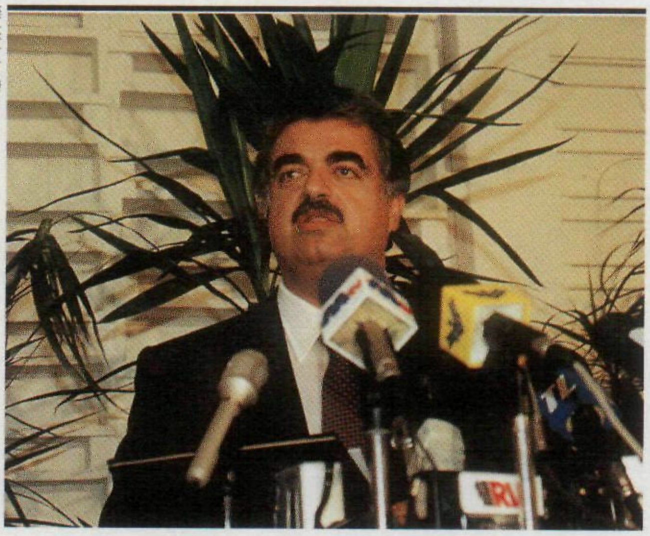
MIDDLE EAST

By Michael Schuman

LEBANON

Rafik Hariri

Estimated over $2.5 billion



Kilal Kabalan/Sipa

Rafik Hariri
He would make Beirut the eastern Mediterranean's financial capital.

Eat your heart out, Ross Perot: Here's a billionaire running a country. Hariri, 48, was appointed Lebanon's prime minister last October.

His entrepreneurial skills and connections are supposed to help move this often balky government and war-torn country forward. Hariri is overseeing a $2.3 billion infrastructure program and a privately funded plan to rebuild downtown Beirut. Critics cry conflict of interest, since Hariri has vast tracts of real estate that could benefit—and 10% (the maximum) of Solidere, the development consortium. But the Lebanese pound has risen 25% since his appointment. The World Bank has granted a $175 million loan, the first in over 15 years. Foreign companies and overseas Lebanese finally show interest in returning. Results count for something.

Edmond Safra and brothers

Over $1.3 billion

Safra's 29%-owned Republic New York Corp. has entered the lucrative business of securities lending for short sales and the like. Safra, 61, tapped former Shearson Lehman Hutton head Peter Cohen to run the new operation. Republic's main holding is the $27.4 billion (assets) Republic National Bank of New York.

KUWAIT

Mohamed Abdul Mohsin Al-Kharafi

Estimated $1 billion

The oil is pumping again, but the private Kuwaiti economy stays dicey. Many businessmen cautiously keep assets overseas, and the population is less than half its prewar level. Kharafi Industries, however, is one of the Gulf's big construction firms. And Al-Kharafi, 80, is close to the ruling Al-Sabah family. He is also chairman of National Bank of Kuwait, which operated from London with smuggled records during the war and last year posted record profits of $138 million.

TURKEY

Koc family

At least $4 billion

The $11 billion (sales) 90-company Koc Group is considered the most professionally managed in Turkey: The stocks of its public companies have taken off with the Istanbul exchange, the fastest-growing emerging market this year—up 82% in U.S. dollars since January.

Koc companies make everything from cars to television sets and refrigerators. Their main export market is still Western Europe. Koc is pushing exports to former Soviet Central Asia, where the big problem is figuring out who's really in charge. "The will is there [to do business], but it takes a lot of hard work," says Davut Okutcu, president of Koc's U.S. subsidiary, Ramerica International.

Sabanci family

Over $2 billion

The $4 billion (sales) Sabanci group gets a third of its consolidated net profits from $3 billion (assets) Akbank, its big Turkish bank. The bank's stock recently traded at a multiple of nine, well below the market's average. Investors, it seems, are wary of Turkish banks.

Nejat Ferit Eczacibasi

Estimated $1 billion

Turkey's largest pharmaceuticals maker likes the former Soviet Union. Eczacibasi, 80, opened a drugstore in Moscow last year, and will add nine this year in several republics. The company supplied 2.5% of the $900 million pharmaceutical imports to the republics last year, and hopes to double that fast.

SAUDI ARABIA

Al-Rajhi family

Over $2.6 billion

The Al-Rajhis aren't making money the way they used to: The Al-Rajhi Banking & Investment Corp. once had a lock on highly religious Muslims, since it strictly avoided any instruments that paid interest—forbidden by the Koran. Now Islamic competition has appeared. With the Saudi stock market and economy booming, depositors are tempted by other opportunities. The Al-Rajhis' traditional dominance of the lucrative remittance business (e.g., guest workers sending money home) is down to under 50% from 90%, lost to faster, more automated banks. But Al-Rajhi bank is still profitable, and is computerizing (not forbidden by the Koran) to get up to speed with competitors. Meanwhile, the fundamentalism sweeping the Arab world is the Al-Rajhis' kind of market trend.

Saleh Abdullah Kamel

Estimated $2 billion

Kamel, 52, controls conglomerate Dallah-Albaraka, whose $6 billion (assets) Albaraka group of Islamic banks has international branches and seeks a Saudi banking license: Watch out, Al-Rajhis.

Jameel family

Estimated over $1.6 billion

The Jameels' $3 billion (revenues) company, now run by the three sons of the late founder, includes the world's largest Toyota dealer and Britain's third-largest car distributor.

Suliman Olayan

Estimated over $1 billion

Olayan, 75, made much of his fortune marketing American products in Saudi Arabia: Huggies, Kleenex, Tang, JELL-O, Maxwell House coffee, Coca-Cola and so on. Just added: Arabia's first Burger King, in Riyadh.

Juffali family

Estimated over $1 billion

The secretive Juffalis, close to the royal family, get lots of lucrative government contracts. They also get plum distributorships, like Mercedes-Benz and Carrier air conditioners.

CITIZEN OF THE WORLD

The Aga Khan IV

Well over $1 billion

Through his $450 million (assets) Aga Khan Fund for Economic Development, the leader of the world's 15 million Ismaili Muslims has invested in a telephone switching equipment maker in Pakistan, alongside France's Alcatel Cie. It is hoped that this will be a better investment than Ciga SpA, the Milan-based luxury hotel group, which the Aga Khan personally controls. Ciga expanded too quickly in the late 1980s. A new stock issue fell through in late 1990 just before the Gulf war clobbered tourism. Ciga then had trouble paying its massive debts. Now its creditor banks are working to restructure Ciga's debt.

EUROPE

ITALY

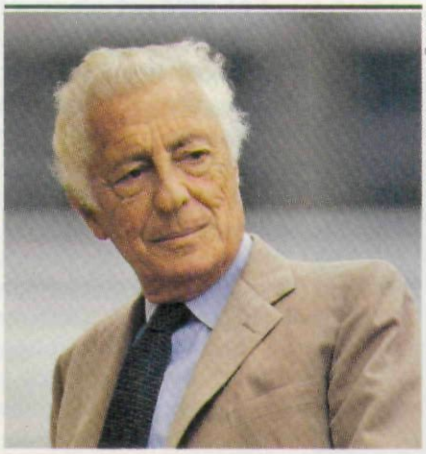
By Michael Schuman

ITALY continues to tremble from shocks and aftershocks of scandals involving hundreds of the country's highest-level politicians and businessmen. Expect more unpleasant revelations—for billionaires, too.

Agnelli family

Over $2.9 billion

Scandals have tainted Fiat's highest executives, but that's the least of the Agnellis' problems. At Italy's richest family's flagship, Fiat, cash flow fell 16% last year, debt mushroomed. Even in Italy, auto market share fell from 61% in 1988 to 46% in 1992. To pull out of its dive, Fiat is investing a record 14% of 1992 revenues and plans 18 new or revamped models in the 1990s. It may even sell profitable nonindustrial assets, like retail arm La Rinascente, for money to back autos. Patriarch Giovanni Agnelli, 72, is turning control over to younger brother Umberto, 59. On Umberto's abilities, the book is still open.



Enzo Signorelli/Granata Press Service

Giovanni Agnelli

Is investing 14% of sales enough?

Salvatore Ligresti

$1 billion

An empire built on real estate, construction and hotels. Arrested on bribery charges last July, Ligresti, 61, spent four months in jail. Now he is back at work at his main holding company, Premafin. Its stock is down by 30%.

Silvio Berlusconi

$1.5 billion or more

A big contributor to Italy's Socialist Party. Former Prime Minister Bettino Craxi is an old, old friend. With his heavily leveraged media conglomerate, Fininvest, barely profitable last year, Berlusconi will take a publishing subsidiary public to raise money. He is also building up retailing arm Standa. Makes sense. Italy's retail market is underdeveloped compared with northern Europe's. Expect Berlusconi to bid on a soon-to-be-privatized state-run supermarket chain.

Ferruzzi family

Perhaps still $1 billion

The family is now led by Arturo Ferruzzi, 53. Ousted brother-in-law Raul Gardini is building a new food conglomerate from Paris—while under investigation in Milan for the 1988 joint venture between the Ferruzzis' Montedison and a government-owned chemical company.

Ferrero family

$1.5 billion or more

Ferrero SpA (1992 estimated sales, $1.4 billion) is the fifth-largest confectioner in the world (Nestlé is number one). The maker of Tic Tac candies is known for efficient operations.

Benetton family

Over $2 billion

Despite missteps in the U.S., these retailers go on (FORBES, *May 24*).

UNITED KINGDOM

By Michael Schuman

David Sainsbury and family

Family, over $4.7 billion;
David alone, over $2.2 billion

Britain's richest family (we exclude royals), the Sainsburys own about 40% of grocery-store chain J. Sainsbury

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