

# Foreign Buyers Find Mid-market M&A Targets in Dubai 'Most Attractive'

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DUBAI — Mergers and acquisitions (M&A) activity in the Middle East, which saw a 4.3 per cent rise to \$4.6 billion in the first nine months, will be far more resilient than in other parts of the globe with foreign buyers finding mid-market targets in Dubai most attractive, said the head of a leading Saudi investment banking company.

Faisal Al Sayrafi, managing director and CEO of Financial Transaction House, said UAE's upcoming Foreign Investment Law would add momentum to the cross-border M&A activities. "New laws that will give a more favourable regulatory environment for non-national investors and other steps will draw increasing number of acquirers to UAE's non-core industries," he said.

He said all the factors that currently discouraged increased M&A activity in the UAE, including the 51-49 ownership law, were expected to be addressed soon to boost global investor interest.

"Despite a sharp decrease in global M&A trends in particular the high end deals in wake



Source: GlobalM&A

KT Graphic by Rashid Hussain

of the global meltdown, the middle-market remains optimistic. As the Gulf becomes a central hub, we see an increase of overseas interest in the Gulf markets wherein global, in particular Asian investors are looking to make their mark in the region by acquiring small and mid-size companies," Al Sayrafi said, quoting a report by Global M&A GmbH, world's leading partnership of mid-market financial advisory firms.

The report, based on a study performed by merger market and released on Tuesday at the annual Global M&A conference in Dubai, warned that the current closed-door policies need urgent remedial measures to instill faith in

the potential investors. Noting the forward looking steps currently underway in UAE and Kuwait in particular, the report urged other nations to set their agendas in perspective to match global mandates

Michael E. Gibbon, Chairman, Brown Gibbon Lang & Company said the first three quarters of 2008 has already witnessed 49 mid-market deals in the Middle East worth a combined \$4.6 billion. This represents a 4.3 per cent increase in volume terms compared to the same time period

in 2007. The financial services sector in the Middle East has seen the greatest number of deals, although it accounts for 17 per cent of the announced deals.

The energy, mining and utilities sector, which accounted for only four per cent of deal volume so far this year, is likely to witness the most in-bound cross-border deal flow in the next six months, Gibbons said. "The current trends being witnessed make the issue still somewhat divided. The prevalent uncertainty in the broader financial world could possibly be holding the buyers and sellers from doing deals," added Faisal. — [issacjohn@khaleejtimes.com](mailto:issacjohn@khaleejtimes.com)