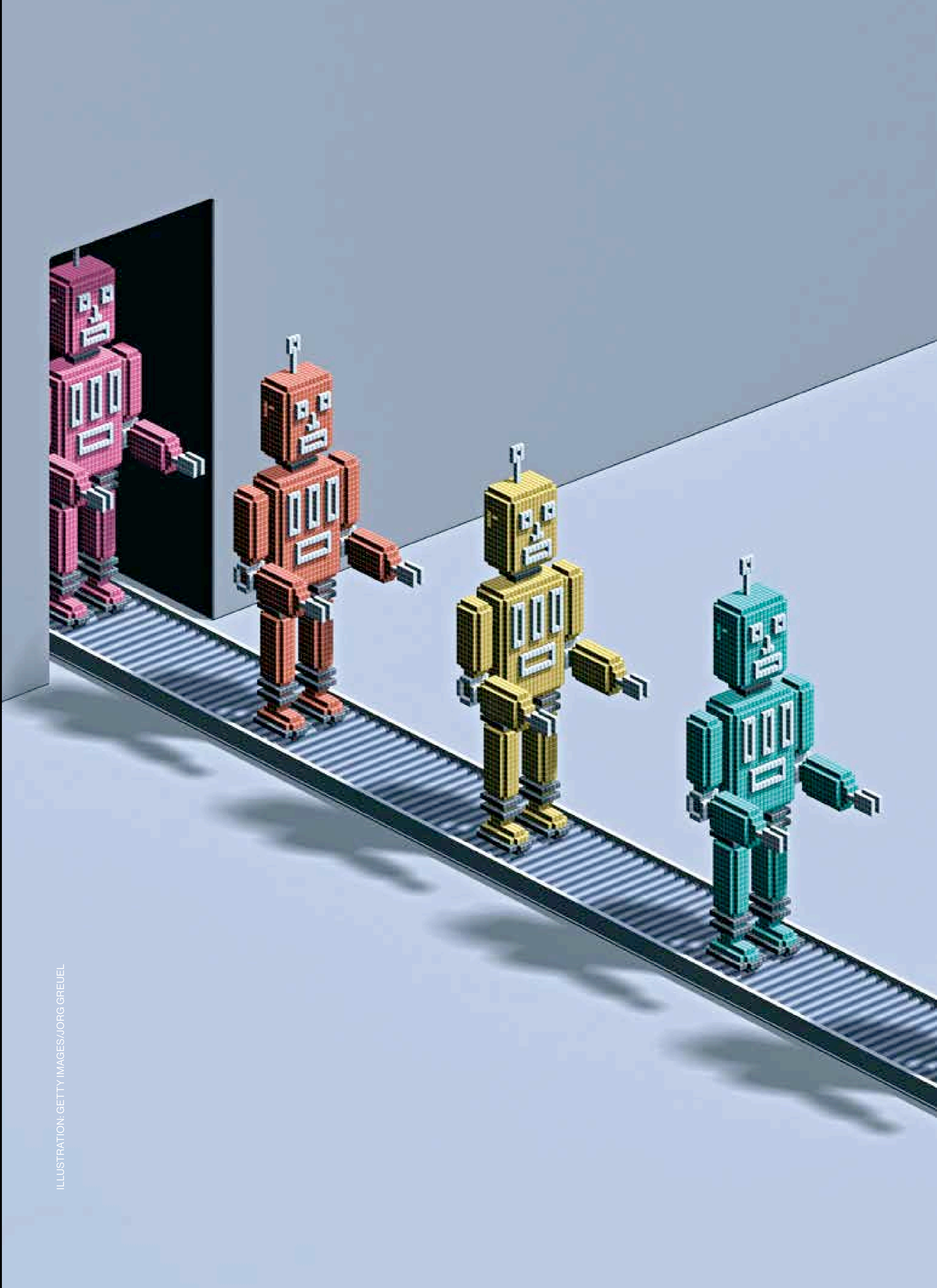


ILLUSTRATION: GETTY IMAGES/JORG GREUEL

"This would be a consequential misjudgement because organisations that do not continuously transform their core operations and business lines will eventually find themselves less relevant in terms of new market conditions and more susceptible to disruption," he adds.

While the pandemic has put a strain on revenue streams for many businesses, it has also proved that adopters of digital transformation are much better equipped to respond to changes quickly, observes Keirin Lee, partner at Kearney Middle East and Africa.

"Strapped-for-cash organisations need to take a hard look at all of their expenditures, including funding for those projects already in flight and re-prioritising all remaining resources to build a flexible and simple business architecture. Organisations should double down on digitising business operations and improving customer experience to achieve transformational goals," says Lee.

Skills gap

The world is in the middle of a major digital skills shortage. Increased adoption of advanced technologies will only aggravate the situation.

Bain & Co research forecasts an acute shortage of highly-skilled talent in the 2020s as investment in digital technologies takes off. Over time, workers will acquire new skills and migrate toward the jobs in demand. However, shifts of this nature take a considerable amount of time, Jemili observes.

The highest-skilled and highest-paying jobs today, such as data architects or cybersecurity specialists, typically require at least four to eight years of tertiary education. To develop the skills and experience necessary for a mid-level or top position, graduates will need several years of work experience. More likely, the reskilling and retraining transition will require several decades, making the scarcity of highly-skilled workers a long-term challenge for employers.

"As competition grows for scarce talent, leading companies will invest more to attract, grow and retain scarcer tech talent and ensure that their workforce is as productive as possible. To increase their allure, employers may enhance existing incentives with monetary benefits, culture and flexible work arrangements. Businesses may need to offer millennials a higher sense of purpose in their work – a sense of mission that moves beyond delivering maximum value to shareholders," says Jemili.

For businesses and investors, tech talent scarcity could create an opportunity to support the migration of workers toward new higher-skilled roles. "Such efforts would likely receive support not only from talent-starved private employers but also from governmental entities looking for solutions to rising unemployment, stagnating wages and growing income inequality," he adds.

The future will certainly require more digital skills which, if not properly addressed through updated education and training systems, will lead to a wider skills mismatch in the region's labour supply, says BCG's Littig.

"It should be noted that the value of new emerging technologies cannot be realised without deep subject matter expertise to tailor the technology solutions to solve real-life problems. With increased dependency on technology comes an increased need for advanced knowledge and deep specialisation in all sectors that impact and shape the future of humanity," Littig adds.

The 2020 Harvey Nash KPMG CIO survey results indicate that cybersecurity, organisational change management and enterprise architecture remain the top three sought-after skills for technology leaders. "Unfortunately, there is no one-size-fits-all solution to enable businesses to future-proof their workforces. However, by making upskilling, reskilling and employee retention priorities and freeing up the resources needed to build a continuous learning culture, businesses will be well-positioned to thrive," says Harzallah.

To address the shortage of these skills in the near future, education systems need to go beyond transferring content knowledge and help students to articulate cognitive skills and develop more emotional intelligence and creativity, says Rob Van Dale, partner at Kearney Middle East and Africa. "The capacity to be flexible, adaptable and learn quickly will be characteristics that we will need in the new era where humans and machines are interwoven in the running of business," he adds.

Jemili says employers must begin from scratch by developing these skills with their in-house talent, access overseas' talent pools via offshoring, embrace non-traditional hiring/non-traditional workforce (such as freelancers), automate certain tasks (robotic process automation [RPA], AI) or engage in partnerships with firms with complementary skillsets.

Xiangyu says revamping and enhancing current education models is crucial for further development of the global and regional ICT industry. "The Arab world has one of the highest populations of youth globally. With the right education and skills training, we can empower them to join the ICT workforce and contribute directly to the region's digital economy," he adds.

Through initiatives like the Huawei ICT Competition, Seeds for the Future, and the ICT Academies, Huawei has provided more than 100,000 young people across the Middle East with ICT education and job opportunities.

"Organisations should double down on digitising business operations and improving customer experience to achieve transformational goals"

ILLUSTRATION: GETTY IMAGES/KLAUS VEDFELT

Legacy

The transition to futuristic architectures is not without challenges. For one, organisations find themselves encumbered by legacy IT architectures worth millions of dollars that they cannot simply discard.

The challenges associated with legacy IT systems may force organisations with a large number of older systems to adopt a two-speed operating model, which implies a fast-speed, customer-centric front-end running on new digital platforms alongside a slower, transaction-focused legacy backend, observes Harzallah. "New customers would be serviced through the new platforms while the existing user base continues with the legacy platforms with both segments receiving a standardised user experience. Over time, old customers can be migrated to the new platforms and the legacy architecture can be discarded," he adds.

Lee of Kearney says legacy architectures are not the problem in and by themselves. "It is to the extent that they hinder the path to flexibility and simplicity, which requires a restructure in terms of technology and ways of working."

The adoption of emerging technologies – coupled with low-cost sensors, higher computing power, increased mobile connectivity, and robotics – would lead to business processes becoming increasingly augmented, if not fully automated, says Lee. "Ultimately, the current business processes may need to be re-designed, but this would be best implemented by the principle of 'start small and scale'," he adds.

The legacy architectures and key processes have to undergo a digital readiness assessment, and potentially be transformed to enable the digital ambitions, recommends Jemili. "Under certain circumstances, some companies may be able to simply build on top of legacy architectures; sometimes the latter may be so constraining that a full overhaul or even core systems replacement may be necessary. Alternatively, some organisations choose to keep the core business widely unchanged and pursue a disruptive digital play in an autonomous 'engine 2' set-up, where IT and processes can be designed and implemented in an agile and digitally native fashion," he adds.

Littig however feels that for organisations to truly benefit from embedding the newest technologies, they need to adopt "bionic" architectures. "Legacy IT architectures suffer from a spaghetti of disparate systems and long release cycles are needed to deploy and upgrade these systems. On the contrary, modern bionic architectures emphasise a 'mental flip' to generate value, starting from the data and business use cases – not from the IT systems – through decoupled, platform-based technology stacks and modularity. Unlike legacy architectures that lock data in vertical silos, bionic architectures liberate data from old, inflexible legacy core systems and build a strong digital platform," Littig adds.

Cloud connection

Adoption of emerging technologies such as AI and IoT would not be possible at scale without cloud computing as the enabler and the digital backbone. "Cloud enables emerging technologies to compute large volumes of data at incredibly fast processing times, as and when required," says Harzallah of KPMG.

"Providing the capability to store and process vast amounts of data also enables digital breakthroughs, such as smart cities. Cloud computing also drives innovation and competitive advantage at the enterprise level by making it possible for organisations to develop and test products in newer and faster ways," he adds.

Bionic architectures are cloud-native by definition. "Cloud-native architectures enable the design and building of scalable, resilient, efficient, automated systems, ensuring a speedy delivery of business solutions in the form of containerised, dynamically-managed microservices. This architecture gives organisations much-needed speed and agility to deploy and scale new and emerging latest technologies," says Littig.

"The virtual and containerised nature of the cloud architecture simplifies the integration between technologies of multiple vendors," he adds.

Cloud giants such as AWS, Microsoft, Alibaba and Google have integrated innovation into their cloud infrastructure that can be activated easily and quickly for their customers, observes Dale of Kearney. "Organisations that use these services can now set up an AI-based chatbot or analyse millions of lines of text in seconds without machine learning experience," he says.

Xiangyu of Huawei says cloud is now the best platform for unleashing computing power – it empowers digital transformation by harnessing the full potential of advanced technologies like big data, IoT, micro-service, container, and AI.

"Local computing requirements across the region are on the rise. Today governments and enterprises have diversified computing requirements, and a single architecture cannot meet all these requirements. We need to use diversified computing power collaboration to meet differentiated needs," he adds.

The firm of the future

Businesses that adapt and take advantage of change will thrvive – and those that rely on the stability of their sector and marketplace will not survive in the long term, warns Littig.

"Future businesses' survival will depend on their ability to learn and adapt. The future of business hinges on the ability of humans and machines co-learning and co-creating innovatively. In other words, in their ability to become bionic companies. That means crafting a new kind of enterprise, one that combines technology and people in ways that bring out the best in each," he says.

"To achieve this, business leaders must invest in organisational restructuring and re-examine their approach to corporate culture and innovation. Fostering new ways of working and inspiring a strong sense of purpose will be vital. All this isn't easy, but the result will be organisations that can learn faster than their rivals, thrive in the face of uncertainty, and continually evolve," Littig adds.

> "The future of business hinges on the ability of humans and machines co-learning and co-creating innovatively"

As we look towards 2021 and beyond, there will be a massive convergence of opportunities across five tech domains: connectivity, cloud, AI, computing, and industrial applications. This will be propelled forward by the continued rollout of 5G networks, says Xiangyu. "These five tech domains will create unprecedented opportunities for governments and enterprises in the region. The synergy among these five domains will enable more efficiency and productivity, bringing many industries into the Fourth Industrial Revolution and allowing them to thrive based on their digital capabilities. Governments, too, will benefit by becoming more accessible, with more streamlined operations that will increase safety, security, logistics, and more within their cities."

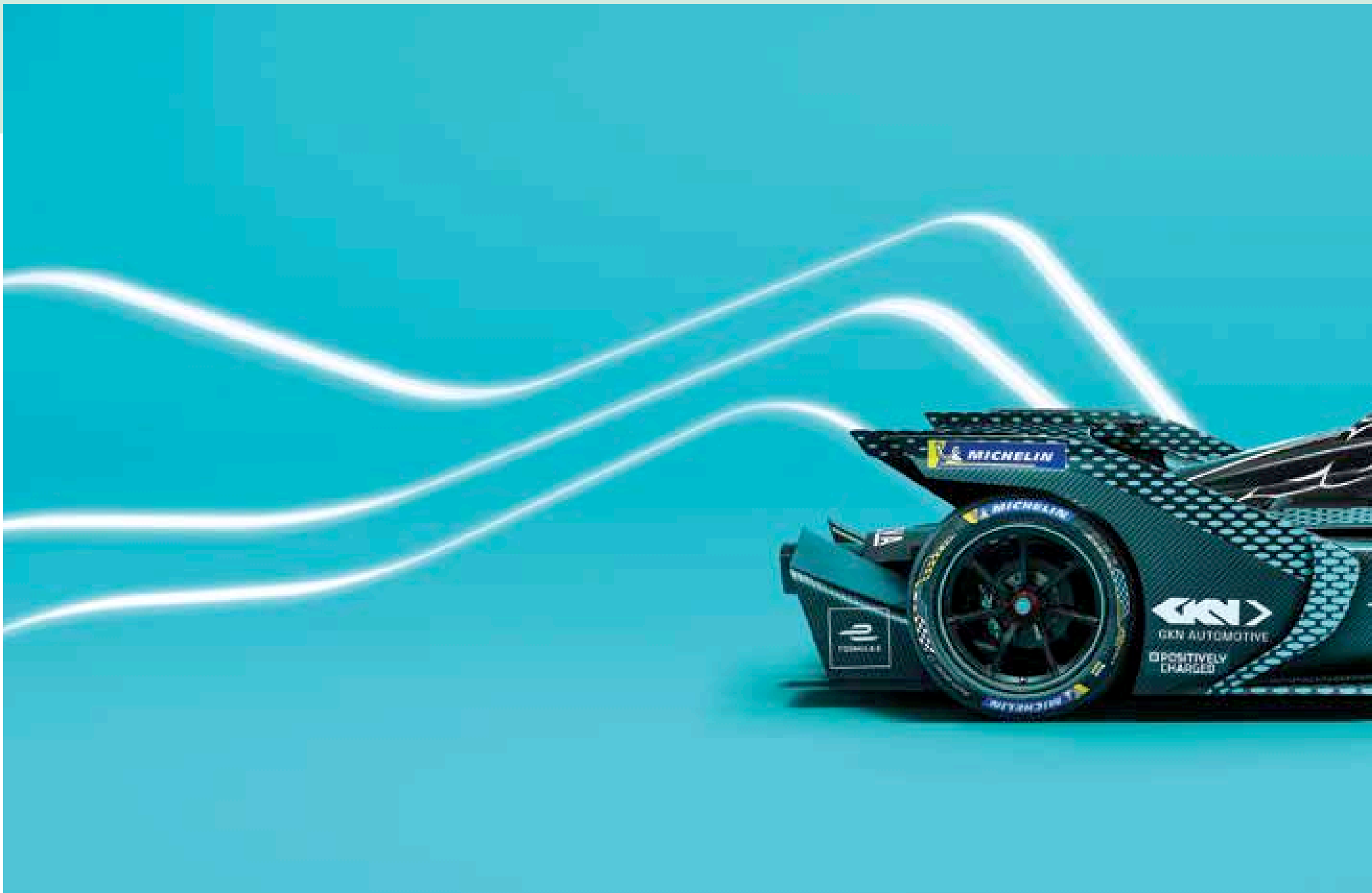
For the GCC region, the biggest shift would be from the role of the adopter to that of the creator of these technologies, says Lee. "This shift will require a multi-faceted, comprehensive approach to address the domestic skills gap. Significant investment needs to continue in education reforms to uplift the quality of STEM research, and progressive immigration reforms to pave a path for skilled workers to put down roots and call this region home."

The UAE citizenship law announced in late January 2021 seeks to address this shortage by attracting skilled professionals and those with special talents.

Looking to the future, failing to ride the current technology wave can cause businesses to lose their competitive edge. "Creating a modern digital backbone and technical capabilities will be key differentiators, to modernise customer channels, supply chains and mid-office systems," says KPMG's Harzallah.

"To be responsive to customer expectations and run at market speed, technology is likely to mature much faster than in the past with modern delivery solutions, shifting from projects to products, scaling agile ways of working, and committing to automating core IT processes across the technology life cycle," he adds.

From providing a better consumer experience to improving data security and automation, emerging technologies are likely to play a crucial role in daily business functions in the future.



Run and **Transform**

Micro Focus joins Jaguar Racing as official technical partner

Micro Focus technology capabilities are set to undergo the ultimate test.

The enterprise software giant has partnered with UK-based Formula E team Jaguar Racing ahead of season seven of the ABB FIA Formula E World Championship. Micro Focus joins the Formula E team as the official digital transformation, business resiliency and analytics partner, providing technological support to Jaguar Racing's quest for racing success.

Motor racing takes an incredible toll not just on the vehicles, but also on the systems behind the scenes. For teams and partners, racing acts as the ideal testing platform for cutting-edge technology.

The modern Formula E racing car is essentially an intelligent, connected data platform on wheels. Every aspect of the car is monitored by hundreds of sensors, measuring lap times, tyre and brake temperatures, airflow and engine performance. Behind the scenes are numerous technologists monitoring everything from tyre wear, engine health and power output to numerous other factors in real-time.

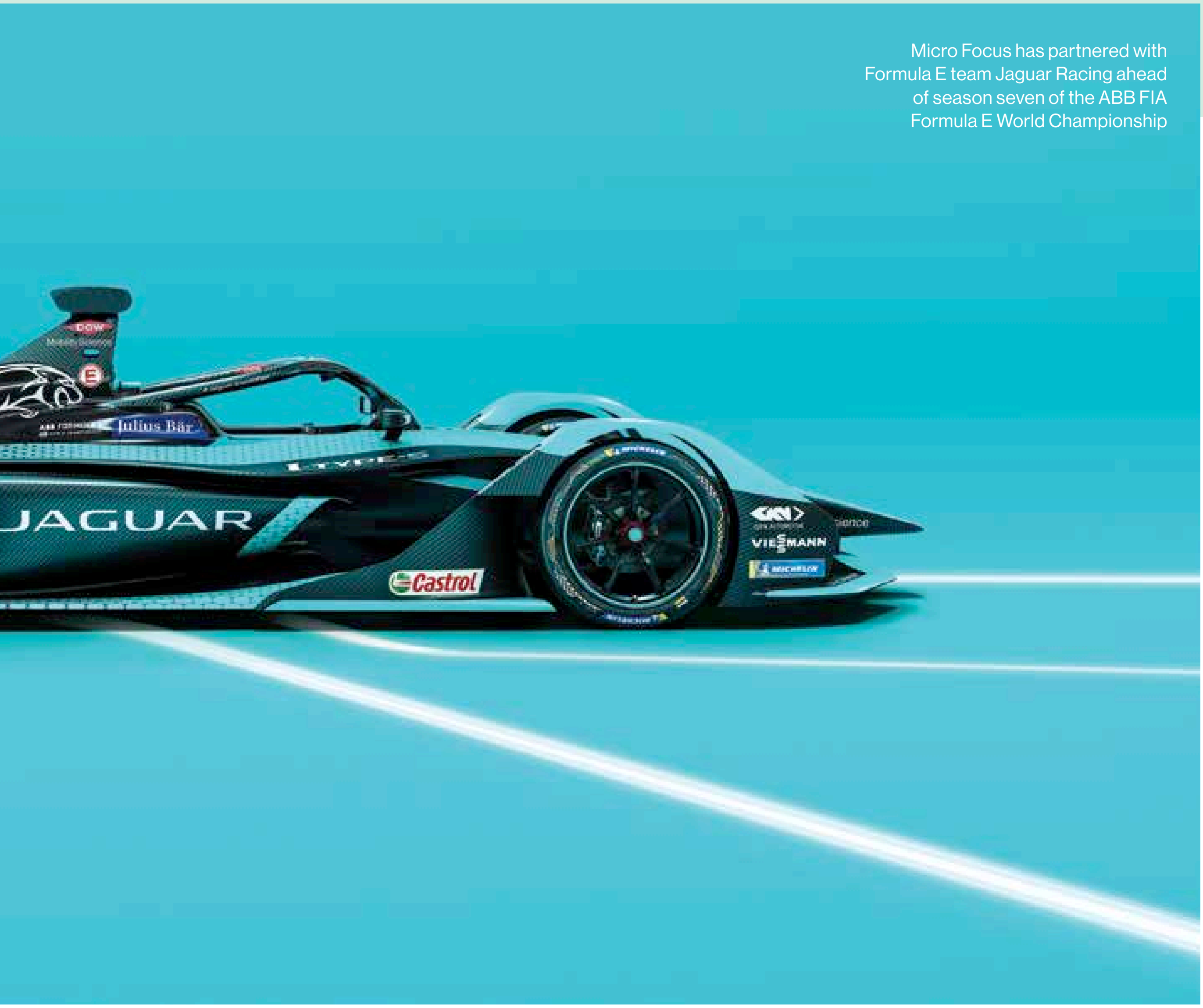
The benefits of such extreme operating conditions allow designers and engineers to improve upon existing technology, both in-car and the IT systems that keep an eye on the cars in the background.

DATA ANALYTICS

A Formula E team captures gigabytes of telemetry data during the race, as well as terabytes more of engineering and test data at the factory. Increasingly, success or failure on the track has as much to do with the driver as data analytics. With a broad portfolio underpinned by a deep inventory of advanced analytics, Micro Focus is the ideal partner for Jaguar.

Micro Focus already helps more than 40,000 customers around the world achieve strategic outcomes – accelerating delivery, simplifying transformation, strengthening resilience and analysing in time to act – essential qualities for winning both in the boardroom and on the track.

"Micro Focus joining forces with Jaguar Racing is a natural alignment of like-minded organisations that share a track record characterised by pragmatism, consistency,



Micro Focus has partnered with Formula E team Jaguar Racing ahead of season seven of the ABB FIA Formula E World Championship

and innovation," says Anas Jwaied, vice president and general manager for Emerging Markets at Micro Focus.

Initially, Micro Focus will provide technology from its product group, Vertica, which will deliver high-performance advanced analytics and machine learning to ensure the Jaguar team performs at the highest level.

Vertica is a unified analytics platform, based on a massively scalable architecture with a broad set of analytical functions spanning event and time series, pattern matching, geospatial, and end-to-end in-database machine learning. Independent from the underlying infrastructure, Vertica provides its technology across all major public clouds and on-premises data centres and integrates data in cloud object storage.

> Vertica provides its technology across all major public clouds and on-premises data centres and integrates data in cloud object storage

"Our 'High Tech, Low Drama' approach to delivering results will provide a number of synergies, including speed, agility, and insights that will translate to even-better performance all around," Jwaied says.

Micro Focus will also conduct a cyber resilience assessment workshop to help the team identify any potential risks and gaps in their cybersecurity posture. Racing is a high-profile, big-budget business, making teams a potentially rich target for cybercriminals. In light of all the critical data generated by teams, data security is of paramount importance.

Micro Focus also plans to deliver tools and support to help accelerate the team's software development.

Micro Focus is the latest partner announced by Jaguar Racing with a line-up that includes GKN Automotive, Dow, Viessmann, Castrol and Official Suppliers Alpinestars and DR1VA.

Jaguar Racing team director James Barclay said the team is excited to work with a company with specialist software knowledge, which will ultimately lead to better results on the track. Barclay will be a keynote presenter at the Micro Focus Universe, the company's flagship customer event in March.

RACING FOR SUCCESS

Jaguar returned to racing in October 2016, becoming the first premium manufacturer to join the all-electric ABB FIA Formula E Championship street racing series. In 2019 the team won the Rome E-Prix – Jaguar's first international motorsport victory since 1991.

As an official manufacturer team in Formula E, Jaguar Racing designs its own powertrain, which includes the motor, transmission, inverter and rear suspension.

The 2020/21 Formula E season is the first as the all-electric series has been granted full world championship status by the FIA – the sport's governing body. It will be the third year for the teams to be racing with the futuristic Gen2 race cars.

Beyond its all-electric concept, Formula E is unique in the world of motorsport for its choice of venues. The championship takes place on temporary street circuits in the centre of the world's major cities including Santiago, Diriyah, Sanya, Rome, Paris, Monaco, New York and ending in a double-header race weekend in London.

Mitch Evans finished season six seventh in the Drivers' Championship and Jaguar Racing finished seventh in the Teams' Standings with a win in Mexico City, a podium in Santiago and one pole position. He is joined for season seven by British driver Sam Bird, who has won a race in every season of Formula E.

In season seven, the championship is officially recognised as a world championship by the governing body, FIA. It will be known as the ABB FIA Formula E World Championship.

The ABB FIA Formula E World Championship actively promotes electric mobility and renewable energy solutions to contribute to reducing air pollution and fighting against climate change

SUSTAINABILITY

The ABB FIA Formula E World Championship actively promotes electric mobility and renewable energy solutions to contribute to reducing air pollution and fighting against climate change around the world.

This green ethos ties to Micro Focus' sustainability efforts, with company-wide strategies to adopt carbon-friendly IT practices such as enabling greater efficiency and longer life from technologies sold to customers.

In April of 2020, Micro Focus launched Micro Focus INSPIRE, a global corporate social responsibility (CSR) programme designed to cover key elements regarding how Micro Focus manages its relationships with employees, suppliers and customers and how the company can use its presence in the market to help positively impact the communities within which it serves.

Jaguar Racing returned to the streets of Diriyah in Saudi Arabia on February 26 and 27 for the first two rounds of the ABB FIA Formula E World Championship.

> "Micro Focus joining forces with Jaguar Racing is a natural alignment of like-minded organisations"

Anas Jwaied
Vice president and general manager for Emerging Markets at Micro Focus

ILLUSTRATION: GETTY IMAGES/ANDRIY ONUFRIYENKO

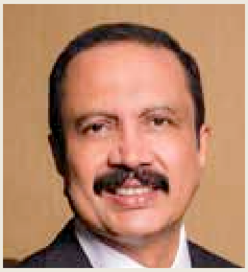
Shot in the arm: AI's healthcare journey

BY DAVID NDICHU

Hospitals generate massive amounts of data from the hospital information system (HIS), picture archiving and communication system (PACS) and laboratory information system (LIS). Analysing this data can have a major impact on health outcomes. The technology to securely and efficiently analyse this massive trove of data to gain any meaningful insights has been wanting, until now. AI, which by nature requires the ingestion of enormous amounts of data, was built for these types of environments.

Aster DM Healthcare is a medical group with a presence spread across nine countries with 12 hospitals, 107 clinics and 231 pharmacies with heavy patient footfall. Using artificial intelligence, Aster is now leveraging its massive pool of data through the recently-launched Centre of Digital Health Excellence (Aster CDHE).

Aster CDHE has four platforms. Aster Databank is a platform to leverage health data to build AI algorithms. It is currently working with a leading digital data transformation partner towards collecting, synthesising, annotating and storing data from various streams such as HIS, PACS, LIS and Citizen.



Dr Azad Moopen, founder, chairman and managing director, Aster DM Healthcare

The second platform is Asterstine, an inhouse AI and big data research centre which seeks to partner with tech firms to co-develop and conduct interdisciplinary research in Aster's medical facilities. The third platform is Aster Clinical Simulation Lab, a pre-clinical product development approach for faster, and compliant evidence generation for digital health solutions. Aster's approach helps in evidence-generation, iterative agile development, clinical data modelling and conducting early validation experiments inside the group's infrastructure.

Aster has also launched the Digital Centralised Clinical Trial Centre, a facility that is using digital technologies to shift conventional clinical trial processes. The centre also offers a platform to SMEs and startups with limited resources to undertake clinical studies in digital technologies while enabling larger corporates to avoid operational inefficiencies.

"There's a lot of innovation happening in healthcare using AI. We have been actively involved in this area - during the Covid-19 pandemic when there was a shortage of intensivists, we connected our ICU with specialists sitting in a single location to help remote monitoring," says Dr Azad Moopen, founder, chairman and managing director, Aster DM Healthcare.

"Aster's innovation centre aims to achieve key milestones such as the introduction of innovative solutions for home healthcare with a focus on digital primary care; establishing an ecosystem of digital health partners from startups to academia; and starting digital health, informatics and medicine as a stream for future healthcare workers," he adds.

Data analytics

AI offers healthcare providers the opportunity to leverage data analytics to better manage workflows, patient flow, personnel flow and dynamically adapt capacity to demand in proactive ways. A good example of this is command centre technology. "Hospitals command centres run like airport control towers that manage - in real-time and proactively - the operational data of a department or a hospital, to better match demand and capacity to improve efficiency," explains Catherine Estrampes, president and CEO of GE Healthcare Europe/

Russia, Middle East and Africa (EMEA).

GE Healthcare has installed about 200 command centres in hospitals around the world in the past year. Regionally, Estrampes says GE is working with clients in Saudi Arabia and the UAE on command centre technology which will be deployed soon.

Healthcare data is one of the most guarded the world over, for obvious reasons.

Dr Satish Rath, group chief officer for innovation and research, Aster DM Healthcare, says records handled by the group are anonymised so that no patient privacy information is released. “Secure federated learning is a shining light in this direction. In this new architecture, patient data needn’t be shared, only data models are shared. This will revolutionise AI research speed in coming years while protecting patient privacy and laws of the land,” he explains.

Estrampes says GE Healthcare follows a very strict charter around data protection and data privacy. “We are very careful in making sure we handle data in full compliance with each country’s laws.”

GE Healthcare is also one of the first healthcare companies to publish and address ethics around AI in healthcare, creating transparency around what the company is working on, the use of the data and guarding against AI bias, says Estrampes.

AI applications

Early AI use cases are emerging, with promising results.

The GE Healthcare ‘critical care suite’ is an on-device AI for fixed and mobile digital X-ray systems which notifies radiologists of cases with potential critical findings. It uses AI to detect pneumothorax, or collapsed lung, which is a lethal condition if it doesn’t get treated quickly. It not only notifies staff, but it also sends the information to the PACS so that it gets prioritised reading.

Another example from GE Healthcare is the ‘thoracic care suite’ that uses AI to detect abnormal chest radiograph findings, which supports tuberculosis detection and helps find pneumonia or ground glass opacities, which are indicative of Covid-19.

GE Healthcare has also developed a deep learning image reconstruction engine on the Revolution Apex CT machine, which is an AI-powered reconstruction engine that reduces scan time by about 30 per cent while keeping the same image quality. “The care delivery improvement and gains in efficiency, in this case, are remarkable,” says Estrampes.

Asterstine is partnering with a global semiconductor giant to set up a federated learning-based simulation infrastructure for AI-based research programmes. In one of the projects, CDHE is developing and validating an AI-based X-ray diagnostics system to detect more than 30 types of radiological presentations. Aster’s other partnership with a global software solution provider is exploring an audio-based diagnostic system for respiratory, digestive, and cardiovascular diseases.

At the Aster simulation lab, an earlier project leverages the company’s biological research capability in pathological imaging for renal and metabolic diseases.

The surgeons virtually collaborated using Microsoft HoloLens 2

Dr Rath notes that earlier medical inventions such as stethoscopes and even drugs were invented inside hospitals by physician-scientists. With the introduction of complex machines in the post-industrial era, invention moved away from hospitals to pharmaceutical, medical devices or digital solutions manufacturers, where products are invented outside healthcare centres and introduced to medical workers. This has resulted in late adoption and conversion of products.

“We want to change this. We want to see the ‘concept-to-cash’ cycle happening within a healthcare environment. The real healthcare problems doctors face every day should turn to motivation for solutions that are picked up by startups or technology partners,” Dr Rath says.

Covid-19 has led to a redefinition of care delivery strategies, says Estrampes. Healthcare operators are looking to alter the way they deliver care where hospitals focus on acute care while other less-vulnerable patients are treated at outpatient centres or at home. “In such cases, the use of IoT and telehealth will enable remote patient monitoring while keeping patients out of the hospital,” explains Estrampes.

Meanwhile, 15 surgeons from 13 different countries recently undertook 13 mixed reality orthopaedic operations as part of a global 24-hour showcase event. In the UAE, the surgery was carried out at Burjeel Medical City in Abu Dhabi. The surgeons virtually collaborated using Microsoft HoloLens 2, Microsoft’s mixed reality smartglasses.

Equipped with the HoloLens, the surgeons in each country were able to visualise and operate surgery via hologram, share their real-time view of the surgery while benefitting from remote peers’ expertise on different clinical cases, and train their peers remotely.

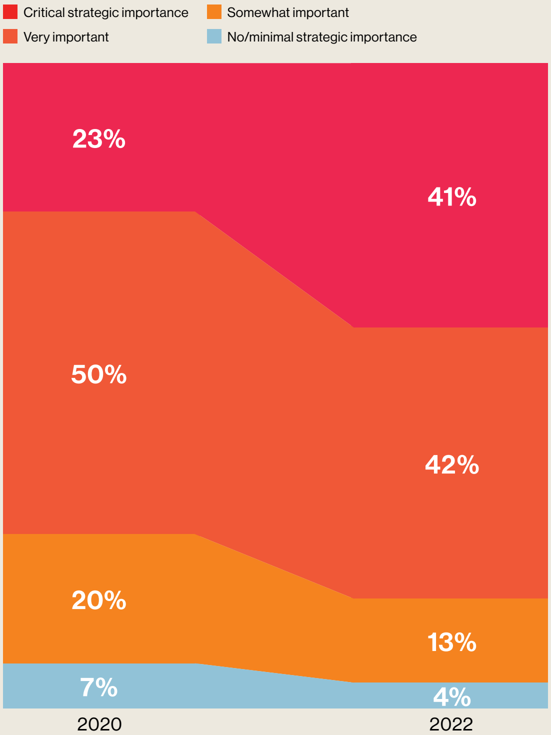
With growing success and the push towards innovation, the bond between AI and healthcare appears to have a healthy future.

Adopting new tech

Companies are more aware of the crucial need to invest in new technologies in order to thrive in the near future

AI's strategic importance for success

Deloitte's State of AI in the Enterprise 2020 survey says early adopters may have to work harder to preserve an edge over their industry peers

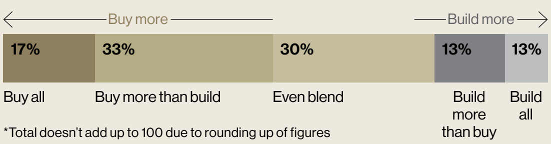


95%
Of users expressed concerns around AI's ethical risks

56%
Are slowing adoption of AI technologies due to the emerging risks

Build or buy?

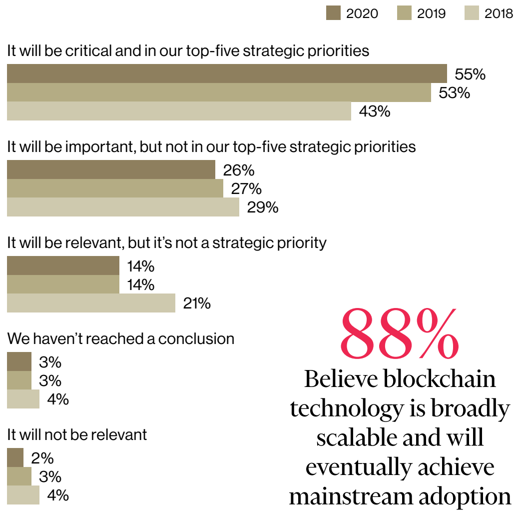
AI users tend to buy, rather than build, their capabilities



*Total doesn't add up to 100 due to rounding up of figures

Blockchain, up and coming

Blockchain's standing as a top-five strategic priority continued in 2020 for a clear majority of respondents

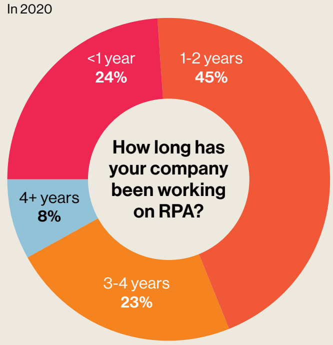


88%
Believe blockchain technology is broadly scalable and will eventually achieve mainstream adoption

Automation at an early stage

Robotic process automation (RPA) adoption is still early, with 69% of companies starting in the last two years

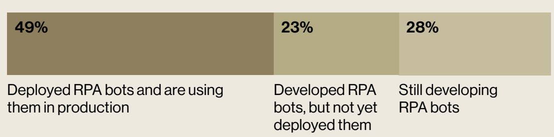
In 2020



89%
Have extremely or mostly successful RPA projects

51%
of companies save 30+ hours each week

HOW ARE COMPANIES USING RPA TODAY?



SOURCE: DELOITTE'S THRIVING IN THE ERA OF PERVASIVE AI; DELOITTE'S GLOBAL BLOCKCHAIN SURVEY; GLOBAL RPA SURVEY BY MICRO FOCUS

“COMPUTERS WILL OVERTAKE HUMANS WITH AI AT SOME POINT WITHIN THE NEXT 100 YEARS. WHEN THAT HAPPENS, WE NEED TO MAKE SURE THE COMPUTERS HAVE GOALS ALIGNED WITH OURS”

STEPHEN HAWKING

Lifestyle

MAR

21

Scripting its future

Hamburg-headquartered luxury brand Montblanc, a specialist within the luxury writing instruments, leather goods and watch industry, has a strategy to ensure that it comes out on the right side of the pandemic **p.60**

> "Our position on biohacking is that it has to be ethical, medically sound and your body should be capable of repeating the results by itself"
>
> - Vadim Fedotov, CEO and co-founder of bioniq

Ares Design

Italian bespoke coachbuilder, Ares Design, helmed by the legendary Dany Bahar, has opened a new showroom in Dubai's DIFC

The next chapter

Can the Chinese market serve as a template for how luxury brands respond and rebound from the abyss of the pandemic? Montblanc's international executive vice president of sales, Julien Renard, shares his insights

BY VARUN GODINHO

$1.9m
The price of the Montblanc High Artistry Tribute to the Great Wall Limited Edition 1 Imperial

Writing instruments account for 45 per cent of Montblanc's business

Opposite page: Julien Renard, international executive vice president of sales at Montblanc

It would have come as little surprise to anyone that the luxury market for 2020 was in the red. But the sheer scale of that fall did set off blaring sirens. According to the 19th edition of the Bain & Company *Luxury Study* released in November, the personal luxury goods market fell 23 per cent to reach EUR217bn, the first contraction since 2009 and the biggest drop ever recorded by the global management consulting agency since they began tracking the industry. The overall luxury market – which also includes luxury goods and experiences – decreased a similar amount and was estimated at EUR1 trillion.

"We have been impacted, like any other luxury maison, by the pandemic and the lockdowns with stores closed for several weeks. We had to react fast by slowing down some parts of [our] production, but not stopping it altogether as we had to cater to countries in Asia such as China that emerged from the pandemic in an extraordinary way," says Julien Renard, international executive vice president of sales at Montblanc.

Amid the carnage within the luxury goods market, China was a bright spot. Not only does Bain predict it to become the largest luxury market by 2025, high-end brands also witnessed a repatriation of their local business through 2020. "Chinese consumers began consuming inside the country. They weren't travelling out, so they were buying locally," explains Renard, adding that other regions in Asia such as Taiwan and South Korea also showed that their luxury consumer markets were robust enough to counter the global downturn.

Suddenly, the decision by French luxury conglomerate LVMH – whose brands include Louis Vuitton, Dior and Bulgari – to currently operate more stores in Asia compared to the number of stores it has combined in Europe and the US seems like a nifty decision. As is the case with rival conglomerate Kering's strategy – think Gucci, Balenciaga and Brioni – to operate around 220 stores in Japan, vis-a-vis the approximately 552 it has spread across the entirety of North America and Europe combined.

Montblanc, and its parent company, Richemont aren't ignoring the writing on the wall. After all, China's luxury market reportedly grew 48 per cent year-on-year in 2020 to EUR44.1bn, while its luxury market share nearly doubled from 11 per cent to 20 per cent. In a multi-platform push last July, Montblanc opened an online flagship store on Alibaba's Tmall, on which it also launched its worldwide M_Gram 4810 collection. A few weeks later, it opened a new flagship boutique in Shanghai at Plaza 66 Mall.

The Hamburg-headquartered brand's core products are writing instruments, leather goods and watches. As Renard says, they account for about 45, 35 and 25 per cent respectively of all sales at Montblanc. Across these three categories, current references to China are inescapable.

The global luxury pen market will grow by $156.11m from 2020-2024, according to market research firm Technavio. Montblanc, whose luxury writing instruments includes the iconic Meisterstück collection, is believed to have an approximate 75 per cent market share within this category. As part of this year's Montblanc High Artistry, the Tribute to The Great Wall of China collection includes a Limited Edition 1 Imperial inspired by the Ming Dynasty and studded with diamonds, sapphires and rubies - which costs a staggering $1.9m. "People are still not aware what Montblanc is capable of at the very high-end craftsmanship. When you look at these limited editions, we're talking about art more than anything else. These pieces range from EUR40,000 up to EUR1.8m," says Renard.

Leather goods are its second pillar and the M_Gram collection it launched last year in China was aimed squarely at attracting a new demographic. "It allows us to reach a younger consumer. It's a unisex product that also allows us to reach women. Recruiting a new clientele is extremely important for the brand."

Its luxury watches vertical meanwhile participated along with other Richemont brands in the virtual Watches & Wonders exhibition last year, which will also be a virtual event this year. In 2020, Montblanc participated in a physical Watches & Wonders exhibition in Shanghai in September alongside a collaboration with Tmall, China's largest e-commerce platform. The online watch event reportedly had 350 million impressions, according to Richemont CEO Jérôme Lambert. It was only logical for an entire portfolio of Richemont brands including Cartier, Vacheron Constantin, Panerai and Montblanc to participate for the first time in the country's 11.11 shopping festival which was held in November.

Change is afoot at Montblanc. Beginning this month, Marco Tomasetta has been appointed as its new creative director, replacing Zain Kamal. Tomasetta was most recently the creative director for leather goods at Givenchy and previously worked for fashion houses including Chloé, Louis Vuitton and Prada. It will be an interesting period for Montblanc which has attempted to diversify its offering by introducing products like its first-ever headphones last year. Undoubtedly, Tomasetta will be key to driving new collaborations. Renard reveals that there will be an upcoming collaboration between Montblanc and another brand in March, with his only hint being that it will be linked to the auto world. If its two previous recent collaborations with BAPE and Pirelli are anything to go by, we'd pay very close attention here.

> "The one thing the pandemic has taught Montblanc is to focus on local clients, and not just travellers and tourists"

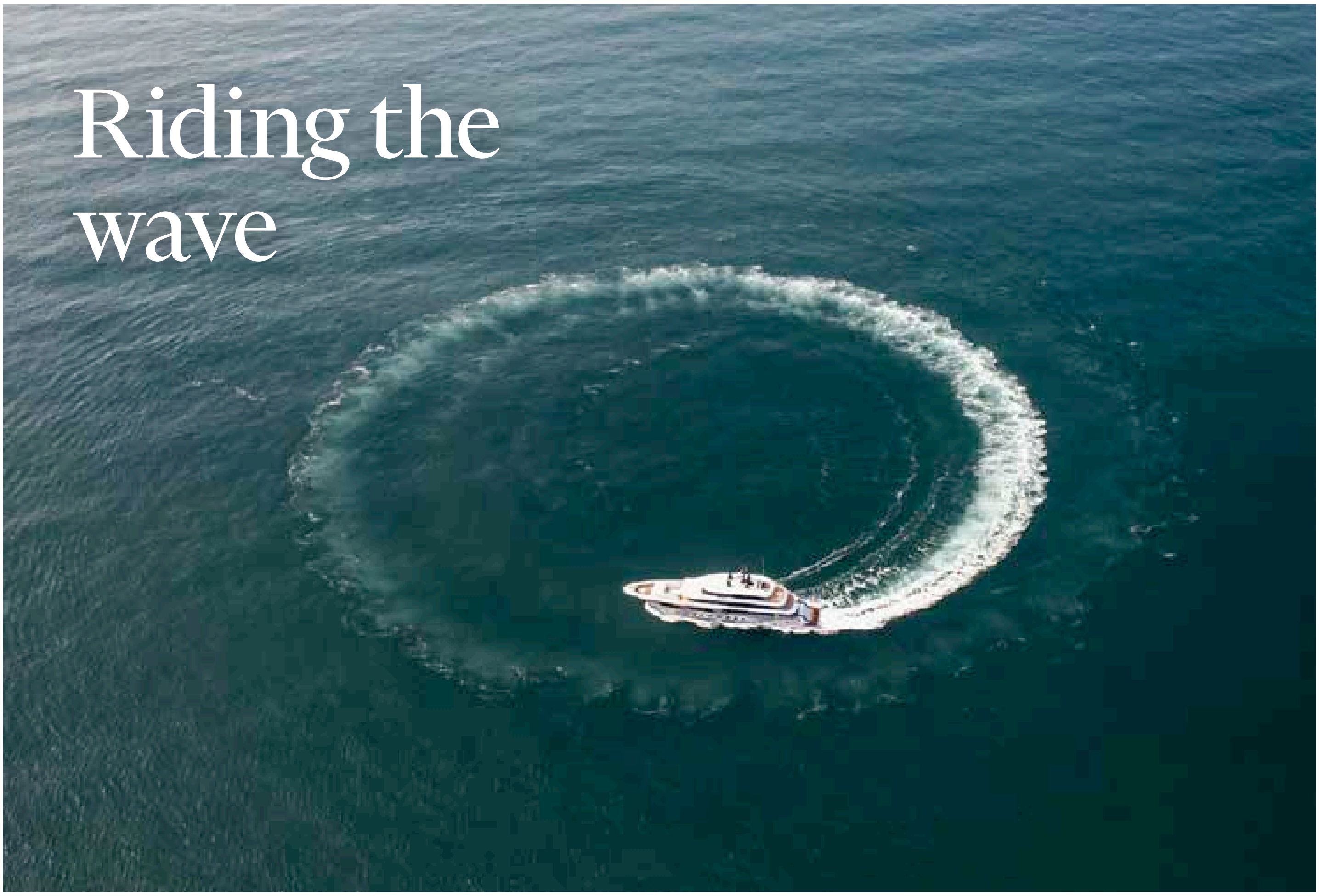
Another major appointment has been that of Laurent Lecamp as the managing director of the watch division, replacing Davide Cerrato. How he breathes life into the creations emanating from Villeret and Le Locle and also refocuses its Summit smartwatch will test his mettle early on.

Here in the UAE, Renard says that the strategy is not on unhinged expansion. It currently has 15 boutiques in the UAE, apart from shop-in-shops. "The brand doesn't want to expand. We want to be even more exclusive than we were in the past. We have been closing many wholesale doors in the region. However, when we see new projects like [Palace] Vendôme Mall in Qatar, we will be a part of them."

Beyond a retail footprint, Montblanc is investing heavily into its digital business. According to Bain, online sales in the luxury market made up EUR49bn in 2020, up from EUR33bn in 2019. The share of purchases made online, it added, doubled from 12 per cent in 2019 to 23 per cent in 2020. "Digital accounts for around 15 per cent of all sales at Montblanc," says Renard, while adding, "I would want to bring it to 20 per cent in the very near future." To that end, Montblanc also inked an agreement with Richemont-sibling and digital e-commerce specialist Yoox Net-a-Porter to enhance its digital presence. A brand-new Montblanc website will also launch this summer.

Meanwhile in the UAE, Montblanc has partnered with the Louvre Abu Dhabi's upcoming exhibition, *Abstraction and Calligraphy: Towards a Universal Language*, running from February 17 - June 12, 2021. With its own collections including the Great Characters, Heritage and Patron of Arts, Renard says that there's a synergy between the museum's appeal to the arts, history and cultural heritage and Montblanc's writing instruments.

By refocusing on themes such as calligraphy, it is also a way for Montblanc to reconnect with a local audience. "The one thing the pandemic has taught Montblanc is to focus on local clients and not just travellers and tourists. [We've had to] rethink what is relevant for the local market in terms of distribution, services, and how to communicate with clients." Renard's advice is already reaping rewards in China, and there's no reason the same can't be replicated here within the region.



Riding the wave

UAE homegrown boat manufacturing business, Gulf Craft, helmed by Mohammed Hussein Alshaali, has built itself into a world-class player – evident in the new Majesty 175 which conducted its first sea trials earlier this year

BY VARUN GODINHO

Mohammed Hussein Alshaali had a flourishing diplomatic career. The Emirati statesman had already landed career-defining ambassadorial roles to Washington, Geneva and even the United Nations. But it was a very different tide – that of the maritime industry – which would pull this son of a sea captain into a passion project, that would not only build up an entire country's shipbuilding industry, but would also rise to become a world-class yacht builder in only a few decades.

Back in the late Seventies and early Eighties, when the UAE was just over a decade old, Alshaali, who loved sailing and was posted on stints abroad, purchased a Wellcraft fishing boat from the US and quickly realised the prohibitive costs associated with shipping boats to the UAE. It was all the impetus he needed, along with his brother, to set up their own shipbuilding business – Gulf Craft – in the UAE. "When we launched Gulf Craft in 1982, there was no marine infrastructure or skilled labour force available in the UAE. We were not able to turn to local suppliers for support," explains Alshaali, founder and chairman of Gulf Craft, recalling the early days in the business.

"Our shipyard is vertically integrated, which means that we manufacture almost all components of our products in-house, with the exception of major machinery. This was borne out of necessity, but became one of our greatest assets as it has allowed us to control each level of our manufacturing process and assure an optimum level of quality."

Above: Italy's Cristiano Gatto Design Studio worked on the design of the The Majesty 175

Back then, Gulf Craft began with a 218,000-square-foot facility in Ajman where it initially produced 14-foot runabouts for the local market. In 1992, Gulf Craft began to flex its muscle in the luxury yacht market when it launched the Adora 53 motor yacht, and subsequently collaborated with reputed names in the industry including Massimo Gregory to build 77- and 82-foot motoryachts.

Apart from collaborating with external specialists, Gulf Craft parallelly worked on developing its in-house design team. "The Gulf Craft in-house teams are responsible for everything from concept creation, design, engineering, to final production. Apart from major equipment like engines, generators and other machinery, our products are wholly created by us," says Alshaali.

To understand its scale, consider that today it operates four manufacturing facilities including two in Ajman, a 100,000-square-foot facility in the Maldives and a 462,000-square-foot facility in Umm Al Quwain, the latter of which includes two launching bays.

In 2001, Gulf Craft reached a new milestone with the debut of its first superyacht over 30 metres, the *Millennium 118*. According to data made available at the start of last year by *The Superyacht Agency*, Gulf Craft reportedly delivered over 50 30-metre-plus superyachts, at an average rate of 2.8 deliveries per year. Since 2012, it has averaged 5.9 vessels per year, peaking at eight deliveries in 2017.

Last year's pandemic did throw a gigantic spanner in the works for the manufacturer. "At one point, the global supply chain ceased completely, making it very difficult to receive materials from overseas. Reduced manpower due to social distancing continues to be a challenge," says Alshaali. "But our operations team worked tirelessly to keep the shipyard up and running throughout the year and successfully delivered two superyachts at the height of the pandemic."

Demonstrating further resilience, its 53-metre Majesty 175 megayacht completed its maiden sea trial in January this year. The Majesty 175 – along with the Majesty 200 – were announced at the 2016 Monaco Boat Show and it took four years of research and development for the 175 to get here. And arrived it has. "The Majesty 175 is the largest composite production yacht ever built, at 780 gross tons. She redefines the industry's expectations on what can be achieved using advanced composite materials," offers Alshaali about the yacht built with carbon fibre and vinylester.

The Majesty 175 is the largest composite production yacht ever built, at 780 gross tons. She redefines the industry's expectations on what can be achieved using advanced composite materials

Italy's Cristiano Gatto Design Studio worked on the interior and exterior design of the 175. It includes seven staterooms and a crew of up to 10 members, with six crew cabins and a private captain accommodation. The star feature though is a 5-metre infinity pool at the forward deck and a hybrid sky-lounge which can be converted into an open sun deck. Massimo Gregory was responsible for the naval architecture of this vessel, which features two fixed-pitch six-blade propellers, twin MTU 12V 4000 M63 engines, each of which are 1,500kW units, and which together allow the vessel to cruise at a top speed of 17 knots. The boat is expected to be ready for delivery this spring, and is already sold to a "prominent UAE businessman".

Gulf Craft primarily sells under four different brand names – Majesty Yachts which was launched in 2003 and is its superyachts division; Oryx followed in 2006 and offered sports yachts and open cruisers; SilverCraft, first unveiled in 2008, showcases affordable smaller family and fishing boats; and the most recent addition of Nomad in 2015 which throws up options within the long-range adventure cruising space. "Gulf Craft is unique in that we build boats and yachts from 31-foot for fishing for family use, going up to 175-foot mega yachts, and everything in between," says Alshaali, while adding, "We are very proud to have built over 10,000 boats to date."

Above: Mohammed Hussein Alshaali

Left: The Majesty 175 megayacht

While the ability of Gulf Craft to compete against global shipyards is undeniable, it has, over the last decade, pushed forward an aggressive expansion strategy into international markets including Australia, Southeast Asia, and the Mediterranean. In 2019, it made a dedicated push into perhaps the most important market of all – the US. The Majesty 140 with which it made its entry at the Fort Lauderdale International Boat Show, won the 'Best in Show', vindicating its reputation.

The next generation is being groomed to take the reins. Abeer Alshaali, who also is a board member of the Ajman Media City Free Zone, was recently appointed as the deputy managing director. Gulf Craft is a family business, but the position wasn't handed to her on a platter. She first served as an executive management officer – Gulf Craft's first Emirati woman employee – subsequently rising up the ranks. "Abeer has been a part of the Gulf Craft family since her childhood. Boating is in her blood and she is fully prepared to fulfil my vision for the company's future," says Mohammed.

One of Abeer's pressing priorities would be to open the European markets to the Nomad and Oryx brands, and also perhaps realise the company's long-delayed IPO. There will also expectedly be a push towards more environmentally sustainable practices in shipbuilding – the solar-powered Nomad 65 is a step in that direction. "We continue to introduce technologies such as solar energy and electric propulsion, and are committed to focusing on sustainability. We have introduced advanced materials in our production including adding materials such as Kevlar and carbon fibre to our building process," says Alshaali.

While Gulf Craft has already conquered a milestone with the Majesty 175, there's a fevered anticipation growing about what the 61-metre Majesty 200 might hold in store.

Skin in the game

Here's why the sales of gaming equipment have soared in recent months

BY DAVID NDICHU

There were a few winners to emerge from the Covid-19 lockdowns. Zoom calls, e-commerce, online educational courses, virtual fitness classes. And gaming.

Confined to the home, and their Netflix library quickly depleted, a lot of people turned to online gaming to escape and cope.

According to a study by the ISFE, a gaming industry group, playtime increased weekly by 1.5 hours compared to the same period in 2019 among players aged 6-64 years. A third of the players say video games helped them feel happier, less anxious and less isolated and 29 per cent claim that video games had a positive impact on their mental health during the lockdown, especially those who play multi-player games.

The sales figures for gaming equipment support this rosy outlook. The UAE had strong double-digit growth in gaming year-on-year, especially for the premium gaming segment ($1,800+), statistics from research firm GfK show. Dell saw a 161 per cent year-on-year growth in its gaming division Alienware in the Middle Eastern markets, according to Utkarsh Pandey, category manager, Middle East, Dell Technologies. HyperX, which manufactures and sells gaming peripherals, had a 40 per cent growth in revenue globally, says Hani Suwwan, business development manager, MENA for HyperX.

Winds of change

Pandey notes that the narrative of gaming has undergone a significant shift in the recent past, as game developers evolve to tackle complex societal issues. This change is challenging negative perceptions towards gaming.

> Gaming is being enjoyed by demographics of different ages, genders and backgrounds

"Contrary to popular opinion, gaming is being enjoyed by demographics of different ages, genders and backgrounds, although the habits between the audiences differ depending on the genre, platform and style of gaming. The demographics will continue to shift depending on the new genres available and new ways of playing the games with added social elements," says Pandey.

HyperX's motto, "We're All Gamers" lends itself to the idea that players range from your hardcore PC gamer through to those who play for a few minutes a day on their phone, says Suwwan. "The profile of a 'typical' gamer has never rung true for us and there has always been a diverse range of people gaming. We aim to make sure that we are catering to everyone within that broad range," he adds.

The Covid-driven gaming surge seems to have staying power. Globally, the gaming industry is forecast to reach $200bn by 2023, with the number of gamers topping a staggering three billion by that time, according to market researcher Newzoo. The GCC gaming market is also expected to reach $821m in 2021, according to a study by Strategy&. Saudi Arabia was placed in the 19th position globally for gaming revenues in 2019 at an estimated $837m, according to a report by Frost & Sullivan.

"Esports and gaming will become more popular in the region, especially in the UAE and Saudi markets, and the appetite for local gaming content will also grow," Pandey says.

"Because of this [growth], the region has started receiving unprecedented support and attention from major publishers and gaming companies, with big names like RIOT, CDPR, Ubisoft, and Sony localising their games," observes Suwwan.

He says HyperX is keen to leverage this trend, creating a dedicated social media channel for the region, adding Arabic to the HyperX website as well as a local layout keyboard.

Overall, technological innovations will be the major driving force that will continuously push gaming experiences to whole new levels in the future, Pandey says. "The increase in demand for state-of-the-art gaming systems coupled with the advancements in technology will drive the increased incorporation of mixed reality in gaming, blending the real and the virtual," he adds.

Hands-on review: The Nokia 8.3 5G

Nokia's quest to win back an audience with camera, Google integration

BY DAVID NDICHU

If you are of a certain age, your first phone was likely a Nokia (3310 in my case). Much has happened since. Nokia lost grip of a market it pioneered, went through an identity crisis interspersed with a change in ownership - first a mismatched dalliance with Microsoft before finally going under the tutelage of the Finnish firm HMD Global.

And this is where we find ourselves today.

The 64MP, quad-camera architecture is as versatile as it is sharp

Differentiation

With phones in the same price range largely looking the same and having nearly standardised specs, it is getting harder and harder to differentiate between brands, especially within the extended Android family.

Some of the Nokia 8.3 5G's key highlights include a fingerprint sensor integrated into the power button which makes unlocking the phone much more fluid and intuitive. The Nokia 8.3 5G also comes with a dedicated Google Assistant button, making accessing your favourite assistant even easier.

Nokia's tight alliance with Google is important here, if not a little ironic.

Nokia was a late convert to the Google Android doctrine. Nokia continued to run proprietary Symbian OS even as Android became the dominant force in mobile (part of why the brand lost its mojo), and then Windows Phone OS when it was under the Microsoft wing.

Now Nokia is part of Android One, a Google-devised programme for smartphone manufacturers that guarantee the OS is a solid and stable version of Android. As part of Android One, users get first dibs of any software upgrade for two years as well as three years of monthly security updates.

Nokia customers also get a six-month 100GB Google One membership trial included ($1.99/month value) when they purchase a Nokia 8.3 5G.

Camera

The front (selfie) camera has emerged as somewhat of a paradox for phone manufacturers. On the one hand, it is a very crucial part of the architecture in the era of Instagram and TikTok. But we are also consuming lots of media on our devices and every millimetre of screen real estate counts.

So, pop up cameras, cameras on a swivel or cameras under the screen are all being considered by manufacturers at varying degrees of urgency.

For Nokia, the camera takes residence in the left corner of the device, visible via a small opening.

But the real war of the sensors is happening behind the phone. The camera has become the biggest differentiator for smartphone brands. Big names in the sensor business have been tapped to create the best camera experience for the creative genius in all of us. Nokia went with Zeiss, a brand with more than 100 years of imaging experience.

Zeiss' street cred shows, with the camera featuring built-in cinematic effects such as anamorphic (capturing an extremely wide field of view without distorting faces) and blue flares (that bright, sci-fi looking flash of light when shooting into headlights or streetlights). These features will elevate your footage from drab to fab at the touch of a button. Plus, share your now stunning 4K videos fast, thanks to 5G.

The 64MP, quad-camera architecture is versatile. Instagram-bound close-ups of that delectable ramen will look as brilliant as your grand desert vistas, and with as much drama as your kids' portraits. Action Cam mode can replicate some of the effects of the GoPro you never got for Christmas as you embark on your dune bashing adventures.

The screen is a sizeable 6.81-inch affair, one of the largest displays in its class. It is sharp too, thanks to Nokia's proprietary PureDisplay technology.

Nokia may have lost some of its shine, but the 8.3 5G shows this old warhorse still has a few tricks up its saddle.

Hacking health

Bioniq, a personal health management startup which recently entered the UAE, uses AI and machine learning to offer bespoke nutrition supplements

BY VARUN GODINHO

"When we were setting up the company in 2018-2019, I forbade my employees to use the word 'biohacking'. At the time, the term would mean people using an extra dose of growth hormones or pills to improve body functions. I didn't want to have any association with that," says Vadim Fedotov, the CEO and co-founder of bioniq, a London-headquartered subscription-based private health management startup.

But being disgruntled with the connotation of a term was also incentive enough for the former pro basketball player and ex-head of Groupon Russia and Ukraine to adopt the very same label for his startup, own it, and give it a fresh spin.

Bioniq provides services in six verticals. The first is medical. Signing up for the service means undergoing a blood test, administered by medical staff who will visit your home. The biochemical, DNA and microbiome tests cross-reference over two million data points, taken from 30,000 blood tests conducted in 12,000 participants, and screen for over 50 principle parameters such as cholesterol, hormone levels, the presence of microelements like ferritin and copper, and insulin count. "If you have any sort of illness, then we have systems in place that will direct you to the right specialists to solve those health issues," says Fedotov.

The second vertical is nutrition, where he stresses that our health is 70 per cent dependent on our nutrition. "We have an algorithm that detects deficiencies in your current food intake. And we have a team of dietitians and nutritionists that review your results and plan basic weekly meal plans."

The third and fourth verticals deal with mental health wherein bioniq offers consultations with psychologists, and sports where it organises for trainers who create personalised training workouts for the customer. The fifth division is sleep improvement – and is one where bioniq is currently researching its technology.

But it is the sixth vertical for which the health-hacking startup has become wildly famous – its bespoke micronutrients supplements. Offered in a granular form, a scoop of which can be sprinkled over your daily food, it supposedly meets all your micronutrient needs including vitamins, enzymes, probiotics and herbs. The unique bioniq algorithm, which prescribes the correct formula recipe based on the blood test, was developed by bioniq's co-founder and medical director Constantin Karuzin. Karuzin spent nearly two decades conducting medical trials for GlaxoSmithKline and Pfizer, and worked with professional athletes in Switzerland administering personalised micronutrients through clinical trials, before partnering with Fedotov.

Vadim Fedotov, CEO and co-founder of bioniq

The St. Petersburg-born Fedotov, who grew up in Germany, didn't intend on working within the biomedical field. Instead, he very nearly became a pro basketball player. He played for the German national team and also played for the Buffalo Bulls in New York. After tearing his ACL four times, Fedotov resigned to the fact that he wasn't going to be able to pursue the sport at a professional level much longer, opted to finish his international business and marketing degree and then began working within the supply chain management business for companies in Germany and Russia.

Venture capitalist Rocket Internet hired Fedotov in 2011 to head the physical goods division in Russia. "Six months later, they appointed me CEO [of Groupon Russia]. At 26-years-old, I was the youngest CEO in 48 countries. A year later, they also made me CEO for Ukraine." By 2015, he moved onto Gazprom-Media Technologies where he focused on building the technology side of the media company.

A high-octane corporate life, at some point, left him feeling drained. He says a visit to the doctor resulted in him being asked to do several expensive blood tests which indicated that there was nothing wrong with him. While the doctor insisted that Fedotov wasn't ill – which he wasn't – he couldn't address the wellness aspect of his health.

That quest to address the wellness aspect – one where 'not ill' does not equate to good health – led him to Karuzin, who by that point had not only clinically tested the efficacy of the micronutrients, but was

The unique bioniq algorithm, which prescribes the correct formula recipe based on the blood test, was developed by bioniq's co-founder and medical director Constantin Karuzin

The bioniq formula contains vitamins, enzymes, probiotics and herbs

also in possession of heaps of invaluable health data.

"Bioniq has one of the largest clinically proven databases in the world for personalised solutions. A lot of people use the word big data. What we're building is called smart data," says Fedotov.

"The reason I call it smart data is because it's great to have a lot of data from a lot of people. But are you able to combine that data not just horizontally, but also vertically? For example, we're now introducing DNA testing to our blood tests which will allow us to find out if you are lactose or gluten intolerant, or if your liver is not working properly. Once the system has figured you out on the chronic level, it will then go through your microbiome level to understand what your body cannot absorb [in order to] personalise the treatment."

All the data is gathered from the patient's biochemical tests, and it's then that AI and machine learning kick in via proprietary software that recommends the best course of treatment and nutritional supplements for the individual. "All our tech is developed in-house. A very big portion of our 100-plus employees are tech-related," says Fedotov of the company which is headquartered in London. It is also in London where its main laboratory is located, from where each formula is individually created for all its clients before being shipped worldwide. Bioniq has another office in Russia, and has recently set up one in Dubai too.

Two years in, it is already pulling in serious funding. In September, it closed a $7.2m funding round from Medsi Group which invested in the Russian entity of the business. Medsi Group is Russia's largest private healthcare provider, whose parent Sistema trades on the London Stock Exchange. In parallel to that funding, bioniq also got a $7.8m funding into its UK and global business division from Luxembourg venture fund OKS Group.

A part of that funding is being used by bioniq to expand into the UAE. As Fedotov explains there were a couple of reasons why it chose to expand in the UAE ahead of other global markets. "We had a very large interest in London from people who were based in the UAE and would travel to London. Secondly, we looked into the health status of the region where we've seen a lot of issues on a widespread basis including diabetes and cholesterol, and this is something where we can strongly support people. Also, we understand that there is a certain level of disposable income, and with the overall annual income of people [here], they can afford to spend on the preventive stage." At launch, bioniq is offering its subscription service for Dhs1,500 per month and has partnered with Freiburg Medical Laboratory to conduct blood tests for customers in the country.

The global healthtech market is reportedly expected to reach $500bn by 2025. Lending credence to bioniq's ability to correctly identify and address the physiological needs of its clients, Fedotov and Karuzin have opened the system's predictive analysis model to peer review. "Every quarter, we have several medical publications where other doctors peer review our AI and algorithms and how their selection of treatments is actually helping people."

With biohacking, inevitable questions of ethics cannot lag far behind. Is getting a generation or more hooked onto external supplements really a good idea? "Our position on biohacking is that it has to be ethical, medically sound and most importantly, your body should be capable of repeating the results by itself. I don't want to ever get my body into such an extreme situation because of some intake, that my body cannot naturally repeat it, " says Fedotov. Blood tests repeated every two months as part of the service ensure objective parameters where customers can benchmark improvements leaving little to subjective diagnosis.

Bioniq has ambitious plans going forward. In January, Fedotov signed a deal with UFC Russia (he adds that a board management member of UFC was among the startup's earliest clients) to jointly develop a product for preventive health and nutrition and roll it out among different UFC markets worldwide.

The company will also imminently head to the US market. It will begin by setting up base in New York and has already signed on over 27 clinics in the northeast of the US.

From a microlevel nutrient focus, bioniq also plans on expanding to macronutrient – proteins, carbohydrates and fats – supplements.

"In a couple of months, we're going to introduce a line of macronutrient products. You'll be able to, for example, eat a bioniq protein bar which is vegan-friendly and which will cover your macronutrient needs. The macronutrient products will be mass market and also personalised."

Bioniq is redefining biohacking, just as Fedotov intended.

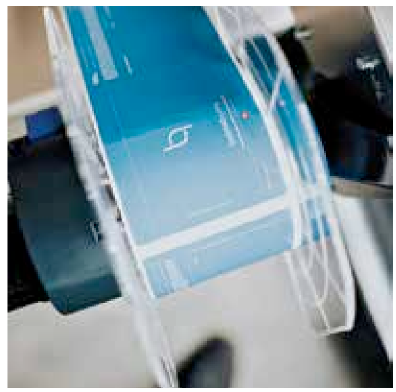
The bioniq process

Here's how its subscription-based service for bespoke nutrition supplements works

1. A qualified phlebotomist will take your blood sample

2. Blood test results are interpreted to provide recommendations

3. A tailored supplement made of a unique formula of micronutrients is concocted



4. It is packaged at bioniq's London laboratory and sent to the client

5. Every two months a new blood test will be taken to track health progress, obtain updated recommendations and alter the formula as required

A time to reap

The second edition of the annual LVMH Watch Week (the first was held in Dubai) took place in January this year as a virtual event, with top brands including Hublot, Zenith and Bulgari showcasing their novelties for 2021. Here are three of our favourite pieces

BY VARUN GODINHO

Hublot
Spirit of Big Bang Tourbillon 5-Day Power Reserve in Carbon White

The Big Bang was never intended to be a discreet timepiece, or one that slips inconspicuously under your cuff. It is intended to – as you'd infer from its name – be an unapologetic statement piece, and an attention-grabbing one at that. There's nothing shy about this 42mm tonneau-shaped carbon fibre case with micro-glass fibre inserts, or even that skeletonised manufacture HUB6020 manual-winding movement boldly showcasing its imposing tourbillon.

Zenith
Pilot Type 20 Chronograph Silver

It's the only watchmaker in the world allowed to use the word Pilot on its dial – and with good reason. This is a watchmaker who has spent the better part of its over 155-plus year history perfecting pilot watches (as far back as 1909, aviator Louis Bleriot wore one on his wrist crossing the English Channel). This year's Pilot Type 20 Chronograph is limited to 250 pieces, with the 45mm case and dial made entirely of sterling silver – a first for the brand. The satin brush finish on the surface of the dial and the rivet on the leather strap resembles details found on the fuselage of vintage aircraft, a further nod to this watch's aviation roots.

Bulgari
Octo Roma Carillon Tourbillon

It's a watch where every element is designed to deliver absolute aural pleasure. The three hammers have been brought dial-side to allow for added visual drama for the wearer as they strike the three gongs to sound the Westminster Chime (those gongs are hardened at a temperature of 900 degrees). The middle case of the 44mm black DLC coated titanium case has been hollowed out (as is the grille on the dial) to enhance the sound, while titanium only works to augment it further. Even the new calibre BVL428 movement features a separate barrel dedicated to powering the chiming mechanism.

The SME Story

A dedicated hub for the regional startup and SME ecosystem

INTERVIEW

Breaking barriers

Among this month's SMEs, we look at diverse Dubai-based startups which deal in AI-driven software development and clean cosmetics as well as a Pilates fitness chain

Melda Akin
Founder and CEO, D14.AI

What is D14.AI's scope of work?
D14.AI is a Dubai-based tech company providing an AI-driven software platform for healthcare clinics, gyms and logistics companies to optimise their workforce and manage business operations in a secure and affordable way. Our technology is flexible, easy to integrate and intelligent enough to evaluate millions of combinations within minutes. We will continue to add other sectors such as hospitality. We're a self-funded startup and have already reached the break-even point within a year.

How did the idea of starting your venture come about?
I'm a self-starter, and I'm passionate about organising the disorganised. Before launching D14.AI in Dubai's burgeoning tech startup scene, I had set up my first company to offer digital transformation services. I was helping international companies grow revenues through digital solutions. During that time, I saw that there was a massive opportunity for optimisation. It's the key focus for most of the sectors. I think it will always be the number one priority for companies.

Setting up a new business is already an exciting experience and establishing a startup in a new city, especially one as dynamic as Dubai, was more exciting. I think Dubai is a great place to be as an entrepreneur. There are so many opportunities and valuable lessons for entrepreneurs that they can learn and share.

What are some of the challenges you faced when setting up your company?
I think some of the biggest challenges that I see among startup companies are related to setting up the right team, having strong bonds with the clients, acting at a quick pace and staying focused, especially in a crisis. Having a solid plan and maintaining focus is crucial. The plan can be updated and modified when needed, as long as it does not affect the goal. Once there is a mission and vision that guides you, there is no reason not to be successful.

Melda Akin founder and CEO, D14.AI

What are some of the new opportunities for tech startups within the AI space?
The AI space is quite extensive. We can count image and natural language processing, robotics, machine learning, neural networks and expert systems as some of the major subfields. There's always room for innovation. With the pandemic, as we all know, automated systems, personalised healthcare solutions, and image processing became more popular. I believe we'll see more tech startups that use AI in the future.

What are your expansion plans?
Our first focus is the GCC and then we plan to scale globally. We are investing in making our products easy to deploy so that we can expand all around the world.

Real Pilates has three studio locations: Jumeirah, JLT and Meydan

Reza Alavi
Founder and managing director, Real Pilates

What were you doing before you started Real Pilates?
Before creating Real Pilates, I spent over 10 years in the corporate world, including at the regional HQ of a major automotive company whose vision statement was 'Enriching People's Lives'. As much as I loved my job, I wanted to really achieve that vision statement. I wanted to enrich people's lives in a tangible and real way, so I combined that desire with my passion for health and fitness and launched Real Pilates.

What is the scale of your business?
We currently have three studio locations: Jumeirah, JLT and our newly opened Meydan studio. We have 30 team members from 21 different countries. We typically have about 150 new signups per month.

What is the USP of Real Pilates compared to other fitness and wellness centres in Dubai?
The quality of instruction, our customer service and our processes.

Contrary to most studios, our team of instructors is comprised of full-time Stott Pilates-certified instructors who work exclusively at Real Pilates. Stott Pilates is known as the Ivy League of pilates worldwide.

How has Covid-19 impacted your business?
Like all SMEs, our business has been massively hit. Our industry was one of the first to shut down and one of the last to reopen last year. Since reopening, we have been following strict government mandated health and safety guidelines that have significantly reduced our capacities and therefore our turnover.

We have been inspected by Dubai Economy and Dubai Municipality multiple times and have been praised by them for our full-compliance to the guidelines and the fact that we offer a safe environment to our clients to exercise.

What's the biggest challenge that your business faces at the moment?
Continuity and adaptability. With health and safety rules changing fairly frequently, we have had to develop a very vigilant, agile and adaptable approach to our operations. Class capacities and hygiene procedures can be modified without notice, so we need to be highly reactive and effective in order to continue to operate without interruption while also maintaining high standards of customer service.

What is the most valuable lesson you've learnt by way of running your business?
It would have to be the critical importance of having a healthy internal work culture and a workplace that allows a candid communication style at every level of the organisation. Each organisation, no matter how big or small, will face its own learning and growth challenges, but the simple truth is that if we take care of our employees, they will take care of the clients.

THE SIMPLE TRUTH IS THAT IF WE TAKE CARE OF OUR EMPLOYEES, THEY WILL TAKE CARE OF THE CLIENTS

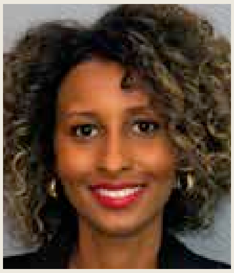
Below: Reza Alavi, founder and managing director, Real Pilates

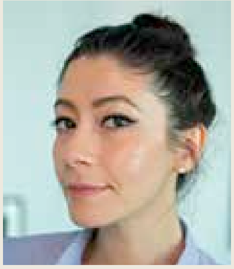
What are the expansion plans for Real Pilates?
Our expansion strategy is focused on franchising in the UAE, across the GCC and beyond. We have worked hard on creating a comprehensive franchising kit that will allow those who dream of owning their own health and fitness studio to achieve their goal without the risks associated with starting a new concept from scratch. We support our franchisees with finding the right location, design and fit-out, equipment purchase and installation, staff recruitment and training, marketing support and IT systems.


Powder focuses on retailing clean beauty and skincare products

Amina Grimen and Ayat Toufeeq
Co-founders, Powder.ae

Below: Amina Grimen and Ayat Toufeeq, co-founders, Powder.ae





What is the core business model of Powder.ae?
We are a direct-to-consumer, content-led e-commerce business focused on retailing clean beauty and skincare in the Middle East. We typically focus on skincare, haircare and makeup with sophisticated formulations. Our current offering includes global clean brands and niche and boutique luxury brands from the US, Australia, South Korea, Canada and beyond.

From the packaging to the brand messaging and quality of ingredients, we consider several different factors when it comes to choosing brands to support.

What gap did you see in the market that necessitated the need for such a company?
We started Powder when we realised that we were both going through a similar situation. We were both struggling to find the guidance we needed to help us solve our skincare problems, and didn't have access to the exciting niche products that we had been reading about in blogs and following on Instagram locally. This is the reason we set out to create an online clean beauty space where our customer has access to choices which reflect their values. We recognised early on that there is a considerable gap when it comes to quality, in-trend, Arabic, and regional content, and we intend to close this gap.

Does focusing on clean cosmetics make good long-term business sense?
Absolutely. We believe that the clean beauty movement will continue its upward trajectory. Consumers here and abroad are gaining a deeper understanding of what they are applying to their faces and they ultimately will influence the market. For example, the more we make clean, sustainable choices in terms of our spending, the higher the standard becomes for conventional brands as they try to keep up with growing expectations when it comes to sustainable, cruelty-free production and packaging. It's a win-win for everyone.

What are some of the biggest challenges that you have encountered as an entrepreneur?
For a small but growing startup such as ours, raising awareness in an expensive and crowded digital market is a challenge. Additionally, finding and attracting the right talent on a budget is never easy. The talent is here, but finding someone with skills who is ready to play the long-game takes time. Also, we would like to take on a seasoned executive who is a proven operator and who has scaled up an e-commerce business, while offering substantial ownership. We would welcome another partner to the business who can help us to execute and deliver upon our ambitious vision to be the region's leading clean beauty destination.

> THE MORE WE MAKE CLEAN, SUSTAINABLE CHOICES IN TERMS OF OUR SPENDING, THE HIGHER THE STANDARD BECOMES FOR CONVENTIONAL BRANDS

What are your expansion plans?
We are on a growth trajectory and will be introducing several new clean brands over the coming months. We also entered Saudi Arabia late last year and introduced some exciting clean beauty brands including an exclusive partnership with RÓEN Beauty, a cruelty-free and vegan makeup brand from Los Angeles. During the lockdown, we witnessed a surge in sales and demand for our beauty offering. This encouraged us further to go after funds to build on that momentum.

We are launching a $200,000 bridge to round-out our pre-seed round. We staged the round to show traction from early investments and then secure additional capital to double-down on our growth. We started outreach to investors weeks ago and hope to close the round in the coming weeks.

Ramesh Jagannathan
NYU Abu Dhabi vice provost for Innovation and Entrepreneurship, associate dean of Engineering, and startAD managing director

COMMENT

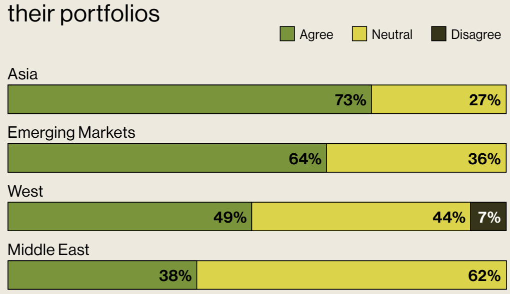
The youth demographic dividend

Conscious investing is on the rise – and is being fuelled by a wave of young investors who have a stake in the future

ILLUSTRATION: GETTY IMAGES/CARGO

Conscious investment

The share of institutional investors globally who believe climate change should be considered in their portfolios



SOURCE: NMG CONSULTING 2020 IN RACONTEUR'S SUSTAINABLE INVESTMENT REPORT

John F. Kennedy once said: "Change is the law of life and those who look only to the past or present are certain to miss the future." This is an apt quote for talking about youth in this region: the Middle East and North Africa (MENA) is home to the world's largest youth population – 200 million, comprising more than half of the entire Arab world's population.

Although this demographic presents a challenge, given youth unemployment in the MENA is at 30 per cent – the highest in the world – this generation has the potential to be the change that JFK was talking about. The Arab Youth survey reveals a region of young, ambitious digital natives who can lead the wave of technological change. During the Covid-19 pandemic, we saw the acceleration of trends that were already happening, including businesses shifting to digital services, and the rapid transition to online work, education, medicine, shopping and entertainment.

The continuation of technology-led solutions, often referred to as the Fourth Industrial Revolution, will create multiple benefits for the modern world. According to PwC, artificial intelligence (AI) will add 11 per cent or $320bn to the Middle East's GDP and will contribute up to 13.6 per cent of the UAE's GDP by 2030. And this combined with technologies such as blockchain, sensors, autonomous machines, augmented reality and 5G will create an abundance of opportunities. Indeed, the Milken Institute predicts that MENA fintech startups will secure more than $2bn in venture capital funding in 2022, compared to $80m in 2017, a 25x increase.

However, we must ensure that these business solutions are sustainable and benefit everyone. Almost half the world remains offline and Covid-19 could push the number of people living in extreme poverty to over one billion by 2030, according to a UNDP study. According to a WWF report, 1.1

billion people lack access to clean water and twice that number suffer water scarcity for at least one month of the year. It is clear that there is a critical need to find new solutions to many facets of our everyday lives, in sectors as diverse as renewable energy, microfinance, sustainable agriculture, water and sanitation, along with new solutions for staples such as housing, healthcare, and education.

A NEW PARADIGM

Thankfully, consumers and investors also want to support ideas and business that add long-term societal value, and this is fuelling conscious investment – a growing global force that has accelerated during the global pandemic. Conscious investing is aimed at making a meaningful impact towards society or the environment while providing returns for investors. The current global market size has been estimated at $715bn and according to UBS Global Wealth Management, 53 per cent of UAE investors already invest sustainably, with 80 per cent of them saying they want to make the world a better place.

An annual investor survey by Abu Dhabi-based accelerator startAD in December found that the average age of GCC investors is 37 – over 10 years younger than the average age for a first time investor in the US market. Regional investors are also inherently global in their outlook, with an even spread between average investments in North America ($42,500), Africa ($41,900), Europe ($41,700) and the MENA region ($41,300), with Asia following up with $30,700.

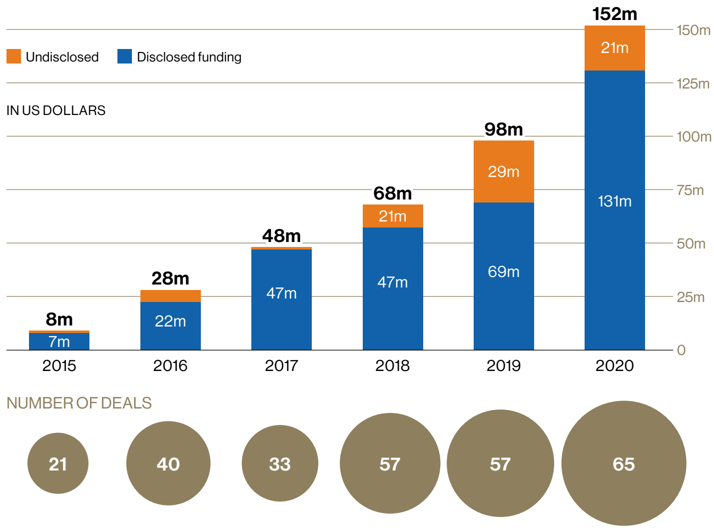
They are also investing in technology that will secure the region's post-Covid future. Fintech attracted the highest average investment amount ($43,200), followed by agtech ($42,400), healthcare ($41,400), e-commerce ($40,200) and education ($39,700). Interestingly, cleantech attracted the highest average investments ($49,200) while also attracting the lowest share of all investments at 10 per cent.

In MENA specifically, agtech startups are securing the highest share of investments (24 per cent), after food security became a main concern during the pandemic. GCC countries currently import about 85 per cent of their food.

It is important to highlight that the vast majority (82 per cent) of investments made by 31-40 year-olds were under $50,000, demonstrating that angel investment isn't the preserve of a super wealthy elite, but rather engaged, young people who have a vision for the future of business and its role in shaping society in a positive way. So I am heartened, but not surprised, to see young investors rallying behind conscious investing. They know that this young generation will power the future growth of the Middle East and beyond, with ideas that will change the world for better.

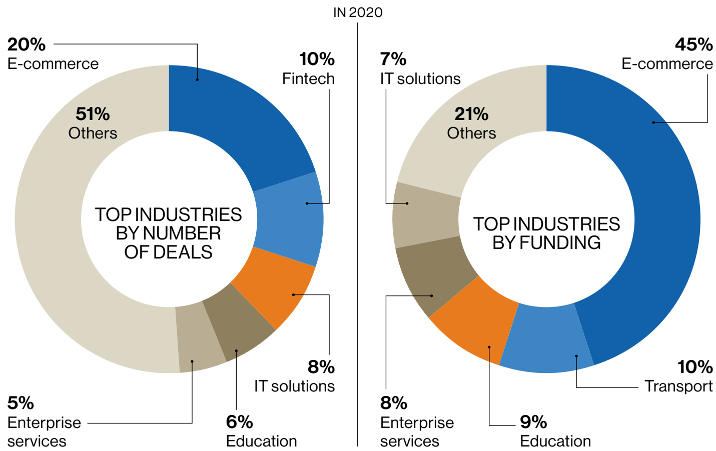
The Saudi influx

In 2020, unlike the rest of MENA, the kingdom saw a 55% increase in funding for its startups



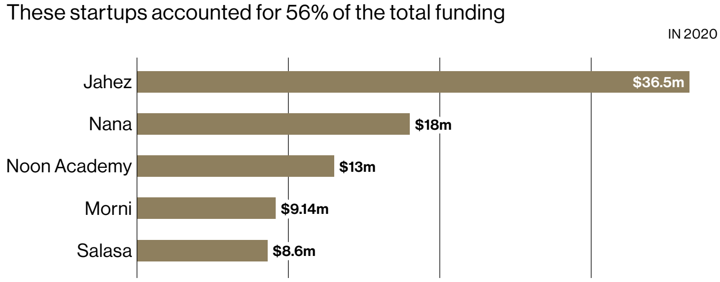
Routing the funds

Investment was focused on industries that saw a spike in demand during the Covid-19 pandemic



Top 5 disclosed funding rounds

These startups accounted for 56% of the total funding



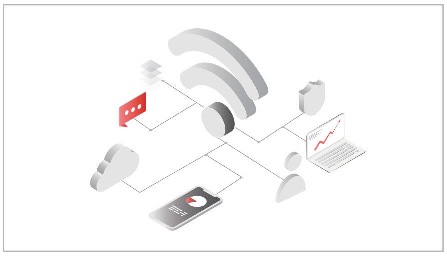
SOURCE: MAGNITT 2020 SAUDI ARABIA VENTURE CAPITAL REPORT

HUAWEI

Huawei CloudCampus 2.0

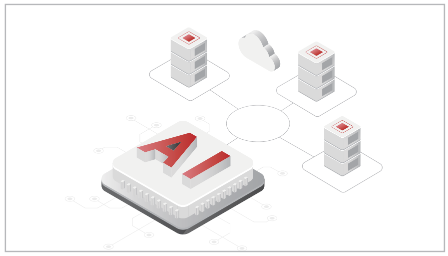
Drive your campus networks into the intelligent, gigabit-wireless era.

What Huawei Can Offer



Super Capacity: Fully-Wireless Gigabit Speed and Beyond

Intelligent Experience: Continuous Self-Organizing Networking (CSON)



Autonomous Driving: Service Provisioning in Minutes

Huawei Star Products

World's Fastest Wi-Fi 6

Comprehensive Campus Switches Portfolio

AI Based Intelligent O&M

Industry Applications

Finance	Transportation	Smart City	Higher Education	Healthcare	Government	Public Safety

Campus Network Solution

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