

TAG-Capital *Newsletter*

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Talal Abu Ghazaleh for Capital Services
A member of Talal Abu-Ghazaleh Organization (TAG-Org)

TAG-Capital Registered in Syria



Syria

DAMASCUS - July 30, 2009 - Talal Abu-Ghazaleh Organization (TAG-Org) announced on July 28, 2009 that Abu-Ghazaleh Financial Services Company, LLC (TAG-Capital) has been registered in Syria after fulfilling the key requirements of the registration.

The registration of the Syrian company as a new member of the Organization is part of its plans to register financial consulting firms, including companies specialized in IPOs. TAG-Capital has completed the registration procedures and submitted a number of applications for registration in several Arab countries.

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The Economic Crisis & Its Effect on Jordanian Economy

By *Raneem Al-Akhal*

The US economy was hit hard by two crises; the first was an internal one caused by the real estate financial crisis and the second was external rooted in the war expenses that cost the American government three trillion dollars. The two crises produced an overall economic crisis that engulfed all parts of the world to become a global one.

The US economic crisis had repercussions on the growth of most countries of the world that depend on the American market and Jordan was no exclusion. The crisis led to recession in the Kingdom's economy because most economic entities, and even the

consumers, preferred to hold on and postpone all their investment decisions due to the current situation. They have become more cautious because the incentive for security has overridden the incentive for desire. Nevertheless, economic growth continued in Jordan but at a slower pace. This is promising because there is economic recession throughout the world.

The Government's monetary policy was among the tools that assisted economic growth in Jordan. Measures taken in regard included minimizing several restrictions of the Central Bank, reducing the interest rate and minimizing the requirements of the mandatory cash reserves. However, other tools include the factor of monetary policy representative in increasing the expenditure and lowering taxes.

The effects and impacts of this crisis on Jordan have ranged from a slowdown in

both the investment turnover and the flow of capital from abroad, to a decrease in national exports due to the decrease in global demand, a drop in the stock prices in the Amman Stock Market, a rise in the volume of cash circulated among the public, a regression in construction and a decrease in the number of tourists, and a decline in external grants due to the economic conditions in the granting nations. Therefore, the growth of all sectors, including real estate, industry and trade, has declined.

Yet, the Jordanian economy managed to benefit from this crisis. There have been several positives such as the drop in oil prices and basic goods such as steel, grains and imported foodstuffs, in addition to the decrease in the monthly inflation rate to negative figures combined with an improvement in the balance of trade due to the reduction in the cost of imports, even though the quantity of such imports has not decreased.

Therefore, the Jordanian citizens benefitted from the situation because their expenditure has become real as they have become less dependable on debt and loans due to the fact that banks became stricter in giving out loans and because merchants became more conservative when it comes to selling in installment.

On the other hand, the crisis has negatively affected the budget revenues that have decreased due to a reduction in the proceeds from sales tax, customs and real estate trade because of the drop in prices of imported and locally-made materials, as well as the decline in the inflation rate and a reduction in several investment activities. These factors have led to an increase in the budget deficit and public debt.

In conclusion, we hope that the effect of this global economic crisis that reached all parts of the world will be mitigated through consolidated efforts by all nations.

Yahoo Acquires Arabic Portal Maktoob.com

CALIFORNIA, USA - Yahoo! (YHOO) announced on August 25, 2009 that it has acquired an Arabic web portal Maktoob. No word on the financial terms was disclosed, but TechCrunch estimates it at \$85 million.

Founded in 2000, Maktoob has more than 16.5 million unique users, and offers search, social networking and payments under verticals like Souq and cashU. But the Yahoo acquisition does not include them all.

As per the deal, Souq.com, cashU.com and other Maktoob group companies Araby.com and Tahadi.com will operate as a new company called the Jabbar Internet Group, which will be promoted on the Yahoo website.

"This acquisition will accelerate Yahoo!'s strategy of expanding in high-growth emerging markets where we believe Yahoo! has unparalleled opportunity to become the destination of choice for consumers," Yahoo CEO Carol Bartz said.

Meanwhile, Keith Nilsson, Yahoo's SVP of Emerging Markets stated: "We see great growth potential in both audience and advertising in the Arab world and combining with Maktoob.com will allow us to quickly build our presence there with high quality products. This is a big win for publishers, advertisers, and consumers in the region."

Maktoob.com is typically accessed in UAE, Jordan, Kuwait, Egypt and Saudi Arabia. Internet users in these areas will now have access to Yahoo's content in Arabic, including Yahoo Messenger & Yahoo Mail.

Yahoo announced on its blog:

Initially, we'll plan to introduce Arabic versions of Yahoo! Mail, Messenger, Search, and our homepage and then eventually local versions of properties like News, Sports, and Finance. We'll also focus on creating content and services tailored to the region. No other global company has made this kind of investment in local relevance for the Arab world.

Finance.yahoo.com

CBB Treasury Bills Oversubscribed

MANAMA, BAHRAIN - The Central Bank of Bahrain (CBB) announced on August 17, 2009 that this week's BD25 million issues of Government Treasury Bills have been oversubscribed by 300%.

The Bills, carrying a maturity of 91 days, are issued by the CBB, on behalf of the Kingdom of Bahrain. The issuance date of the Bills is August 19, 2009 and the maturity date is November 18, 2009.

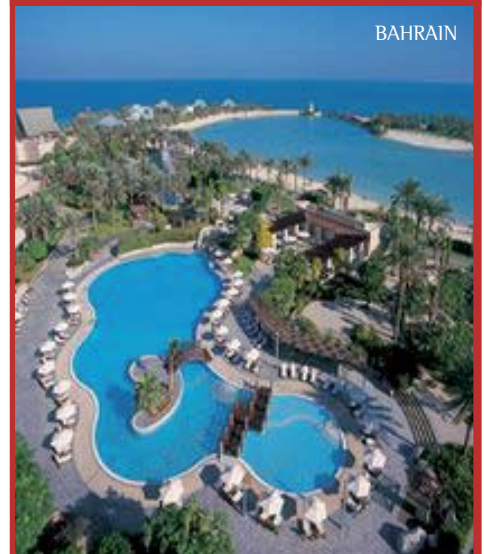
The weighted average rate of interest is 0.70% compared with

0.71%, for the previous issue on August 12, 2009.

The approximate average price for the issue was 99.823% with the lowest accepted price being 99.823%.

This is issue No. 1248 (ISIN BH000A0T9ZH5) of Government Treasury Bills. With this, the total outstanding value of Government Treasury Bills is BD 325 million.

www.cbb.gov.bh



Dow Coatings Materials Unveiled Following Acquisition of Rohm & Haas

DUBAI - The Dow Chemical Company, a leading science and technology company, unveiled on August 20, 2009 the newly-formed Dow Coatings Materials. Combining the technologies and resources of both Dow and recently-acquired Rohm & Haas, the new business is the leading supplier of architectural paints and industrial coatings raw materials in the world.

"As the world's largest and most technologically-advanced developer of raw materials for the coatings industry, our primary focus is to enable the coatings innovations of both today and tomorrow," Zuhair Allawi, commercial director, Dow Chemical India, Middle East & Africa (IMEA) said.

"Dow Coatings Materials offers a wide range of solutions to address performance needs in the Middle East and North Africa, regions with highly diversified weather environments. Be it sand, snow, rain or humidity, our portfolio is designed to counter the

harsh weather conditions of the Middle East and North Africa," added Allawi.

Following the acquisition, Dow Coatings Materials provides a wide range of chemistries and support across many different product lines, including core binder technologies such as latex emulsions (acrylics, vinyl acrylics, styrene acrylics, etc), epoxies and other polymer technologies. Additionally, the business offers a strong portfolio of rheology modifiers, including HASE, HEUR and cellulosic-based products.

The company will also leverage many other product lines within Dow to provide the best possible solution to coating formulators. These include biocides, acrylic monomers, surfactants, polyurethanes, and many others.

This access to diverse products, technologies and expertise across diverse coatings applications will enable Dow Coatings Materials to

aggressively research new solutions and work with customers to identify the technologies they need to meet specific industry needs, such as: reducing environmental impact; improving environmental durability (e.g. UV stability, corrosion resistance, dirt pickup resistance); reducing application and life cycle costs; enabling "smart" coating functionality and many others.

"With global R&D centers around the world and access to powerful tools such as High-Throughput Experimentation (HTE) methods, Dow Coatings Materials offers the industry a unique resource unlike any it has ever seen," Allawi explained.

In addition, the newly-combined business assets of Dow Coatings Materials provides customers access to a significantly enhanced business support network, including production facilities and supply capabilities in every major geography where the company does business.

www.zawya.com

DAMASCUS AND DOHA – Qatar National Bank-Syria (QNB-Syria) announced on August 16, 2009 the successful completion of the subscription phase of its IPO, which concluded on August 10, 2009, after a nearly month-long initial subscription period that commenced on July 12, 2009.

The public offering, which was open to Syrian private and institutional investors, was nearly 2.5 times oversubscribed. The IPO was in great demand among local investors, and saw the participation of various segments of Syrian society in what was one of the most significant recent opportunities in the country's equities market.

The IPO comes at a time when Syria is further opening up its financial system to foreign investors and reflects the growing appetite of Syrian investors to inject money in foreign entities. The imminent commencement of QNB-Syria's operations in Damascus is expected to further stimulate bilateral trade between the two states and is expected to play a key role in promoting Qatari investments in Syria.

QNB-Syria aimed to raise capital of SYP 1,700,000,000 through the IPO, representing 34% of the shares available to the public for subscription. The public offering eventually raised SYP 4,557,352,000 through the oversubscription of the 3,400,000 shares available, amounting to a total of 9,114,704 shares applied for.

QNB-Syria has total authorized capital of US\$100 million with QNB retaining 49% of the equity, and Syrian government organizations and private investors together owning 17%. The

remaining 34% shares were distributed among the subscribers of the public offering.

Four Syrian receiving banks were designated for the IPO – The Savings Bank, The Popular Credit Bank, The Real Estate Bank, and the International Bank for Trade and Finance – given the size of the offering and proving a successful exercise for the Syrian banking industry in what was the largest financial sector IPO in the country to date in 2009.



QNB-Syria Announces Successful Completion of IPO Subscription Phase

QNB-Syria will refund oversubscribed amounts following the founding shareholders meeting that will be held after the official allotment date, when the Bank will also elect its Board of Directors.

This process will be undertaken, according to the policy approved

by the Syrian Commission on Financial Markets and Securities. The refund of oversubscriptions will be announced via advertisements in the country's leading newspapers.

QNB-Syria has already made great strides in laying the foundations for the commencement of operations. The Bank will open its headquarters in Damascus on Baghdad Street, and is expected to start operations by November 2009. The Bank will have two branches by the end of the year including its headquarters in Damascus. QNB Syria has also outlined plans to progressively expand in the Syrian market, with 10 more branches planned for other provinces and major Syrian cities in the subsequent year.

QNB-Syria will offer a full range of sophisticated banking products and services for individuals, corporate institutions and government entities.

www.qnb.com.qa

MoneyGram International and Agrani Bank Announce Alliance to Begin New Service in **Bangladesh**

DHAKA, BANGLADESH AND MINNEAPOLIS, USA - MoneyGram International, a leading global money transfer company, and Agrani Bank, a leading commercial bank in Bangladesh, have launched MoneyGram International Money Transfer services at 867 Agrani bank locations.

"We are pleased to provide MoneyGram's money transfer services across Bangladesh and offer the convenience of service between 190 countries and territories. We are looking forward to an exciting and fruitful relationship," said Syed Abu Naser Bukhtear Ahmed managing director & CEO Agrani Bank.

"MoneyGram's money transfer service will add value to our customers and widen the array of services that we offer through our branches," he added.

Richard Meredith, MoneyGram's regional director for Middle East, Pakistan and Afghanistan, said: "Bangladesh is an important market with more than \$6bn remitted to the region in 2007 according to the World Bank."

"We're pleased to launch our service with Agrani Bank and offer our safe, reliable money transfer services through their broad network of bank and foreign exchange branches. Bangladeshis can send money home from UAE from any of the Al Rostamani International Exchange, Al Fardan Exchange, Al Ahalia Exchange or any other location with MoneyGram sign."

Agrani Bank is the 10th bank in Bangladesh to offer MoneyGram's money transfer services. Globally, MoneyGram has 180,000 agent location including 15,200 on the Indian Subcontinent. MoneyGram money transfer service has been available in Bangladesh for approximately 10 years.

With a large number of Bangladeshis settled in the Middle East, US, UK, Italy, Canada and Australia, remittances of funds from these countries to their families in Bangladesh is high. Locally, customers can walk into any MoneyGram location including all branches of Al Rostamani International Exchange, Al Fardan Exchange and Al Ahalia Exchange or anywhere there is a MoneyGram sign to send money to Bangladesh.

www.istockanalyst.com



SABIC and Mitsubishi Rayon Sign LoI for Joint Venture in KSA

RIYADH - Saudi Basic Industries Corporation (SABIC) announced that it has signed a Letter of Intent (LoI) with Mitsubishi Rayon Company Ltd (MRC) on August 10, 2009, to establish a 50/50 joint venture in the Kingdom of Saudi Arabia.

The LoI was signed on behalf of SABIC by Mutlaq Al-Morished, vice president of Corporate Finance and chief financial officer, and on behalf of MRC by Masanao Kambara, president and representative director.

The LoI outlines the principal terms of the proposed \$1-billion joint venture including the joint-venture structure, technology, marketing and feedstock supply, with start-up targeted for 2013.

Under the LoI, the joint venture will utilize the ethylene-based Alpha process commercialized by Lucite (a wholly owned subsidiary of MRC) to manufacture methyl methacrylate monomer (MMA), with a design capacity of 250,000 metric tons annually. Also, the joint venture company will manufacture polymethyl methacrylate (PMMA), with a design capacity of 30,000 metric tons annually.

SABIC will be responsible for the supply of key raw materials such as ethylene and methanol for the joint venture. SABIC and MRC will also explore the possibilities to produce other products identified under the LoI.

www.sabic.com



ALJ Buys Toyota Turkey Stake

RIYADH - ALJ Lubnatsi Marketing and Sales PLC, a subsidiary of Saudi Arabia-based Abdul Latif Jameel Co. (ALJ), has bought 64.99% of Turkey-based Sabanci Holding's stake in ToyotaSA, in which it partnered with Toyota Motor Europe and Mitsui, Arab News has reported.

Under the new deal, ALJ Lubnatsi will become the major shareholder in the Toyota Turkiye Motorlu Araclar A.S. (Toyota Turkey Motor Vehicles Plc) while 25% of the company will be owned by Toyota Motor Europe and 10% by Mitsui & Co.

ALJ is the distributor of the motor vehicles of the Toyota Group (Toyota, Lexus and Daihatsu) in 12 countries including Japan, England, Germany, China, Egypt, Monaco, Morocco, Algeria, Sudan, Saudi Arabia, Syria and Turkey.

www.ameinfo.com