Growth attracts Moneygram to GCC

OUTWARD REMITTANCES FROM THE UAE WERE PLACED AT DH169.2 BILLION IN 2018

DUBAI
Gulf News Report

Moneygram, which has a partnership with First Abu Dhabi Bank, is talking to a number of banks in the UAE to expand its operations as the region continues to outpace global growth, its top executives told Gulf News.

The company is currently present in 200 countries and has seen an acceleration of growth in the GCC region after the company took a hit due to compliance changes and adoption of technology last year, resulting in a total cost of $100 million. About 55 per cent of the company's business come from non-US countries.

"The GCC will continue to outpace the mid-single digit growth that is seen worldwide. This is a very strong region and would continue to outpace the growth," Alex Holmes, chief executive officer at Moneygram, told Gulf News.

55%
Share of Moneygram's business from non-US countries

In 2018, outward remittances from the UAE were placed at Dh169.2 billion in 2018, and a large chunk went to India, accounting to 38 per cent of the total outflows, according to the UAE Central Bank.

Remittance leader

India received a total of $79 billion in remittances followed by China, Mexico and Philippines, which received $67 billion, $36 billion and $34 billion respectively.

"The GCC is an extremely unique market as 89 per cent of the population is foreign workers. UAE is arguably is the third-biggest send market in the world and Saudi Arabia is number two. About 50 per cent of the population is expatriate. From the Gulf region, there is growth. From the receive side, India, Pakistan, Bangaldesh are big receive markets. This is a critical area for growth and a critical area for positioning our brand," he added.

However, according to Grant Lines, chief revenue officer of the company, revenues are not increasing as much as the volume. "Markets are very competitive globally in terms of price perspective. It depends on scale of distribution. Volumes are increasing. It is more volume related than revenue related," Lines added.

"One of the benefits we have is the scale — being present in 200 countries. We are present in 6-7 core corridors and they are commoditised. We send money to 170 countries from the UAE. Pricing tends to be different depending on the corridor of supply and demand and the scale of distribution the economics and the availability of the currency," Lines said.

Changing migration dynamics is also triggering a change in the way Moneygram is strategising. "The US and the UK are very challenging right now. UK is suffering from Brexit. The health care industry is dominated by Eastern Europeans and that might get hit due to Brexit," Holmes said.

Virendra Saklani/Gulf News

Alex Holmes (left), Chairman and Chief Executive Officer, with Grant Lines, Chief Revenue Officer, MoneyGram.

Aramco's stockpiles can cover output loss

DUBAI

Saudi Arabia's pledge to fulfil all commitments to oil buyers after a strike on the giant processing plant at Abqaiq means the world's largest crude exporter must continue to draw heavily on its inventories until production capacity returns.

State oil company Saudi Aramco has more than enough oil to get it to the end of the month, when it's promised to restore normal levels of production.

Aramco removed nearly 10 million barrels of oil from storage — mostly from tanks at Yanbu, Juaymah and Muajjiz terminals — in the two days that followed Saturday's attacks, according to energy data provider Kayrros SAS.

Aramco can store as much as 66.4 million barrels of crude at four crude terminals in the kingdom and more at international ports, according to its bond prospectus. Saudi Arabia had about 50 million barrels of crude in storage before the attacks, including about 34 million barrels at its largest storage and export facility at Ras Tanura, said Amrita Sen, chief oil analyst at consultants Energy Aspects.

Recovery on track

The attack knocked out 5.7 million barrels a day of production, more than half the 9.8 million barrels a day it was pumping beforehand. Since then more than 2 million barrels a day has been brought back on line with the rest promised by the end of the month. In the meantime, Saudi Arabia has cut domestic consumption by 1 million barrels a day and is using stockpiles to make up the shortfall.

Aramco has about 80 million barrels of oil in storage outside Saudi Arabia, said Sen. This gives some flexibility but about 30 to 40 million barrels have been allocated to refineries, and moving the rest could be difficult and slow.

If Aramco repairs its damaged oil production facilities as quickly as it expects, it will have the capacity to pump as much as 11 million barrels a day by the end of September and will no longer need to dip into its inventories.

— Bloomberg

Clint Egbert/Gulf News

NEW IPHONE RUSH AT APPLE STORE

Apple enthusiasts wait outside the Apple Store in Dubai Mall to purchase the new iPhone yesterday. Three new iPhone models went on sale in the UAE yesterday, and will also be available at etisalat and du stores.

Preparing the ground for a Lotus blooming in region

British carmaker and dealership Adamas sets a marker with Dh7.8m Evija hypercar

DUBAI
BY MANOJ NAIR
Associate Editor

No dealership can get by selling luxury cars alone in the UAE ... unless the brand in question was a Merc or a Beemer, of course. Such was the accepted wisdom in the automotive industry. To really cut it, a dealership would need to have the back up of a mass market brand to go with the luxury.

Now, Karl Hamer, CEO of Adamas Motors, wants to rewrite such conventional views. It was late last year that he acquired the rights for Lotus (the British supercar marque owned by China's Geely now) from Al-Futtaim. And he will shortly be taking Lotus and Aston Martin to Bahrain.

Focus

"Our DNA will be prestige-performance cars only," said Hamer. "Asia-Pacific, the Middle East — those are the markets we are looking, after we opened in Hong Kong with McLaren. "There are too many people trying to cover everything ... luxury and mass. We aim to specialise."

The Lotus has just bloomed with its latest, the all-electric Evija, which touched down in Dubai late last week for a sneak preview of what's to come from it. Now, it is meant for anyone with Dh7.8 million to spare for a car. First deliveries are due by June next. "We have already sold four of them — and there are only 130 being made," said Hamer. "We would like to take 10-12 per cent of the total global market — collectors will buy this car. We have 32 private showings lined up.

For its Hong Kong, Dubai and Bahrain operations, Adamas pulled on board private investors. There will be a roadshow next year where the dealer will present itself to a wider investor base in New York and London.

Courtesy: Lotus

From left: Russell Carr, Director, Lotus Design, Phil Popham, CEO, Lotus Cars and Karl Hamer, CEO of Adamas Motors with the all-electric Evija hypercar.

FEATURE
'PERFECT' CAR

If Lotus wanted to make a point, they have chosen the perfect vehicle in the Evija. First deliveries are due from June next. The top speed is 320km/h, and the claimed 0-100 km/h is for a sub 3 seconds. All from a power base of 2,000hp.

— M.N.

Hema plans web push as it adds new stores

Dutch retailer finalising online strategy with Apparel Group

DUBAI
BY MANOJ NAIR
Associate Editor

These days there is no such thing as waiting too long to devise an offline-online strategy when entering a new market. Chances are both options will be taken up ... almost simultaneously.

That's what the Dutch home and lifestyle department store brand Hema is doing in the Gulf markets. It was early this year that it opened a presence in the UAE and will close 2019 with 10 locations GCC-wide.

But as the brick-and-mortar flags are planted, Hema is finalising its online sales strategy with its regional partner, Apparel Group. The idea is to get the online side of things up and ready by early 2020 itself.

Gulf plan

If everything goes to plan, Hema products will be available online by next year, and through an Apparel operated platform. "We committed to a partnership on all fronts ... Apparel has delivered with other Dutch-owned brands like Rituals, Tommy Hilfiger and Calvin Klein," said Flint.

"We do have our own dot-com, but we do not believe in limiting ourselves when it comes to partnerships for online. Gone are the days when as a retailer you sell only through your own channels. Instead, we are about giving the best access for consumers to reach the brand." (Even in its home market, Hema has made its products available on the e-marketplace Wehkamp, while it sells through its own e-platform.)

For the Apparel Group, the Hema tie-up diversifies their franchise alliances beyond fashion labels. In its home market and elsewhere in Europe, Hema has managed to build up a following for its merchandise, all clean lines and discrete hues. By year-end, 10 stores will be up and running in the Gulf, and the plan is to add 10 for each of the next four years. And, of course, get online as well.

The brand will start selling non-perishable food items through the stores in the short-term. But there is no plan to get into fresh produce.

Richard Flint

Courtesy: Hema

The Hema store at Ibn Battuta Mall. By year-end, 10 stores will be up and running in the Gulf.