Middle East

Saudi Arabia

Suliman Saleh Olayan

Suliman Olayan is licensee of Colgate-Palmolive, Coca-Cola, Kimberly-Clark, Burger King and other big American companies in his native Saudi Arabia. Now he wants to expand into Kuwait. As his ally, he's lined up an important Kuwaiti merchant family, the Al-Sagars. Abdul Aziz Al-Sagar is the head of the Kuwaiti Chamber of Commerce. The focus will be on high-tech jobs in oil services and telecommunications.

In the U.S., Olayan operates as Crescent Diversified Ltd. and Competrol Real Estate, located in New York. He owns just over 5% of CS First Boston, plus stakes in Chase Manhattan (5%), J.P. Morgan and First Chicago. At 72, he still calls the shots but has turned over some of the day-to-day operations of his $1 billion empire to his four children. –R.K.

Al-Rajhi family

When Iraq stormed Kuwait, panicky Saudi depositors stormed banks. Rumors swirled that Al-Rajhi Banking & Investment Corp. (assets, $4.9 billion) had a jet flown in stuffed with U.S. dollars to pay depositors.

Whether it's true or not, the rumor attests to the Al-Rajhi brothers' reputation for absolute business rectitude

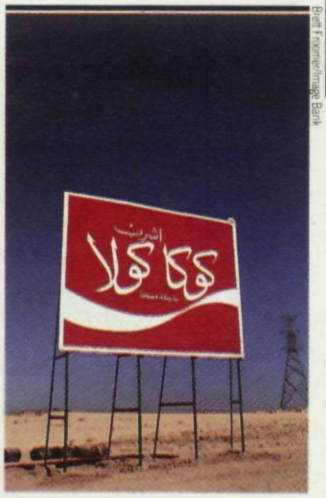
Kuwait City after the war

The cost of replacing stolen goods could reach $10 billion.

as well as religious devotion. Because the Koran proscribes interest, the brothers (Sulaiman, Saleh, Abdullah and Mohamed) benefit from very low cost of funds; their bank earns an astounding 6% return on assets. On the basis of the bank's value on the Saudi stock exchange, the Al-Rajhis' 50% is worth about $1.8 billion. Add to that over $1 billion made in the oil boom years.

The Al-Rajhis specialize in offering below-market rates to finance trade; so as not to earn interest, they buy their commercial customers' inventories and resell them at a markup. So far the brothers have dealt mainly with Japanese and European trading companies. But, according to Mardig Haladjian of Cyprus-based Capital Intelligence, the Al-Rajhis are now interested in developing links to U.S. import-export businesses. –R.K.

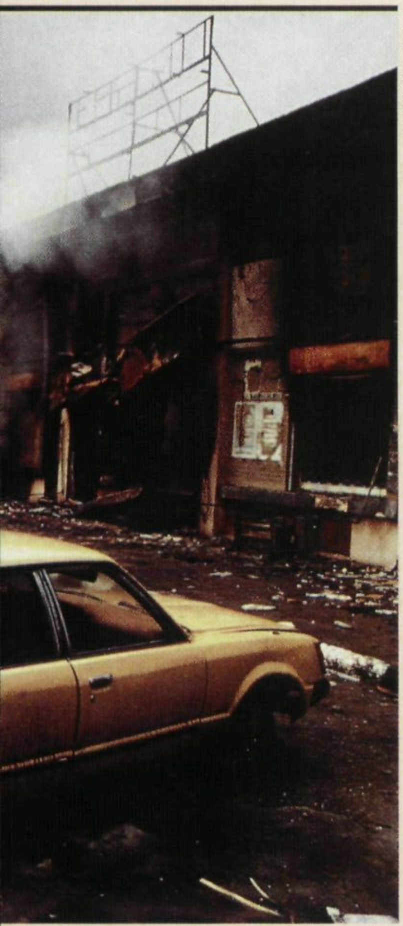
Robert Azzi/Woodfin Camp



Brett Froomer/Image Bank

Suliman Olayan

Bringing Coca-Cola back to Saudi Arabia.



Eric Bouvet/Odyssey/Matrix

New mood in the Gulf

The Kuwaiti government may finally start serious work on rebuilding the country late this summer, or maybe fall. "But why should the private sector wait?" demands a Kuwaiti banker.

The Gulf war has changed Gulf attitudes, nowhere more than here. The private sector is as little as 20% of the total economy—the government owns the oil and most people are on an official payroll. But it is a crucial 20%. Kuwait imports almost everything, mostly through the private sector. The Iraqis looted everything, down to bathroom fixtures.

Shrewd businessmen smell opportunity. "I'm going to live in bad conditions, sacrificing my comfort so I won't miss out," says Sami Shammas, a modestly wealthy Kuwaiti contractor. He rushed home from the U.S. in early April, after signing up new U.S. suppliers. Now, the emergency phase over, only Kuwaitis may bid on contracts, which means foreigners must find Kuwaiti agents or partners. Kuwaiti merchants are scrambling to bring back employees and get to work.

The two Kuwaiti billionaire families—suspended from our list until the dust settles—sent members back home early. The Al-Ghanims' automobile distributorships reportedly lost 7,000 cars to the Iraqis. They have ordered more than 8,000 new ones, GM's single largest international order ever. Staffers scour the U.S. for other goods.

The Al-Kharafi family is even better situated. Their construction firm, one of the largest in the Middle East, already has a contract. Mohamed Al-Kharafi is chairman of the National Bank of Kuwait, the only bank whose assets were not frozen during the war. Over 20 branches are operating in Kuwait; the London office is issuing hundreds of letters of credit a day.

Then there's Saudi billionaire Suliman Olayan's ally, the old Kuwaiti merchant family Al-Sagar. A.H. Al-Sagar & Bros.' Wael Al-Sagar assesses the future. The invasion of Kuwait showed the Gulf Arabs how important political cooperation is in the region, he says. He foresees a kind of Gulf common market, because economic links can reinforce common political interests. Kuwaiti merchants, he says, would let other Gulf companies compete in Kuwait if they could compete elsewhere, too—a big departure from old protectionist habits. Al-Sagar says he's heard such talk from Saudis.

"The war," he says, "showed the cause is one and the fate is one." Cooperation between Arab states has been often discussed but seldom seen. Perhaps this time will be different. –R.K.

Saleh Abdullah Kamel

With an up-from-nothing fortune estimated at $1.1 billion, well-connected Kamel is new to the world billionaires fraternity this year. A former Ministry of Finance controller, Kamel, now in his 50s, joined a Saudi prince in a licensing deal with the U.S.' Avco Corp. (now part of Textron) in the 1970s and won government contracts to maintain airports and provide water and light to entire cities. One division of Dallah-Albaraka, Kamel's master company, holds the kingdom's only license to teach driving and give out permits.

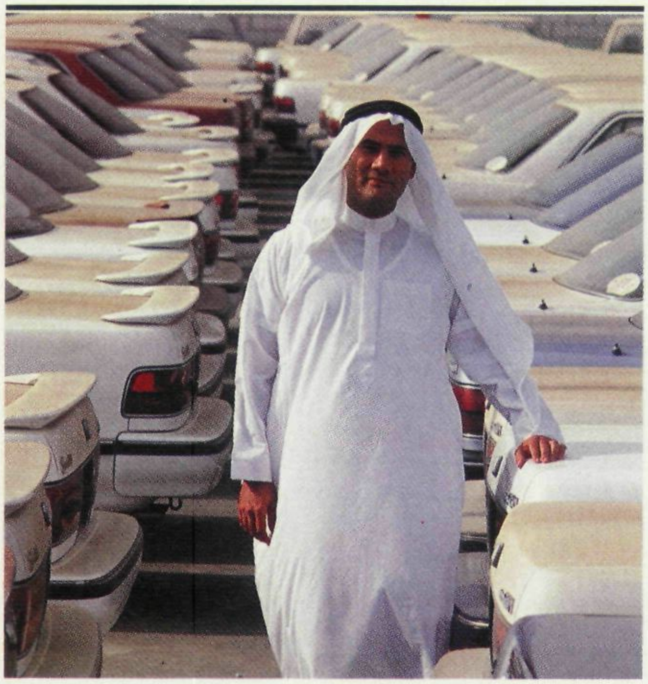
A devout Muslim, Kamel started his own Islamic banking empire (Albaraka) in the early 1980s. (Islamic banks obey the Koran's stricture against *riba*, or interest, and instead make their money through fees and sharing in profits.) Kamel's Albaraka bank (1989 assets, $4 billion) supplies venture capital, and sometimes takes deposits, in underdeveloped countries with large Muslim populations, including Tunisia, Egypt, Mauritania, Sudan, Bangladesh and Pakistan. It does business in England, too. Albaraka also has offices in Chicago, Pasadena and Houston to invest in real estate, mergers and acquisitions, and to finance trade. It also works through Intercap Investments, a New York merchant bank specializing in Islamic banking. Kamel's brother Hassan runs the bank day to day.

Kamel knows the value of public relations. When Saddam Hussein occupied Kuwait and Kuwaiti dinars became worthless, Kamel offered Kuwaitis stranded outside the country preinvasion exchange rates. (Kuwait paid off 100%.) Suppose Kamel wants a bank license in Kuwait and seeks lucrative maintenance contracts. Many Kuwaitis will doubtless remember kindly the man who purchased their worthless dinars. –R.K.

Abdul Latif Jameel

Abdul Latif Jameel, now in his 70s, built a near-$2-billion fortune on his Toyota franchise; it remains the heart of his empire and accounts for 40% of the Saudi car market.

Investments in U.S. real estate (Jaymont Properties) and U.K. car distributors (Hartwell Plc.) may have problems, but Abdul Latif Jameel Co. made $3 billion in sales in 1990, partly thanks to Toyota truck orders



Eric Bouvet/Gamma-Liaison

Abdul Latif Jameel
No complaints about Japan's contribution to the Gulf war.

as one of Japan's contributions to the Gulf war.

Mohammed Jameel, one of three U.S.-educated sons, is learning the business. –R.K.

Bin Mahfouz family

The Bin Mahfouz family name has come up in reports of Clark Clifford's scandal-stained First American Bankshares. The Bin Mahfouz were big holders of BCCI, the money-laundering bank that appears to have secretly controlled First American. But the Saudi family is out; they sold their 20% of BCCI over a year ago. The heart of their fortune is 60% of National Commercial Bank (NCB), Saudi Arabia's largest bank (1989 assets, $23 billion). They also have a Luxembourg-based holding company for investments in the U.S. and Europe. In New York they own bond dealer Langdon P. Cook and Eastbrook, a trading company for Latin American and Asian produce.

NCB has been stuck with bad loans to lesser Saudi royals. Patriarch Salim Ahmed Bin Mahfouz is stepping aside; Khalid Bin Salim Bin Mahfouz, 44, one of the three brothers working at NCB, seems to be taking over.

The family is worth upwards of $2 billion. –R.K.

Juffali family

Through E.A. Juffali & Bros. (sales, $850 million), brothers Ebrahim, Ahmad and Ali Juffali represent some 60 foreign companies in Saudi Arabia, including IBM, Mercedes-Benz and Michelin, and have joint ventures with the likes of Siemens and Du Pont. This $1 billion family installed air-conditioning in the king's Taif palace and still seems to enjoy the royal nod: The Juffalis' joint venture with Siemens recently won a contract for a cancer center for King Abdel-Aziz Hospital. Their foreign investment arm, Enpro International, is in New York. –R.K.

Lebanon

Safra brothers

The cosmopolitan Safras were born and bred in Beirut, fled to Brazil in the late 1940s and made most of their money in New York, Brazil and Europe. Edmond Safra controls 29% of $29 billion (assets) Republic New York Corp., a capital-rich holding company for Republic National Bank of New York. Republic also owns Manhattan Savings Bank. In Geneva Edmond directly owns 20% of Safra Republic Holdings (assets, $8.4 billion), while Republic New York has another 48.6%.

Last November, Edmond's younger brothers, Joseph and Moise, owners of Brazil's Banco Safra (assets, $2.2 billion), paid an estimated $35 million for a controlling interest in First International Bank of Israel ($3.5 billion), Israel's fifth-largest and most profitable bank.

What will the Safras, now worth more than $1 billion, buy next? Edmond Safra's Republic says it is looking to acquire banks in the greater New York area. –R.K.

Rafik B. Hariri

Rafik Hariri, 46, worth some $2.5 billion from Saudi Arabian construction contracts and maintenance projects, owns Houston's Texas Commerce Tower and pieces of French banks. A patriotic philanthropist, he has lent over $100 million, interest-free, to Lebanese students studying in the West. He's also financed nearly 20% of the student body in Lebanese universities. With the end of Lebanon's civil war, look for Hariri to play a major role in the country's reconstruction. –R.K.

Turkey

Vehbi M. Koc

Koc Group, Turkey's largest conglomerate (1990 sales, $9.4 billion; estimated net worth, $3 billion), is selling tea, cigarettes, flour, razor blades, even refrigerator parts to the Soviet Union through its trading company. It's also selling consumer goods on consignment in Hungary, Czechoslovakia and Poland. In fact, Turkey hopes to create a Black Sea Cooperation Zone consisting of itself plus the Soviet Union, Romania and Bulgaria. Explains a Koc trading company executive: "We want to enter the EC but we're frozen; we work with the Middle East and North Africa but they're unreliable; so we are flirting with the East. If we're refused com-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Vehbi Koc

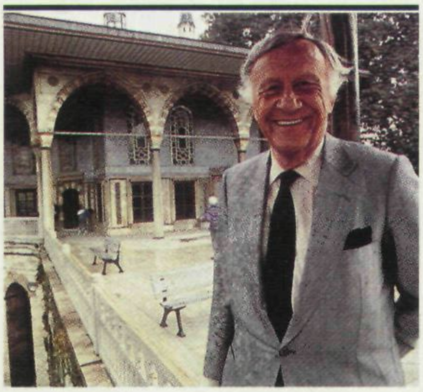
Flirting with the East.

mon market status, at least we'll have found something."

Although Rahmi Koc, 59, runs the business, his father, Vehbi Koc, 90, who started as a grocer, is said to have the last word on big decisions involving the 99 Koc Group companies in everything from electronics to construction to banking to automobiles. Koc, a licensee of Peugeot and a joint venture partner with Ford and Fiat, sold a whole year's worth of cars in the first six months of 1990, before the Gulf war spooked the Turkish market. –R.K.

Nejat F. Eczacibasi and family

Nejat is another new name among the world's billionaires. In 1909 the Izmir city council bestowed the title of Eczacibasi, or head pharmacist, on Nejat's father. Some 40 years later Nejat founded Turkey's first pharmaceutical plant. Today Eczacibasi Holding A.S. (1990 sales, $1 billion) is a major conglomerate, with 30 companies in pharmaceuticals, personal health care and industrial raw materials. The company's estimated worth is upwards of $1 billion.



Gilles Mermet/Sipa

Nejat Eczacibasi

Turkey's biggest pharmacist.

Nejat studied chemistry at the universities of Heidelberg, Berlin and Chicago. During World War II he won fame for producing a vitamin unavailable at the time. After the war Eczacibasi produced drugs under license from Upjohn and other big foreign drugmakers. With two pharmaceutical factories built, he branched out into personal care products and industrial raw materials. Joint venture deals with Procter & Gamble (diapers and feminine hygiene products) and James River Corp. (tissue paper) followed.

Like the Koc Group, Eczacibasi eyes the Soviet market. "The Middle East is 100% unreliable," says an executive, "the Soviet Union, only 50%."

Nejat, 77, is still Eczacibasi's chairman but brother Sakir, 62, and son Bulent, 42, run the business. Son Faruk, 37, oversees their small computer business. Now a patron of the arts in Istanbul, Nejat plays the violin and collects Turkish paintings. He started Istanbul's Foundation of Culture & Arts, which has hosted the New York Philharmonic and the Bolshoi Ballet. –R.K.

Sabanci brothers

Sabanci Holding A.S., Turkey's second-largest industrial conglomerate (1990 sales, $3 billion), is forging more overseas links: with Du Pont to make industrial yarn; with Toyota and Mitsui to produce 100,000 cars a year in Turkey; and with Philip Morris to make Marlboros, Chesterfields and Parliaments. Founded in the 1930s by Haci Omer Sabanci, the company is run by his five sons. Sakip, 58, is chairman; Haci, 57, runs food, cement and textiles; Sevket, 56, international; Erol, 55, banking and insurance; and Ozdemir, 54, automotive and plastics. Last year the family bank, Akbank, went public on the frail Istanbul stock exchange.

The brothers' fortune is estimated at $1.5 billion. –R.K.

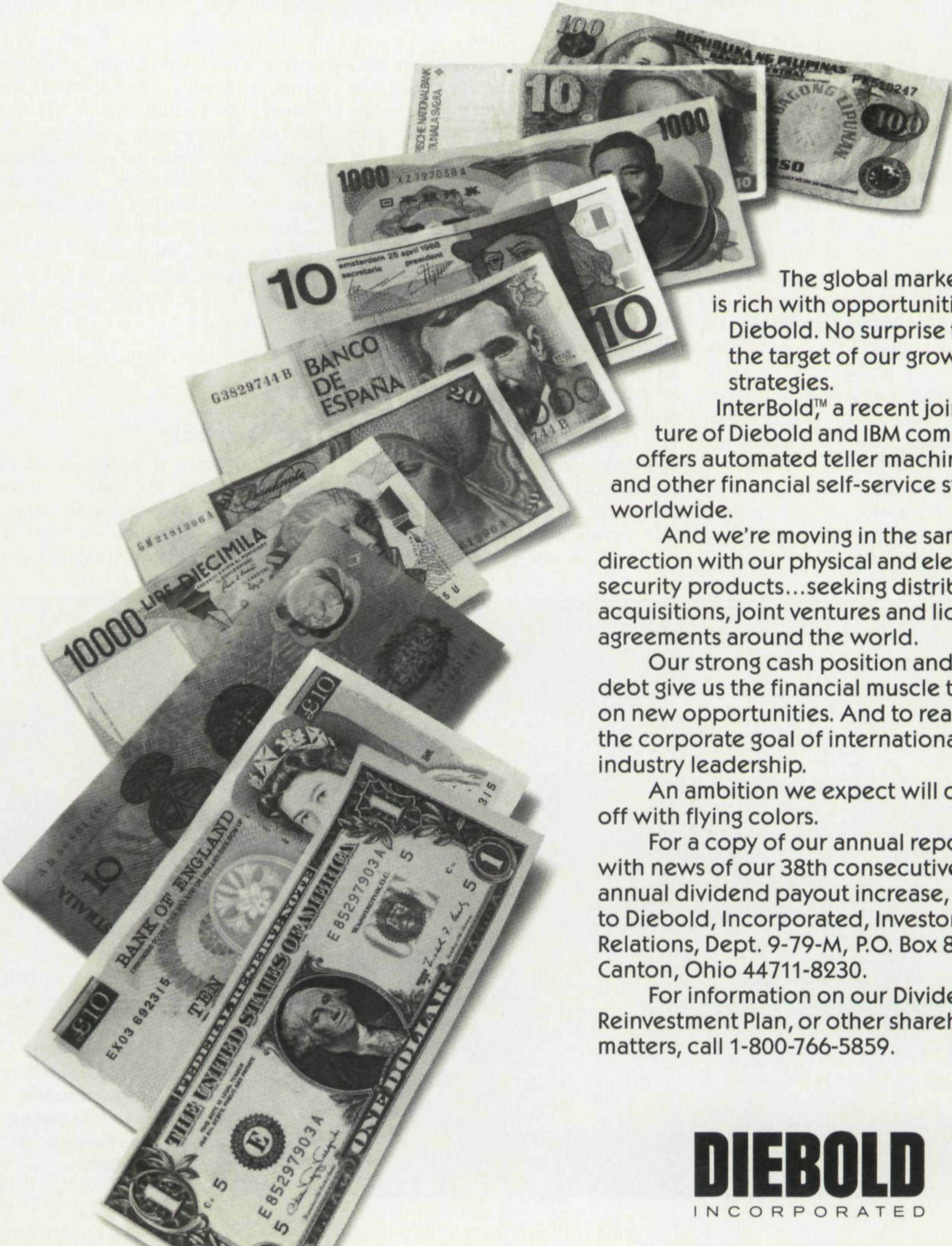
Citizen of the World

The Aga Khan IV

The Aga Khan, spiritual leader of 15 million Ismailis and recipient of an annual 12% of their income—a tribute known as *zakat*—maintains a comfortable lifestyle on his estate in Aiglemont (outside Paris) with his wife and their three children. He owns about 700 racehorses and 7.5% of Giovanni Agnelli & Co., which indirectly holds Fiat's stock. Through his own holding company, Fimpar SpA, the Aga Khan has 50% of Milan-based Ciga SpA, a group of 36 luxury hotels throughout Europe, and controls two small Italian airlines, Alisarda SpA and, through it, Avianova.

The Aga Khan, 54 and a Harvard alum ('59), is also reputed to have a huge stock portfolio. –M.K.

We've discovered that green comes in lots of other colors.



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