

Falcon holds Dubai conference

Independent financial advisory company Falcon Group held its second annual trade and corporate finance forum in Dubai.

The event focused on the future of trade and corporate finance both in the Middle East and globally.

The event was moderated by Dubai TV personality Nadine Hany and included speeches from Lord Norman Lamont, the former UK chancellor, and Daniel

Schmand, managing director and head of trade finance for West Europe and Emea at Deutsche Bank.

Other speakers included Oman Investment Fund's chief economist Fabio Scacciavillani and Falcon corporate clients.

Key issues discussed were the risks of protections, China's extensive commodity appetite, Basel III and inflationary pressures on emerging markets.



Sabic attracts HSBC funding

A subsidiary of the world's largest petrochemical company Sabic has signed a US\$435mn long-term loan from HSBC to fund a steel plant and rolling mill in Saudi Arabia. Sabic subsidiary Hadeed has contracted Italy's Danieli to provide the plant, and as such the deal has drawn in backing from Italian export credit agency Sace.

The plant, which will be built in Jubail in Saudi Arabia's eastern province, will be capable of producing one million tonnes a year of pellets and half a million tonnes of rebar.

Production is expected to start in the second half of 2012.

"Steel consumption in the Kingdom of Saudi Arabia has rapidly surged over the past few years on the back of a construction boom and growing investment in infrastructure," explains Olivier Khalife at HSBC.

"With this new Danieli equipment, Hadeed will be able to provide the Kingdom of Saudi Arabia and the wider region with very high specification wire-rod products which will domestically meet the needs of ongoing and planned projects.

"Sabic has a long experience with export credit agencies,

however this is Sabic's first ever direct corporate ECA financing and the facility was tailor-made to perfectly match our client's expectations," Khalife adds. The deal marks a further bond between HSBC and Sace in the gulf region, after the two institutions teamed up to provide US\$500mn to Abu Dhabi's Emirates Steel International in July 2010.

Dewa repays loans early

Dubai Electricity and Water Authority (Dewa) is repaying a portion of its syndication loans six months early and is saving itself around US\$14mn in interest payments as a result.

A US\$1.5bn repayment was made during April that covers both loans that matured that month, and also US\$735mn-worth of loans due to mature on October 13, 2011.

"Dewa's financial position is solid and strong, and it is capable of repaying its syndication loans not only when they become due, but also prior to the maturity date," says Saeed Mohammed Al Tayer, chief executive officer of the state-run firm.

"This can be attributed to the

judicious financial policies adopted and implemented by Dewa," he adds.

Deutsche extends trade business to KSA

Deutsche Bank has expanded the services it offers from its Saudi branch to include trade finance and cash management services.

The Riyadh branch, which opened in 2006, will perform trade finance and treasury solutions including taking non-retail deposits in a number of currencies.

"The expansion of our suite of services in the kingdom is a testament to our unwavering commitment to the region," says Werner Steinmüller, head of Deutsche's global transaction banking division. "We are proud of the contribution we have made in Saudi Arabia to date, and we look forward to further assisting our clients with their financial needs."

Deutsche Bank has signalled Saudi Arabia to be a key strategic and growth market for the bank's franchise.

"We will continue to invest in it and to deliver the products that our clients require to grow their business," says Ashok

Aram, chief executive officer of the bank's Middle East and North Africa business.

Dubai and NBAD strengthen ties

The National Bank of Abu Dhabi (NBAD) has signed a memorandum of understanding with a Dubai government agency to help small and medium-sized enterprises (SMEs) across the emirates. NBAD teamed up with Dubai SME, the agency of the department of economic development which was created to improve the SME sector, to provide a number of products such as trade finance to companies.

NBAD will also offer entrepreneurial education and marketing assistance.

"Cutting edge knowledge of varied financial instruments, risks and marketing opportunities are essential for SMEs to evolve and lead growth," says Abdul Basit Al Janahi, chief executive officer of Dubai SME.

"The memorandum of understanding thus establishes a comprehensive and competitive ecosystem that will nurture SMEs through their launch, growth and expansion."