MARMORE
MENA INTELLIGENCE
A MARKAZ Subsidiary

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Kuwait Family Business

Research Highlights:

What makes family business in Kuwait succeed? How do they ensure longevity of organization?
In our report, we explore factors that have been key to their success through various lenses including governance structure, succession practice and business strategy.

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» Skilled team with extensive experience in advanced quantitative and qualitative analysis techniques;

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Executive Summary

Family businesses play an important role in the Kuwait economy. Kuwait family businesses were traditionally involved in trading, but over the years, have diversified into many other sectors with the economic progress of the country. The single key feature of the family business is the ownership structure, which takes the form of direct and complete family control and is characterized by a handful of senior family members influencing decision-making. One advantage enjoyed by family businesses in GCC stems from concentrated shareholdings that allow them to take a long-term view, not influenced by short-term earnings and this has helped them survive the vagaries of the oil economy and its effect on the market for goods and services.

In Kuwait, family businesses started as entrepreneurships, most of which were established several decades ago or more, and have, over the years, diversified and created many conglomerates. As most of the families are in the second generation, many are expected to undergo a generational shift over the next decade.

In this study, we have researched twelve prominent family businesses in Kuwait comprising of Al Kharafi group, Al Shaya Group, Al Boodai group, Al Mulla Group, Kapico group, Al Bookhamsen group, Al Sayer group, Al Babtain group, AlGhanim group, Al Bahar group, Al Homaizi group, and Al Mezzan group. All of them have a long historical presence and are large conglomerates that have grown many folds over many decades. Many today, are leaders in their businesses.

These family businesses operate in varied consumer centric fields like garments, fashion products , food stuffs, FMCG products, consumer durables and semi durables including home appliances and consumer electronics, computers and mobiles, automobile dealerships, restaurants and hotels, construction, real estate, telecom and mobile services, travel related consumer services, forex and remittance businesses and consumer financial services. These families also have presence in industrials including cement, metals, electrical, aviation, engineering and IT Services.

The family businesses in Kuwait operate through hundreds of international brands and franchises in several sectors. Their operations are largely in Kuwait though some have grown overseas and have presence in Middle East, Eastern Europe, and East Asia. These families hold large overseas investments as well as large indirect investments in local businesses.

As is known consumer-oriented and brand supported businesses command high valuations in the equity capital markets due to their good growth, stable demand and profit margins. Therefore, Kuwait Family businesses may have unrealized business value. Hence, Kuwait families should see this as an attractive wealth unlocking opportunity. On the other hand, brick and mortar consumer businesses in GCC are being impacted by e-commerce in recent years. Therefore, family businesses of Kuwait require to explore partnerships like partnering with Private Equity (PE) firms to successfully face the challenge from e-commerce.

This report provides analysis and insights pertaining to the historical evolution, current presence in different business sectors, and products and services offered by the various family businesses. The information provided also includes, wherever available, some of the success factors that resulted in business growth, approach of the family groups in conducting their business; the size and nature of employees in their businesses, metrics such as number of outlets, show rooms, restaurants, and hotels owned by them, names of brands that are represented by them, and also an overview of their foreign operations. The report also discusses the concerns facing the family businesses related to succession, control, governance and growth and presents some solutions to alleviate these concerns.

Kuwait Family Businesses

Family businesses form the backbone of the economy in Kuwait and the wider GCC region. It is estimated that 80% of the non-oil economic activity and up to 95% of the companies (by number) are family owned in the GCC region[1]. Additionally, they contribute substantially to the process of job creation. Currently, over 50% of these businesses are transitioning from second generation to their third, posing organizational challenges. Main challenges for the family businesses, in general, include implementing succession of ownership and attracting professional managers. Businesses require decentralized organization structures and well thought succession planning to face the challenges of the current times.

Table 2.1: Family business development stage

Generation	Ownership	Management	Governance Structure	Key Issues
First	Founder		Simple	Succession planning
Second	Siblings	Family members	Complex	Maintaining harmony among family members; Establishing efficient communication channels, Formalizing process & procedures
Third	Grand children, cousins, in-laws	Family members & outsiders	Complex	Shareholding liquidity; Investment (capital allocation) & dividend policy, Role of various family members in business

Source: IFC

When the business is established, the founder plays an active role in stewarding the business and sets it on the path of development. He or She acts as both the owner and manager, the governance structures are simple and easy to manage. The main challenge for first generation business is to groom successor as the founder steps aside following retirement.

In the second generation, usually, the mantle falls on the siblings of the founder. Unless the succession is well planned and the roles and responsibilities of various siblings delineated, the presence of large number of siblings could complicate the proceedings. Lack of proper planning has often resulted in business being split with each managing an equal number of business divisions. Therefore, maintaining harmony among

[1] Global Risk Insights

the siblings would be essential. Measures to institutionalize the decision making process and enhancing the communication channels would instill transparency and enhance the trustworthiness. At this stage since various family members would also be part of the business, organizations need to address complexities of reporting lines and communication channels.

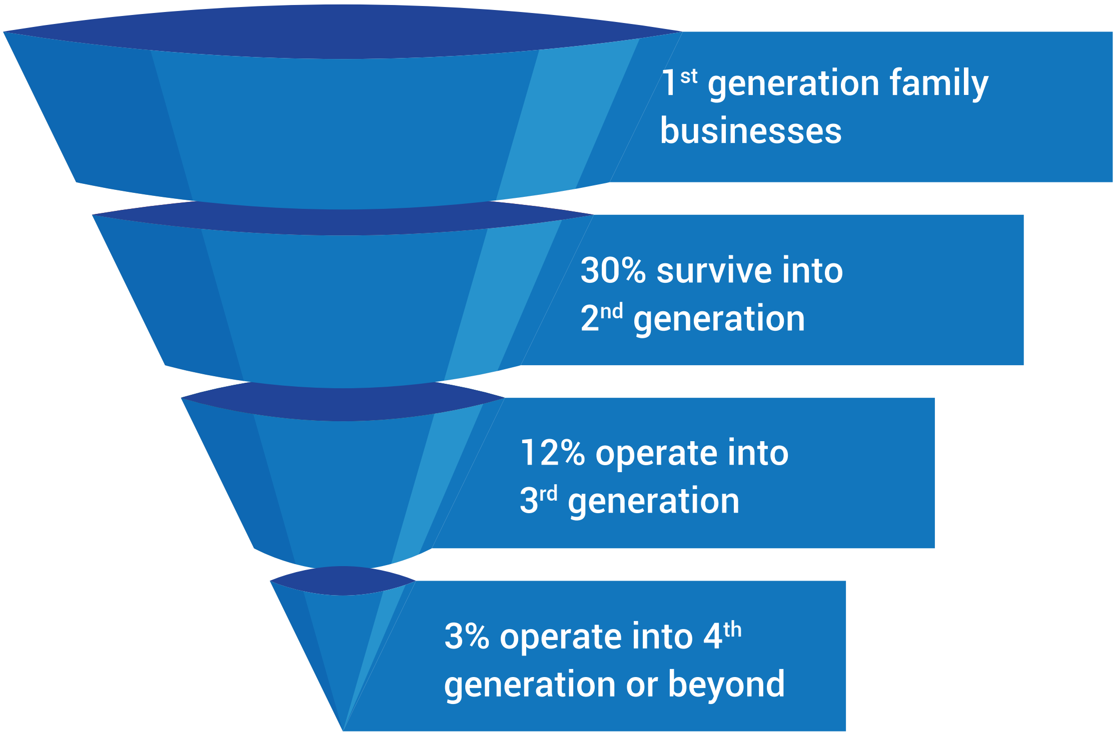
As the business progresses into the third generation, governance becomes an even more complex task. Multiple family members, across generations would be associated with the business in various capacities. The generational gap in thinking would be most evident in this stage. The ownership that was initially concentrated would be fragmented with some only being actively involved. In addition, some family members might like to liquidate their stake. Therefore need for institutionalizing of process and decision-making is most essential in this phase. Clear policies pertaining to capital allocation, management remuneration, values that the business should stand for must be established.

Governance in Family business

i. Survival rates across generations

Various research studies points to the fact that family businesses falter in the third generation and the survival chance in the fourth generation is in low single digits. For instance, a study by Family Business Institute suggests that globally only 3% of the family business operate in the fourth generation or beyond. Chief reason for the failure to survive over generations could be linked to the share ownership. As the generation progresses, the ownership is fragmented across family members. Fragmented ownership makes it harder to make decisions concerning the businesses. Over generations, family members transform into passive owners rather than being involved in actively stewarding the business. In this stage, lack of 'active ownership' and loss of emotional commitment have been identified as the key feature. The business families in the GCC are known to exhibit greater cohesion and respect for family hierarchy guided by a feudal nature of the society that makes monarchies to prevail in political power sharing. Many GCC business families have had smooth transition to subsequent generations without fracturing the family. The study results regarding survival rates in second generation and beyond experienced globally therefore, may not be fully relevant in the GCC or Kuwait due to differences in the family culture between the global and GCC societies, though they do show some direction to what may happen across generations of family businesses.

Figure 2.1: Survival of family businesses across generations



Source: Family Business Institute

Ii. Need for Governance

To bring about a successful transition to second generation, instead of merely relying on existing relationships, organization structure has to be developed. Decisions are to be process driven and the responsibilities need to be clearly charted out in a policy document. It is important to ensure that the key stakeholders, board of directors, shareholders, key management and other relevant parties, are involved in the decision-making process.

For effective implementation of governance mechanism, a the "family council" or "owner's council", needs to be established, which shall serve as a formal communication platform for expression or discussions pertaining to the way the business is being stewarded among the family members. This shall effectively keep all of the family members are informed about the decisions being taken, the challenges ahead and the strategy being followed.

Framing of policies as well as their periodic review by the family council could provide additional guidance and necessary stability to the business operations. Policies pertaining to remuneration of employees, training programs, code of conduct, and issuance of dividends could be made. Continuous communication among the various owners is the key and having a structure along with policies to guide shall be advantageous for most family businesses as they move across generations.

iii. Case study: Jarir Marketing

Jarir Marketing (Jarir), which is now well established, originated in 1974 from a small newsstand in Jarir Street, Riyadh. Started by a school headmaster who had nine children, it initially sold books, papers, pens, and school stationaries. After the siblings, five in number - Alagil, Nasser, Abdullah, Abdulkarim and Abdulsalam, took over the reins and in a bid to enhance the scale of business, built its first 15,000 square foot store in 1979. Alagil, the oldest among them received his education in the U.S. and was influenced by the office supply superstore chain - Office Max. He was instrumental in enlarging the store size to 35,000 square feet and modelling Jarir business along the lines of Office Max. Soon, Jarir Marketing expanded into office supplies and furniture businesses. AbdulSalam being a finance graduate oversaw the auditing functions. Abdullah being a business graduate managed the wholesale division. Abdulkarim managed the store operations. While, Nasser started managing the contracts and got involved in business development. The clear delineation of roles and responsibilities among the siblings was thus, a key factor that ensured the success of Jarir Marketing in the second generation.

In 2003, Jarir was taken public – the first family business to do so in Saudi Arabia. The decision to go public was three-fold. One, to inject capital for expansion of business; two, to provide liquidity as one among the five brothers had passed away and the wife and kids had to be taken care of; and three going public and being in the spotlight made them to draw a strategy plan for the long-term. Going public also enabled Jarir to bring appropriate governance structure for smooth functioning of the business operations. Being a public firm, provided Jarir with greater visibility and enabled it to attract managerial talent. In addition, compensation of the senior management was tied to the company's bottom-line growth, thus aligning their goals with that of company.

Control & Succession planning

GCC stock markets have been seeing many large family controlled businesses going in for an IPO in recent years. However, there are many family businesses, particularly in Kuwait, that continue to shy away from a public listing due to fear of losing control and succession roadblocks. Succession planning becomes more efficient through the many advantages of going public, and the family businesses in GCC have been realizing it in recent years. Family businesses in GCC that maintain controlling stake, have seen that they are not faced with succession issues despite going public. Also, business families are recognizing that Public listing is a strategic necessity to enhance corporate brand awareness and achieve stakeholder loyalty. Public listing benefits family businesses, like the case of banks, who increasingly come forward to provide better and higher credit aided by the additional comfort of collateralized shares of promoters if credit risks warrant higher security. Additionally, public listing allows family businesses to engage and grow non-organically through mergers & acquisitions (M & A). M & A activity is a necessity in the current business conditions of global competition that can be countered only through lager size of operations. Speed to achieving growth that M & A provides is also a necessity in current times. Public listing makes it possible for GCC family businesses to attract global talent who can be lured by Employee Stock Options that links rewards to success. Many business families in the GCC are increasingly attracted by the higher valuations that a Public listing enables, and can lead to a sharp rise in their family wealth. Public listing benefits like the enhanced liquidity and divisibility of wealth that makes dissenting family members to separate without disrupting the family control, are now realized by business families. The social visibility through wealth recognition that is made possible by public listing attracts some of the family businesses.

However, higher disclosures, and fear of losing control discourages GCC that includes Kuwaiti family businesses, from taking the listing route. Thus, the main reason why family businesses shy away from listing on the stock exchange is due to the fear of diluting ownership as that may lead to potential loss of control. In addition, increased disclosure requirements and the higher level of transparency in operations are other concerns. Hence, in the current situation there are many companies listed in the GCC and Kuwaiti stock markets that are banks or government owned entities. One solution for this situation, is the introduction of dual class share structure that can alleviate some of these concerns.

Dual Class Shares Mitigate Public Listing Fears

Dual Class Share (DCS) is a governance structure that provides certain shareholders with voting power or other related rights that is disproportionate to their shareholding value. Generally, one share provides one vote; in case of dual class share structure, one class of shares offer one vote, while shares in another class could carry multiple voting rights or absolutely no voting rights. For example, Alphabet Inc. (parent company of Google) has different classes of shares: class-A ordinary shares that are traded on Nasdaq have one vote per share; and class B shares which are not publicly traded have 10 votes per share. This way, the founders who owned 92.5% of the class B shares, represented approximately 58.5% of voting rights and maintained control over the firm.

Historically, dual-class shares rose in popularity to thwart corporate threats. UK companies used dual class shares in the 1960s to protect themselves from hostile takeovers. Similarly, the start of corporate raiders during 1980's in the U.S. led New York Stock Exchange (NYSE) to reintroduce the structure. Proponents of dual-class share structures, say U.S. newspaper businesses that floated their ventures in the second half of the 20th century, could utilize the structure to protect editorial integrity uninfluenced from outside shareholder pressures. The ability to focus on building long-term value without worrying about short-term pressures from market is touted as a major advantage in dual class share structures.

In recent times, Silicon Valley entrepreneurs have embraced this structure whenever they intended to float their business, to prevent investors from interfering in the way they run their business. Initial Public Offerings (IPOs) in technology sector, Google, Facebook and LinkedIn have all had dual share structures; entrepreneurs argue that it would enable them to bring their ideas to the capital markets at an early stage, and simultaneously allow the companies to plan for the long term growth and sustainability.

Presently, U.S (NYSE & NASDAQ), Canada & Sweden stock exchanges allow for dual class share structure. In U.K, 'premium segment' listing does not permit while 'standard segment' listing allows multiple voting structures. Other stock exchanges such as Singapore are reconsidering their earlier ban on dual class shares to win IPO businesses from its rival Hong Kong Stock Exchange. Hong Kong missed an opportunity to list Alibaba on its exchange due to the ban on dual class shares.

Closer to home, one can extend the argument to family businesses in GCC region which could benefit from introduction of multiple share structures in capital markets. Dual class shares would provide the necessary environment for family businesses in the region to float their businesses; additionally it would also permit different dividend policies for different classes of shareholder thus enabling family shareholders to retain control over management and capital. Apart from traditional, family-run businesses, dual share structure would also incentivize start-up companies to consider Kuwait Stock Exchange as a potential listing venue. Greater flexibility in raising and managing capital would help businesses to grow, while investors would be provided with wider range of investment opportunities. As a result, Kuwait Stock Exchange could become a comprehensive, vibrant and dynamic market that could draw both traditional family businesses as well as modern start-ups.

Introduction and adoption of dual class share structure could be a progressive step. Family businesses that intend to publicly list but would not like to cede control in running their company, should be given a choice to do so.

Private Equity Partnership a Preparatory Step to Public Listing

It is not always the case of nurturing siblings to take over the reins of the family business. At times, it would be hard to attract quality professionals from outside, as most businesses have an informal governance structure. Additionally, the high growth family firms that operate in niche segments might be in need of additional capital to pursue growth opportunities. However, considering their risk profile, obtaining financing from banks would be challenging.

To overcome capital constraints, talent crunch and to instill appropriate governance structures, family businesses could collaborate with Private Equity (PE) firms. Collaborating with an experienced PE partner could help the firm pursue deals with confidence that lie outside of their comfort zone. They also act as a catalyst to formalize or institutionalize the management structure and aid in introduction of robust governance structure. Moreover, by leveraging their wide network of connections, finding talent for management becomes much easier. Having said that, engaging with PE players has its own set of challenges. Firstly, the sense of losing control over the business might inflict upon the founders as the PE players get hands on in their desire to improve upon the performance. Second, the cultural clashes between the family members and the PE partners could make transformations a challenge. Finally, the exit plans could be a cause of concern. Typical holding period of PE firms range from three to seven years, while family business operate across longer time horizons spanning future generations. PE firms might eye the most attractive exit, the one that provides them the maximum value or return on their investment, such as an IPO or through stake sale to a strategic buyer, that may go against the wishes of the family members. Thus, it is important to discuss all possible concerns before agreeing to collaborate with PE firms.

In this study, we examined the business activities of 12 most prominent Family Businesses in Kuwait (KFB). The prominent groups were identified based on data available from Reuters and we assume that these represent bulk of the family businesses in Kuwait. We used information available through secondary research, a major part of which was from internet searches. The family businesses studied were Al Kharafi group, Al Shaya Group, Al Boodai group, Al Mulla Group, Kapico group, Al Bookhamsen group, Al Sayer group. Al Babtain group, Al Ghanim group, Al Bahar, Al Homaizi, and Al Mezzan. All of them have long historical presence and are large conglomerates that have grown many folds over several decades.

The report contains information like historical evolution and key milestones, presence in different sectors, product offerings and indicators helpful to gauge size of the businesses, for each of the family businesses included in the study.

Sector-wise Participation of the Prominent Family Businesses in Kuwait

Presented below is presence of the twelve prominent Kuwaiti family businesses in some of the sectors and sub-sectors in Kuwait.

Kuwaiti Family Businesses in Automotive & Related Sectors

The automotive sector in Kuwait is an important sector that meets its needs mainly from imports (USD 2.9 billion in 2017). The imports of automotive products have, however, been showing a decline over the period 2013-2017. The related sectors include goods like auto spares, lubricants and oils, tires, paints and batteries and auto accessories and service sectors like retailing pre-owned cars, auto rentals and leasing and auto repairs and services. The number of Kuwaiti family businesses (KFBs) operating in the automotive and related sectors is presented in Table 3.1. It is observed that several of the KFBs are participating in these sectors and have been in this business for a long period.

Table 3.1: Presence of Kuwaiti Family Businesses in Automotive & Related sectors

	Number of KFBs participating	Names of KFBs
Dealership – Motor Vehicles	5	Al Babtain, AlGhanim, Al Mezzan, ALMulla, and Al Sayer
Retail- Pre-owned Cars	3	AlGhanim, AlMulla, AlSayer
Auto rentals & Lease	3	AlGhanim, AlMulla, AlSayer
Auto Repairs & Service	7	Al Kharafi, Al Babtain, Al Boodai, Al Ghani, Al Mezza, Al Mulla and Al Sayer
Dealership - Accessories	2	Al Ghanim and Kapico
Dealership - Auto Spares	8	Al Babtain, Al Boodai, Al Ghanim, Kapico, Al Mezzan, Al Sayer and Al Shaya
Dealership - Lubricants & Oils	2	Kapico and Al Sayer
Dealership - Tires, Paints & Batteries	3	Al Babtain, Al Kapico and Al Sayer

Kuwaiti Family Businesses Operating in Retail Sector

Kuwait imports many consumer products comprising of hundreds of leading international brands and the local businesses are engaged in retailing of these brands. This is a lucrative business, given the high purchasing power of the Kuwaiti consumers and their propensity to spend on popular international branded products whether it is clothing, consumer electronics, home decorative products, telecom products, building products, fashion products or food products. The growing population and the large segment of youth provides an attractive and growing market opportunity for retailers having presence in these markets. The number and names of KFBs having presence in the retail trading are shown in Table 3.2. Organized retail is the dominant channel since the last decade in Kuwait and franchise rights of popular international brands is a key success factor. The market is seen to be concentrated among the few large KFBs, who operate in these markets.

Table 3.2: Presence of KFBs in Retail Trade

Retail of Consumer Products	Number of KFBs	KFBs having Presence
Retail - Clothing	1	Al Shaya
Retail - Consumer electronics	3	Al Babtain, Al Ghanim, Al Mezzan
Retail - Home products	3	Al Babtain, Al Ghanim, Al Mezzan
Retail - Telecom Products & Service	1	Al Babtain
Retail- Building products	2	Al Bahar, Al Ghanim
Retail- Fashion Products	3	Al Homaizi, Al Shaya, Kapico
Retail- Food products	2	Al Homaizi, Al Shaya, Kapico

Kuwaiti Family Businesses in Wholesale Trade

The large retail market in Kuwait for various consumer products opens opportunities for large wholesale trade and it is a large business in Kuwait. Together, the country's total wholesale and retail trade accounted for GDP of about USD 5.3 billion in 2017. The whole sale products included in this section are mainly imported, consist of large consignments given the concentration of few global players in these products and come from some of the reputed manufacturers who own some of the most popular international brands. Few KFBs operate in this business in these businesses as seen from Table 3.3. These KFBs can be expected to be controlling large share of the trade in these segments as such trade requires imports financed through international banks and requires deals with large global suppliers, both of which can be expected to be feasible only by businesses have long standing and strong credentials. It is seen there are common names between wholesalers and retailers suggesting vertical integration in the trade.

Table 3.3: Presence of KBSs in Whole Sale Trade

Wholesale Trade - Consumer Products	Number of KFBs	KFBs having Presence
Dealership - Durable Goods	3	Al Babtain, Al Bahar, Al Homaizi
Dealership - Electronic Products	1	Al Babtain
Dealership - FMCG	2	Al Babtain , Al Bahar
Distribution - FMCG	1	Al Bahar
Dealership - Food Products	1	Al Ghanim

Kuwaiti Family Businesses in Restaurant Sector

Restaurant business is a *sine qua non* of a high-income economy and visiting restaurants is like-wise an essential part in the life of Kuwaitis. The country boasts of some of the best global restaurant chains and KFBs have a strong presence in this business. Al Kharafi group also had presence but divested their interest in this business few years ago. The business presently has the presence of four KFBs which means considerable investment has been made by the KFBs in this business.

Table 3.4: Presence of KFBs in Restaurant Business

Restaurants	Number of KFBs	KFBs having Presence
Restaurants (Food & Beverage)	4	Al Ghanim, Al Homaizi and Al Shaya

Kuwaiti Family Businesses in Hospitality Sector

Hospitality business is also characterized by high income levels as business and leisure are prevalent in such economies and Kuwait also has a large hospitality sector. The country has some of the well-known global brands of hotels. The business requires large sized investments which only deep pocketed investors can own. Together hospitality and restaurant sector accounted for GDP of USD 1.4 billion in 2017 and the sector has been growing. There are three KFBs who have investments in Kuwait hospitality sector as seen from Table 3.5.

Table 3.5: KFBs Presence in Hospitality Sector

Hospitality Services	Number of KFBs	KFBs having Presence
Hospitality Services	3	Al Boodai, Kapico, A Shaya

Kuwaiti Family Businesses in Construction & related Sectors

Construction is a big sector in Kuwait as it has a lot of infrastructure being built and a growing housing sector demand from the growing youth population. The sector saw a boom several times in the past with surging oil revenues and post war reconstruction in the past. In 2017, construction accounted for GDP of about USD 3 billion and it has been about these levels over the recent past. Currently, the country continues to build structures commensurate with the high per capita income of the country. Airport expansions, metro rail under planning, roads and bridges, real estate projects, hotels, hospitals, etc. are some of the generators of demand for Kuwait construction sector. Family Businesses like Al Kharafi built their initial fortunes mainly from Construction. As seen from Table 3.6, few KFBs operate in infrastructure construction while there are more players in building construction. The heavy equipment sector also has quite a few KFBs engaged, as its fortunes are directly linked with Construction sector growth.

Table 3.6: Presence of KFBs in Construction sector

Construction Sector	Number of KFBs	KFBs having Presence
Construction - Buildings	4	Al Kharafi, Al Boodai, Al Bookhamsen, Al Shaya
Construction - Industrial	1	Al Kharafi
Construction - Infrastructure	2	Al Kharafi, Al Boodai
Dealership - Construction Equipment	1	Al Boodai
Dealership - Heavy Equipment	4	Al Bahar, Al Boodai, Al Mulla, Al Sayer

Kuwaiti Family Businesses in Real estate Sector

Growing population, high income levels and sizeable consumer savings generate sizeable opportunities and market to real estate developers in Kuwait. The real estate sector is therefore an important economic activity in Kuwait and the sector accounted for GDP of USD11.6 billion in 2017. Real estate development is also a high margin business and it, therefore, forms an important activity of all business houses. Consequentially, the support activity of real estate management services also provides market opportunities for businesses in Kuwait.

As observed from Table 3.7, the KFBs have large presence in this business in Kuwait, with as many as seven out of the 12 business houses reporting operations in this sector.

Table 3.7: KFBs having presence in Real Estate Development

Real Estate Sector	Number of KFBs	KFBs having Presence
Real Estate Development	7	Al Babtain, Al Bookhamsen, Kapico, Al Mezzan, Al Mulla, Al Sayer and Al Shaya
Services - Real Estate Management	6	Al Bookhamsen, Kapico, Al Mezzan, Al Sayer, and Al Shaya

Kuwaiti Family Businesses in Healthcare Sector

The healthcare sector in Kuwait is predominantly with the Government. However, given the large funding needs of the sector and limited room in government budgets to accommodate the expenditure required by the sector, the private sector is increasingly being encouraged to participate in the sector. The growing needs of healthcare and moves by the government in the direction of divestment or privatization of existing government healthcare institutions, will offer large investment opportunities to private players. The sector accounted for GDP of USD 3.7 billion in 2017. Table 3.8 shows the current number of KFBs and the names of them who are participating in the country's healthcare sector. Presently only two KFBs have presence in the country's healthcare sector. Given the large potential for investment in the future, it may not be surprising if several other KFBs enter the sector in the future.

Table 3.8: KFBs presence in Healthcare Sector

Healthcare	Number of KFBs	KFBs having Presence
Healthcare - Primary Care	2	Kapico, Al Sayer
Healthcare - Luxury Care	2	Kapico, Al Sayer
Dealership - Pharmaceuticals	1	Al Sayer
Dealership - Medical equipment	1	Al Sayer

Kuwaiti Family Businesses in Manufacturing Sector

The total non-oil manufacturing sector in Kuwait accounted for GDP of USD8.3 billion in 2017. This includes petroleum refined products and chemical products that account for 60% of the total manufacturing GDP and which are owned mainly by government. There are indirect investments in such manufacturing facilities by private players, though their holdings are in the minority. The KFBs studied in this report, do not have large presence in these manufacturing sectors. However, in other manufacturing businesses that account for 20-30% of total manufacturing GDP, some KFBs have presence but it is not intensive, as seen from Table 3.9. In all about 7 KFBs out of the 12 KFBs studied have presence in some manufacturing business or the other.

Table 3.9: KFBs presence in Manufacturing & related Sectors

Manufacturing Sector	Number of KFBs	KFBs having Presence
Manufacturing – Processed Foods	1	Al Kharafi
Manufacturing - Building Products	1	Al Ghanim
Manufacturing - Electricals	1	Al Kharafi
Manufacturing - Fabrication	2	Al Kharafi, Al Mulla
Manufacturing - Steel & Steel Structures	2	Al Bookhamsen, Al Ghanim
Manufacturing- Animal feed	1	Al Sayer
Manufacturing- Cement Products	2	Al Boodai, Al Kharafi
Manufacturing- Dairy Industry	1	Al Babtain
Power Equipment Rental	1	Al Boodai, Al Kharafi

Kuwaiti Family Businesses in IT and Office Management Sector

IT and Office Equipment industry is a lucrative industry, particularly during the current millennium with its wide applications in almost every sector of the economy. The office equipment and computer imports were about USD 0.7 billion in 2017. The KFBs have extensive presence in the office equipment dealerships and limited presence in the dealership of IT equipment and IT services, as seen from Table 3.10.

Table 3.10: KFBs presence in IT & Office Equipment Business

IT & Office Equipment	Number of KFBs	KFBs having Presence
Information Technology	2	Al Boodai, Al Sayer
Dealership - Computers & IT	1	Al Mezzan
Dealership - Office Equipment	5	Al Babtain, Al Bahar, Al Ghanim, Al Homaizi and Al Mulla

Kuwaiti Family Businesses in Engineering Services Sector

The KFBs presence in the Engineering services sector is shown in Table 3.11.

Table 3.11: KFBs presence in the Engineering services sector

Engineering Services	Number of KFBs	KFBs having Presence
Engineering - Buildings	3	Al Bookhamsen, Kapico, Al Mulla
Engineering - HVAC	3	AL Kharafi, Al Babtain, Al Bookhamsen
Engineering - Industrial	1	Al Mulla
Engineering - Intrumentation	1	Al Mulla
Industrial O & M services	2	Al Kharafi, Al Bookhamsen
Dealership - Engineering products	2	Al Boodai, Al Mulla

Kuwaiti Family Businesses in Other Service Sectors

The KFBs presence in some of the other Services Sectors are shown in Table 3.12.

Table 3.12: KFBs presence in some of the other Services sectors

Other Services	Number of KFBs	KFBs having Presence
Aviation & Aircaft Leasing		Al Boodai
Banking		Al Bookhamsen
Insurance		Al Mulla
Services - Travel Agency	5	Al Boodai, Al Bookhamsen, Al Ghanim, Kapico, Al Mulla
Services - Travel Management	4	Al Bahar, Al Boodai, Al Bookhamsen, Al Mulla
Leisure & Entertainment	1	Al Shaya
Services -Exchange & Remittance	2	Kapico, Al Mulla
Education	2	Al Mezzan, Al Shaya
Services -Power Supply Services	1	Al Boodai
Services -Ports Management	1	Al Boodai
Services - Shipping agency	1	Al Bahar
Services -Transportation	1	Al Boodai

Profiles of Family Business Groups of Kuwait

1. The Al Kharafi Group (1956)

Mohammed Abdulmohsin Al-Kharafi & Sons Company, popularly known as 'MAK Group', is a Kuwait based family business, founded in 1956. Nasser Al Kharafi born in Kuwait in 1943, belongs to the second generation of Al Kharafi family who led the family business and rose to become one of the country's most prominent businessmen, following the footsteps of his father Mohamed Abdul Mohsen Al Kharafi. Nasser Al Kharafi died in 2011. After the death of Nasser Al Kharafi, his younger brother, Mohannad, took the reins of the firm alongside other family members. Presently, Bader Nasser Al Kharafi as third-generation head of family business upholds the legacy of the group and serves as the CEO of Zain Group.

The group capitalized on the construction boom in the GCC region in the late 20th century following the oil boom in 1970's, and its construction business division played a dominant role in the wealth creation. The business expanded geographically and led to establishment of permanent offices in KSA (1965), UAE (1968), Yemen (1975), Egypt (1980), Kenya (1982), Lebanon (1994), South Africa (1995), Indonesia (1996), Syria (1999) and Bulgaria (2003). The success of this division led to establishment of other subsidiaries related to construction sector such as Kuwaiti British Readymix Co, ISOFOAM Insulating materials, and ADMAK General Contracting Company.

Kharafi has diversified operations in:

Infrastructure Project Development – the development, financing, management, operation and maintenance of major BOT, BOO, and PPP infrastructural projects;

EPC – engineering, procurement and construction in the water, power, infrastructure, environment and building services sectors;

Construction – construction services in the oil and gas, petrochemicals, power, water and related sectors;

Facilities Management – the management, operation and maintenance of commercial complexes, industrial plants and power installations;

Fabrication Services – the fabrication of process equipment and heavy structures for the industrial and civil construction sectors.

The organization contains all the disciplines namely civil, HVAC, mechanical and electrical engineering, instrumentation systems, telecommunications, quality assurance and control processes, and health, safety and environment procedures required to deliver a broad range of development and contracting services.

Following the success in construction sector, the group diversified its business interests and diversified across various sectors including food processing, restaurant chains, financials, telecom and commercial activities worldwide. As per last available data as of December 2015, the group annual turnover was over USD 5bn and they operate in more than 25 countries around the world and have more than 120,000 employees.

Al-Kharafi Group has holdings in several companies listed on the Kuwait Stock Exchange and also has stakes in several listed firms in the wider MENA region, alongside subsidiaries in the construction, hospitality and travel industries.

Table 4.1: Investments of Al-Kharafi Group in Stocks (values in USD mn)

Stock Name	Value Held	Market Capitalization
Egypt Kuwait Holding Co SAE	187	1,339
National Industries Group Holding KPSC	78	1,165
National Investments Co KSCP	214	386
Gulf Cable and Electrical Industries Co KPSC	96	281
Egyptian Co for International Touristic Projects SAE	171	195
Kuwait Financial Centre KPSC	16	158
Gulf Cement Co PSC	63	148
Cairo Poultry Co SAE	84	144
Kuwait Foundry Company KPSC	26	131

Source: Reuters; Data as of July 2019;
Note: Only those companies with market cap of over USD 100million are shown.

Apart from investments in listed equities, Al Kharafi group is also active in the deal space. In the recent past, it sold its interest in Americana and Mobile Telecommunication Co (Zain) in 2016 & 2017, respectively.

Kuwait Food Company, popularly known as Americana, is one of the region's largest food manufacturer. Al Kharafi group sold its 69 per cent stake in Americana to Adeptio Investments, led by Mohammed Alabbar (Chairman, Emaar Properties) for a value of USD 2.4billion.

Table 4.2: Prominent Al-Kharafi business interests that were sold in the past 5 years

Date	Al-Kharafi Interests	Sold to
Jun-16	Kuwait Food Co KSCP	Adeptio AD Investments SPC Ltd
Oct-17	Mobile Telecommunication Co KSCP	Oman Telecommunications Co
Nov-17	Al Mal Investment Co KSCC	Khaled Suliman Naser
Jan-19	Kuwait Foundry Co SAK	Boubyan Petrochemical Co KSCP
Dec-18	Coast Invest & Dvlp Co KSCP	National Intl Hldg Co KSCP
Jul-18	Gulf North Hldg Co KSCC	Al Aman Investment Co KSC

Source: Reuters; Data as of July 2019;

In October 2017, Al-Kharafi group that held 12.1% stake in Zain sold it to Omantel for a consideration of USD 1.35billion.

Table 4.3: Prominent businesses in which Al-Kharafi acquired a stake

Date	Business	Acquired through
Feb-19	Boursa Kuwait Securities Co	Part of Consortium
Jan-19	Kuwait Foundry Co SAK	National Investments Co KSCP
Mar-16	Al Waseet Finl Bus Co KSC	Al Seef Brokerage Co KSC
Mar-16	Egypt Kuwait Holding Co SAE	Arab Gulf Co For Food &
Mar-16	Joe Trade Assets Co	Cairo Co For Poultry

Source: Reuters; Data as of July 2019;

2. Alghanim Industries (1932)

Alghanim Industries is amongst the largest, privately owned conglomerates in the Gulf region with operations spread over 40+ countries. As a commercial enterprise, they have an operational history of over 100years. Currently, they have 30+ business divisions spread over sectors such as automobile, engineering, food & beverages, industrials, consumer products and services. The financials of the group, last released in 2009, reported revenue of USD 2.5billion. They currently employ 14,000+ workers who span 64 nationalities.

The Alghanim family history predates 1700's with them being one of the few founding families that settled and established, in area now known as Kuwait, a commercial center that facilitated trading between Europe, India and the rest of Arabia. Ahmed Mohammed Alghanim, inspired by the family legacy of doing commerce over the seas, capitalized on the oyster harvesting opportunities in Kuwait to successfully establish his pearl trading business. The business witnessed competition with the introduction of artificial pearls in 1920's. The storm that hit Gulf in 1925 destroyed his fleet of dhows (traditional Kuwaiti sailing vessel) and further weakened his fortunes. Subsequent events such as the onset of great depression affected maritime trade and the pearl trading business was on the decline. Ahmed Alghanim, being entrepreneurial, took cognizance of the rising demand for infrastructure and ventured into trading timber and building materials. His years of contact with international trading community, opened up new opportunities. Being astute, he was quick to realize the importance of education and ensured his son; Yusuf Alghanim could receive the best possible education in the region. Being educated and well versed with English language Yusuf Alghanim became increasingly involved in international business and was able to expand the business further.

Business relationship with Anglo-Persian Oil Company (later renamed as British Petroleum, BP) that involved importing Kerosene oil for lighting increased. BP was the founding member of Kuwait Oil Company that made the first oil discovery in Kuwait in 1938, which changed the fortunes of the country. Yusuf Alghanim being the trusted aid of Sheikh Ahmaed Jaber Al-Sabah and due to his previous experience of dealing with Anglo-Persian Oil Company led the negotiation on behalf of the Amir of Kuwait, which resulted in the country being granted the first oil concession. The contribution was recognized and he was knighted Sir Yusuf Alghanim. Yusuf Alghanim was instrumental in expanding the family business into many divisions. He was also instrumental in introducing many of the well-known brands into Kuwait. In 1945, he signed the deal to bring American automobile major, General Motors (GM) into Kuwait. Having took the reins of family business in 1930's, Yusuf Alghanim led it successfully for 40 years.

In 1970's Kutayba Alghanim, son of Yusuf Alghanim took over the leadership. Having received his education from the United Kingdom and the United States (University of California, Berkeley), he introduced the best business practices into his organization. His exposure and experiences abroad, led him to incorporate technology to organize and manage business affairs. In the early 70's Alghanim Industries became the first organization in Kuwait to adopt IBM mainframe system. The culture of the organization also changed for the better. Professional feedback and ideas from employees at all levels of organization was encouraged. In stark contrast to the prevailing organizational practices, hierarchy based system based on seniority was overhauled and meritocracy was introduced. Responsibilities were delegated to the qualified and talented individuals. Kutayba Alghanim pioneered the franchising concept in the region. In his constant endeavor to innovate and expand the business, Kutayba Alghanim purchased Kirby Building Systems to acquire their technology for pre-engineered buildings. It became an integral part of Alghanim Industries and grew to become one of the largest manufacturer of pre-engineered building with plants in Kuwait, UAE, India and Vietnam.

Since 2005, Omar Kutayba Alghanim serves as the current CEO of Alghanim Industries. He also serves as the Chairman of the INJAZ MENA regional Board, and Chairman of INJAZ Kuwait, charitable organization that is committed to developing the skills and knowledge of young people in the region.

Growth through exclusive partnerships

Alghanim Industries has flourished by forging exclusive partnerships with renowned international brands and introducing them to the regional markets. Over time, after acquiring knowledge and expertise (technical knowledge), they have developed and introduced their own products under brands such as Wansa consumer electronics and Alaska air conditioners. Presently, Alghanim Industries is affiliated with 300+ brands including Apple, Samsung, Xiaomi, HP, Sony, CISCO, Acer etc.

Automotive Business

Alghanim Automotive division signed up as the exclusive auto dealer for General Motors (GM) main brands - Chevrolet and Cadillac, in Kuwait way back in 1948. The partnership has endured and it recently celebrated its 70th anniversary of association. The firm caters to the automotive requirements, with operations including new and used car sales, leasing and rental vehicles, service and maintenance. Its service center is claimed to be large and advanced.

After years of partnership with GM, Alghanim Industries in recent times has expanded its automotive portfolio by signing up as exclusive distributor for Honda (2013), Lotus (2016), Ford (2016) and Lincoln (2017) products in Kuwait.

To provide comprehensive automotive solutions for its customers the service centers called Bumper-to-Bumper and Kromozone were established in Kuwait and KSA, respectively. KromOzone allows for customization of car and offers aftermarket car accessories in Kuwait. The group also offers car rentals services in Kuwait through outlets of the two international brands Avis and Europcar.

Table 4.4: Alghanim Business

Sectors	Divisions	Partnerships/Subsidiaries/Year of Operations
Automotive	Alghanim Automotive	
	• Chevrolet Alghanim	General Motors (GM), 1948
	• Cadillac Alghanim	GM, 1948
	Alghanim Motors	
	• Honda Alghanim	2013
	• Lotus Alghanim	2016
	Alghanim Auto	
	• Ford Alghanim	2016
	• Lincoln Alghanim	2017
	Automotive Support	
	• Rentals	Europcar (1982)
	• Service	Avis
	• Customization	Bumper-to-Bumper (Kuwait)
		Kromozone (KSA)
		KromOzone (Kuwait)
Industrial	Insulation Products	IZOCAM (Turkey, 1965)
		KIMMCO-ISOVER (1977)
		Rockwool India
	Steel Building Solutions	Kirby Building Solutions
Engineering	Alghanim Engineering	
Food & Beverages	Costa Coffee Kuwait	2013
	Wendy's Middle East	2015 (Franchise rights for ME)
	Slim Chickens	2017
Consumer Products	X-cite Electronics	Kuwait & KSA
	Safat Home	
	Distribution (FMCG)	Gulf Trading & Refrigerating Company (1950)
Services	Advertising	Impact & Echo
	Financial	Enaya Insurance & EasyCredit
	Office Automation	Xerox
	Transport & Logistics	ATLAS Freight Services (1951)
	Travel & Tourism	

Source: Alghanim Industries

Industrial Business

As part of providing Industrial solutions, the firm operates in two distinct segments: 'Insulation products' and 'Steel building products'. IZOCAM was established in 1965 to meet the demand for insulation products in Turkey. It was established in partnership with Saint-Gobain (France) to provide glass wool and stone wool insulation. In 1977, Kuwait Insulating Material Manufacturing Company (KIMMCO-ISOVER) was established in Kuwait and to serve the market needs of other GCC countries. Utilizing the Saint Gobain technology, it established Rockwool in Indian sub-continent. The manufacturing plant also serves other Asian countries.

Alghanim Industries under Kutayba Yusuf Alghanim acquired Kirby Building Systems, a U.S. based company, in 1975 to acquire its technology. Kirby was a leader in the pre-engineered steel building manufacturing market. The boom in construction space and outdated construction practices in the Middle East at that time offered opportunity for growth. Post purchase, Kirby Building Systems was established in Kuwait that operated along with the U.S division. In 1985, the U.S division was sold and the technology acquired was leveraged to expand the business across Middle East and Asia. Presently, it has manufacturing plants in UAE, India and Vietnam apart from Kuwait.

Engineering Business

Through its engineering division, the firm offers housing solutions such as international central air conditioning brands, elevators, Italian design kitchens, and aluminum solutions for doors and windows. Commercial customers are provided end-to-end electro-mechanical solutions, offering design, supply and installation. After sales maintenance services for HVAC, electrical, plumbing and firefighting, elevators and technology systems are also provided. Maintenance services are also provided by this division on 24/7 basis, for both home & commercial solutions.

Food & Beverage Business

The partnership between Alghanim Industries and the U.K Company Costa Coffee began in 2013. Since then, its Costa Coffee franchise has been focusing on customer service, refurbishing existing stores as well as opening new ones around Kuwait, and refreshing and broadening its product range. To suit the local tastes, sweet and rich Spanish latte and cardamom-infused Turkish latte were introduced. The success of the stores led them to open over 35 shops within a year. Currently, it has more than 75 stores and in July 2019, it obtained the development rights for other GCC regions including Saudi Arabia, Oman and Qatar.

Alghanim Industries purchased the franchise rights of Wendy's for the Middle East region in February 2015. Wendy's is the third largest burger restaurant chain in the world. It now has 16 restaurants in the UAE, and 5 in Kuwait. In 2017, it collaborated with yet another Quick Service Restaurant (QSR), 'Slim Chickens' to bring their business to Kuwait.

Consumer Products Business

X-cite electronics is a large multi-brand electronics retailer in Kuwait, with over 300 global brands available at 21 outlets. Additionally, it is also present in Saudi Arabia and has 5 stores in the country. In tune with the times, the firm also has an online presence for those who would like to make purchases from the convenience of their homes. Through its financial arm – EasyCredit, it also offers financing for the purchases. 'Safat Home' offers wide choice of home furniture and accessories, garden furniture, sanitary ware and tiles. Safat Home outlets of the group are at four locations in Kuwait.

Alghanim Industries through its tie-up with over 100+ brands functions as major Fast Moving Consumer Goods (FMCG) distributor in Kuwait. The wholly owned subsidiary - Gulf Trading and Refrigerating Company (GTRC), was established in the early 1950s. Over the years, GTRC has grown and handles products in food and non-food categories including, but not limited to, hygiene, oral care, lighting, oil, rice, spices, dairy, confectionary, ice cream and beverages. Key consumer brands in its portfolio include Mars, Kraft-Heinz, Majdi, Mondelez, Colgate Palmolive, and Philips among various others.

Services Business

Impact & Echo offers a wide range of marketing solutions, including audio-visual content, digital and print advertising, in-store merchandising and promotions, research and consumer insight, event management, direct mail marketing, public relations and social media management. Impact & Echo is managed by the Impact/BBDO group, whose network ranks as one of the two largest advertising agency networks in the Middle East, and it has offices in Kuwait, Abu Dhabi, Lebanon, Egypt, and Saudi Arabia. The head office in Dubai for the Middle East, Africa; and Pakistan (MEAP) also links the agency to the global network of over 285 offices.

Alghanim Industries promoted Enaya in 2007. Enaya Insurance serves both individual and corporate customers. Enaya is licensed for all classes of insurance business, including motor, travel, life, medical, property, marina cargo & hull, engineering and liability.

Easy Credit Alghanim offers customized credit programs for customers in Kuwait. Easy Credit's financing options are available for various products and services, including electronics, home furnishing and accessories, central air conditioning and lighting, automotive services and spare parts.

Through Xerox Kuwait, it provides office solutions to its customers. ATLAS is a comprehensive supply chain and logistics solutions company with over 50 years of experience in the industry. Formerly operating as Alghanim Freight, the rebranded business offers logistics solutions, project management, warehousing and storage, supply chain consultancy, freight forwarding and relocation services.

Alghanim Travel is a well-established travel distributor in Kuwait specializing in business/corporate travel, holidays and leisure. With travel offices located in key locations throughout Kuwait, Alghanim Travel represents

Business Travel International, American Express, British Airways, Cathay Pacific, Gulf Air, Qantas and Eurorail. Alghanim Travel also has a strong regional and global presence through its relationship with the American Express network in the GCC, Middle east and worldwide.

3. Kapico Group Holding (1950)

The group began in 1950, with a single automotive spare parts store in Sharq industrial area, Kuwait. Today, they have grown into a conglomerate with diversified business interest from automotive to lifestyle, infrastructure & healthcare. In 1963, Kuwait Auto Parts Imports Co (KAPICO) was established for trading automotive spares from Japan in Kuwait. The business expanded from auto spares to batteries, tires, accessories and car care. In 1998, it owned and operated Al Ghannam Auto World, a full service workshop and service center in Kuwait. Having achieved success in automotive business, it expanded into South Africa in 2000. KAPICO also became the franchisee for Maruti Suzuki vehicles in Tamil Nadu, India in 2005. In 2006, it signed up as dealer for Aston Martin cars in Kuwait. It also owns the franchisee rights for V-Kool (car window films) in UAE, Kuwait and Oman.

KAPICO group diversified into other businesses in the early 2000's. In 2002, it became the franchisee partner for Pastamania (QSR) in Kuwait and UAE. For the Kuwait market, it also owns the franchise rights for GIORDANO fashions and Damas jewelry. In 2006, it ventured into the hotel business and invested in a waterfront resort project in Kerala, India in partnership with Muthoot Group (a domestic player in India).

Table 4.5: KAPICO Business Divisions

Business	Divisions	Remarks
Engineering	Spare Parts Tires Batteries & Auto Glass Lubricants Accessories Car Care Leasing & Rentals	
Healthcare	Luxury Healthcare Primary Healthcare	Royale Hayat Hospital (2006) In partnership with 'The Medical City, Philippines'
Lifestyle	Fashion Food & Beverages Travel & Tourism	GIORDANO, DAMAS Jewelry Pastamania & Barista KAPICO Travels & Tours
Infrastructure	Hotels Engineering Real Estate	100-villa resort in Kerala, India

Source: KAPICO

The group also forayed into healthcare segment. In 2006, they established the Royale Hayat hospital, a multi-disciplinary healthcare service provider with an exclusive focus on women and children health. The presence of large number of expatriates, especially from South East Asian countries led KAPICO to start a primary healthcare center in the UAE under SAMA Medical and in partnership with The Medical City, Philippines.

Presently, KAPICO Group has a presence in six countries across Middle East, Africa, Asia Pacific and South Asia. Ahmed Abdulaziz Al-Ghannam is the Chairman of the Group.

4. Mohamed Abdulrahman Al-Bahar (1937)

Mohamed Abdulrahman Al-Bahar Group, one of the oldest trading houses in the Gulf region, has been instrumental and entwined in building the modern state of Kuwait. The founder, Mohamed Abdulrahman Al-Bahar served in the public sector across various councils such as the Municipal, Health and Construction, the latter played a leading role in building modern Kuwait. He was also the founding member of Kuwait Chamber of Commerce and Industry. In 1993, he was appointed as the Chairman of the NBK Board.

The group consists of several subsidiaries:

Table 4.6: Al Bahar Group

Sectors	Remarks
Travel Agency (1978)	IATA-approved Al-Bahar Travel Agency, offers end-to-end services and tailored packages, cars, corporate services and private jet chartered services.
Consumer Products Division (1937)	Established in 1937, the firm is involved in distribution of various consumer products such as soaps, detergents, toothpaste, canned food and others. They are the exclusive distributors in Kuwait for the following: Food Items: Knorr, Cortas, Kwality Wall's, Long chips, Selecta, Halwani & Tahhan Beverages: Brooke Bond (Taj Mahal, Red Label), Lipton Personal Care: Lux, Dove, Pears, Lifebuoy, Closeup, Pepsodent, Sunsilk, Rexona, Vaseline, TRESemme, Axe, Fair & Lovely, Ponds etc. Home Care: Comfort, Domestos, Jif, three stars safety matches
Office Automation (1961)	Mohamed Al Bahar & Partners provides technology products and turnkey business solutions to corporate needs. Few of the brands that they represent include: Canon, 3m, Sony, Toshiba, Vega, Sharp, Rexel, PitneyBowes, Cummins Allison

Sectors	Remarks
Home Appliances (1963)	Mohamed Abdulrahman Al Bahar Home Appliances offer quality products and after sales service support. Brands they support: GE (full range of appliances), Severin (Germany) – Small home & kitchen appliances Refrigerators - Maybe (Mexico), Berjaya (Malaysia) Cookers – Royxon (Italy), Meireles (Portugal), MasterChef (Korea) Oasis (U.S) – Water Coolers; Home Elite – Air conditioners, refrigerators, water coolers, cookers & small home appliances.
Shipping Agencies (1951)	Activities include freight forwarding, airfreight, and cargo agency representation. Currently serve as exclusive agent in Kuwait for: China Ocean Shipping Group Company (COSCO) Pacific International Lines (PIL) IAL Container Line UK Ltd. And Falcon Express.
Oasis	
• Trading Company	Founded in 1960, specializes in building products & office furniture.
• Shipping Agencies	Established in 1986 as an agent representative of M/s Inter Freight Logistics China. Provides services for both inbound and outbound cargo.
• Tourism	Established in 1975 as exclusive sales agency for Alitalia (National Airline of Italy)
Emad	
• General Trading	Set up in 1993 as a company that exclusively represents Al Alali consumer food products such as pasta, ketchup, canned food, vinegar, cake mix, sauces, corn flour, oats etc. in Kuwait.
• Shipping Agencies	Founded in 1986 to act as agents for ocean liners calling to Kuwaiti ports. Key activities include freight forwarding, logistics, port handling and related services.
Al Bahar Machinery Group (Affiliated Company)	Dealers for CAT machinery, heavy material handling equipment and power systems for wide applications, including earthmoving, mining, construction.

Source: Al Bahar Group

In addition to creating many jobs for the nationals, the founder is also actively involved in philanthropy, building mosques, funding charity projects and educational scholarships for young people

5. Al Mulla Group (1938)

Al Mulla group is a leading diversified privately held business group based in the State of Kuwait. With over 15,000 employees, over 40 different Group companies and subsidiaries, operating in 8 different countries and affiliations with over 200 international brands. The group has operations in Kuwait, Iraq, Oman, Bahrain, the UAE, Qatar, India and Egypt; with further plans under way for expansion in other areas in the Middle East and Europe.

Established in 1938 by the then Secretary of State, Abdulla Saleh Al Mulla, it started as an electrical appliance shop by acquiring the distribution rights for General Electric appliances in Kuwait. In 1947, it established an automotive division, which introduced Chrysler vehicles in Kuwait. In 1972, it obtained the distribution rights for Mitsubishi Motors, which enabled it to grow further. The core division of automobile and engineering continues to grow while the firm grew and diversified into new areas, such as financial services (money exchange and insurance), healthcare and education sectors.

Table 4.7: AlMulla Business Lines

Sector	Brands
Automotive	Chrysler (1947) Mitsubishi (1972) JV with Behbehani motors (2006) Fiat & Alfa Romeo (2010) Chinese Trucks (Foton)
Engineering	Established in 1955; provides complete engineering solutions
Financial Services Financing & Investments	Al-Soor Financing & Leasing KSCC Al Mulla International Finance Company
Exchange & Remittance	Al Mulla International Exchange Co KSCC (2001) Modern Exchange Oman (2010) Modern Exchange Bahrain (2015)
Insurance	Al Mulla Insurance Brokerage Co W.L.L Bader Al Mulla & Bros. Co. WLL (Chief Agent for Oriental Insurance Co. India) Al Mulla Insurance & Reinsurance Broking Co.
Security Services	Al Mulla Security Services (JV with G4S, U.K-based Group)

Sector	Brands
Rental & Leasing	Al Mulla Rental & Leasing (1972) Select Transportation Solutions, Qatar (2005) *(JV with Nasser Bin Khaled Al Thani & Sons)* Khadamat Marketing & Automotive Services Co WLL (2008) *(JV with KAPICO group)*
Trading & Manufacturing Travel Manufacturing	Al Mulla Travel Bureau (1948) Al Mulla Steel Al Mulla Transport Refrigeration (1984) Air movement products (2008) *(JV with E. H. Price Canada)*
Office Automation	Technology (server, UPS, software, networking & security solutions) & Automation (printers, copiers) products
Engineering Products	Involved in retail & direct sales of electrical & air movement products

Source: Al Mulla

Following the founder's death in 1955, his eldest son Bader became chairman until 1969, with his brothers Najeeb Abdullah Al Mulla and Anwar Abdullah Al Mulla becoming his successors; Najeeb as Chairman, and Anwar as Deputy Chairman & Chief Executive Officer.

Al Soor Financing & Leasing Co, KSCC offers its individual customers, loans for purchase of new and used vehicles, and loans for purchase of other tangible assets. For its corporate customers, the company offers in addition to vanilla loan and guarantee products, customized solutions for their financing needs. It is a joint venture firm and Al Mulla group holds a sizeable investment and manages it completely. On the other hand, Al Mulla International Finance Company KSCC (AMIFC) is a full-fledged Islamic financing company. The combination of availing convention and Islamic (sharia-compliant) financial products though Al Soor & AMIFC offers customers flexible choice.

Al Mulla Insurance Brokerage Company W.L.L (AMIB offers a wide spectrum of non-life general insurance coverage, including marine, fire, liability, engineering, motor and health insurance.

Al Mulla International Exchange Company has a correspondent-banking network that spans 35 countries and 55 banks. It offers remittance solutions like server-to-server technology for all major expatriate corridors in Kuwait viz., India Egypt, Bangladesh, Sri Lanka, Philippines and Pakistan where funds are credited immediately. Following the success of remittance business in Kuwait, it acquired Modern Exchange and expanded into Oman in 2010. In 2015, it forayed into Bahrain.

Al Mulla Group and G4S PLC Group from the United Kingdom formed a joint venture over 30 years ago by setting up Al Mulla Securicor (AMSS), which provides services in secure cash transportation, manned security, monitoring and quick response units, technical services, security consultancy and system design.

Al Mulla Rental & Leasing of Vehicles and Heavy Equipment Company (AMRL) operating under the brand name ARABA was established in 1972 and is stated to be one of the largest car rental companies in the Gulf region with an operating fleet of around 10,000 vehicles and 22 branches across well-spread and convenient locations including Kuwait's International Airport and major hotels. AMRL also offers long-term lease on heavy equipment, catering primarily to the construction market.

Established in 1948, Al Mulla Travel Bureau (AMTB) was the first travel agency to operate in the State of Kuwait. The office automation division was founded in 1980 for the distribution of photocopiers, computers, and other office automation products and peripherals. The Office Automation Division is stated to be the market leader with a market share of over 55% for photocopiers and production printing as well as a significant market share for other products.

6. Al Sayer Group (1930)

Al Sayer family were established merchants dealing in foodstuffs, long before oil was discovered in Kuwait in the 1930's. The discovery of oil changed fortunes and opportunities were abounding. At a time when many family groups were involved in securing dealership for American and European automobiles, Al Sayer Group brought the Japanese automobile brand Toyota to Kuwait in 1954. Today, it has a diverse portfolio of businesses, products and services; and has ventured internationally.

Table 4.8: Al Sayer Business Lines

Business	Brands/Subsidiary/Year of Establishment
Automotive	Toyota (1954) Lexus (1989)
Engineering	Nexus Autocolor Paints Cofran Oil Yokohama Tires Motul Lubricants, France (2017)
Insurance	Al-Sayer Insurance Brokerage Co. Commission (2007)
Overseas	JV with Force Motors, India to develop armoured vehicles Tristar in Northern Iraq (2005)
Medical	Al Sayer Medical (Pharmaceuticals, Surgical & Medical Devices, Dental Products, Hospital and Patient care products) Al Sayer Life care

Business	Brands/Subsidiary/Year of Establishment
Information Technology	Dhow Information Systems (1992)
Advertising	Litmus
Heavy Equipment	Bahrah Trading Company (1976)
Real Estate	Al Sayer International Real estate
Animal Feed	Kuwait Animal Feed Factory (KAFF) established in 1966
Animal Feed	Caribou Coffee • Kuwait (2005) • UAE (2006) • Bahrain (2007) • Oman, KSA (2008) • Lebanon (2010) • Turkey (2011) • Qatar (2013) • Egypt (2016) Five Guys Restaurant • Kuwait (2016) • Oman (2018) The Cheesecake Factory Bakery

Source: Al Sayer

The group has grown by foraying into new businesses. In 1958, it introduced the first instalment system in Kuwait and the Arab World. In 1962, it established United Marketing Company focusing on medical & cosmetics. In 1966, Al Sayer initiated car rental service. Kuwait Animal Feed Factory (KAFF) was established in 1966. In 1973, Al Sayer veered towards soft drinks and juices industry. In 1976, Al Sayer secured the Yokohama dealership (tire company). The French Cofran Oil became part of Al Sayer in 1979.

In 2005, Al Sayer opened its first branch Caribou Coffee in Kuwait. In 2006, it entered the insurance sector through establishing Al Sayer Insurance. Al Sayer Franchising Company invested in Turkish franchising in 2012. HINO became part of Al Sayer in 2014. Al Sayer launched Motul (France) lubricants in 2017.

Al Sayer Engineering division provides its customers with aftermarket support products such as tires, oil and paint through partners like Nexus Autocolor Paints, Cofran Oil and Yokohama Tires. Cofran range of products includes a wide range of specialty greases, engine oils, hydraulic oils, and other special products. It is also the authorized distributor for Motul in Kuwait, world-class lubricants with global presence in 160 countries.

Al Sayer Insurance Brokerage was setup with an objective to offer comprehensive automotive, medical, and shipping, employee and personal cover insurance services to individuals and companies in association with leading insurance companies in the country. Al Sayer Medical Company activities addresses a wide range of offerings including pharmaceuticals, medical equipment & supplies, dental equipment & supplies and hospital & patient care.

Dhow Information Systems specializes in providing software and information systems for all levels of corporate activities. It was set up as the Information Service Department in Al Sayer Holding in 1992 to serve the needs of operational and business activities in the automotive field. It became an independent entity in 2004, as part of the Al Sayer Holding Group. Presently, it provides software and information systems for all levels of corporate activities, and offers customized solutions.

Al Sayer Holding acquired Bahrah Trading Company (BTC), which supplies heavy equipment to the oil industry, in 1976. Presently, it serves a wide clientele ranging from construction, oil and industrial sectors within Kuwait. The brands the company supplies include those in Transportation (Astra, Ashok Leyland, Daewoo, Hino International), Construction (AUSA, Bobcat, Doosan, Sakai), and Material Handling (Toyota, BT, Raymond, DY, Ferrai).

Al Sayer International Real Estate, the real estate investment arm of the company, invests and manages the real estate portfolio across the GCC, Europe and the United States of America. The group's business portfolio includes Litmus Advertising, which offers comprehensive marketing and communications solutions. Kuwait Animal Feed Factory (KAFF), established in 1966, blends and supplies range of animal foodstuffs for both domestic and agriculture use. They manufacture cattle and poultry feeds and other related products such as horse feed.

Al Sayer International was set to expand its reach beyond the shores of Kuwait and the region. In India, they formed a joint venture with Force Motors, for providing armored vehicles. Tristar was incorporated in 2005 as a wholly owned division of Al Sayer Group. Tristar was the first company in Iraq to offer world-leading brands in automotive, construction material handling and transportation. Established in 2005, Tristar has emerged as one of the leading names in Northern Iraq offering a wide range of solutions in automotive, transportation, construction equipment and real estate development.

Faisal Bader Al-Sayer serves as current Chairman of the organization; Mubarak Naser Al-Sayer serves as the CEO of the organization. Other family members are part of the Board.

Table 4.9: Management Contacts

Name	Position	E-Mail
Mr Mubarak Naser Al Sayer	Chief Executive Officer	
Mr Mohammed Naser Mohamed Al Sayer	Managing Director, Corporate Services	nmsco@alsayergrp.com
Mr Bengt Schultz	Chief Operating Officer	
Mr Jacques Feghali	Chief Human Resources Officer	jacques@alsayergroup.com

Source: Reuters

Table 4.10: Investments

Name	Country	Holding
Al-Farabi Investment Company	Kuwait	13.97%
Warba Bank K.S.C.P.	Kuwait	10%

Source: Reuters

7. Mezzan Holding Co. (1940)

Mezzan Group's origin dates back to 1940s when the late Jassim Mohammad Ali Al Wazzan invested in his first business, a small grocery store in Kuwait City. The store sold basic household necessities, along with food products, preserved and canned varieties. Over the course of commercial dealings, Al Wazzan developed its relationship by securing exclusive deals with foreign manufacturers including Claire Ghee, Pillsbury Flour, Baird's Vinegar, Crystal Hot Sauces and other commodity items to sell their products in the region. In 1960, Al Wazzan to vertically integrate the business, ventured into food manufacturing. It built the GCC's first meat processor, a line of meat mincing, mixing and packaging machines producing halal meat to be later rebranded as Khazan in 1960. It also invested in potato chip factories under KITCO. Over time, renowned international brands such as Johnson & Johnson, Kimberly Clark and Reckitt Benckiser became its regional partners.

In 1980s, the second-generation family members took over the business. They further expanded the operations across the consumer goods value chain, which included food and beverage manufacturing and distribution, fast moving consumer goods (FMCG) distribution, and catering services.

In 2009, the third generation got involved, introduced industry-experienced persons for management roles, and adopted corporate governance measures to ensure sustained growth. In 2011, Mr. Garrett Walsh was appointed as the CEO of the Mezzan Holding Co. Prior to this; he worked with Northern Foods, UK's largest food manufacturer as Managing Director. Ali Abdulrahman Al Wazzan serves as the Executive Director, Investments looking after oversees acquisitions, disposals and other strategic initiatives. Abdel Rahman Jassim Mohammad Al Wazzan serves as the Chairman while Mohammad Jassim Mohammad al Wazzan serves as the Vice Chairman.

Table 4.11: Mezzan Holding Business Line

Divisions	Revenue Contribution	Subsidiaries
Manufacturing & Distribution	49.0%	Jassim Alwazzan Sons General Trading Co Gulf Pastries Manufacturing Company National Canned Food Prod. & Trad. Co. Oriental Catering Company Unitra Mets Group Conserved Foodstuff Distribution Company Arla Foods Kuwait Mezzan Saudi Trading Co Kuwait Indo Trading Company Kuwait Biscuit & Food Products Manufacturing
Contract Catering	18.3%	Star Services LLC Al-Wazzan Trading & Catering Services Co
Allied Services	7.5%	Jassim Al Wazzan Central Laboratory Afia Trading Services Mezzan Logistics Sabriya International Gen. Trd. Cont. Co Tazweed Jordan
FMCG & Pharmaceuticals	22.5%	Al-Hoda Kuwaiti Co. Al-Mansouria Consumers Trading Co. Softy Industries Co. Al Muntasser Pharmaceuticals Co.
Industrials	2.6%	Kuwait Lube Oil Company Plastic Industries Company Mezzan Industries Company National Textiles Company

Source: Mezzan; Revenue data for FY 2018 shown.

Mezzan business can be segmented into two distinct segments, the food business segment and the non-food business. The food business segment comprises of

- **Manufacturing & Distribution**

The division produces snacks and chips, meats, bottled water and canned foods through its manufacturing facilities spread across Kuwait, Qatar and the UAE. Apart from manufacturing, it also serves as the retail and wholesale distributor to over 100+ global food and beverage brands.

- **Contract Catering**

Mezzan is involved in contract catering wherein they serve meals to corporations, hotels, airlines, industrial sites and government ministries. They produce over 100,000 meals a day, in aggregate, across their kitchens in Kuwait, Qatar and the UAE.

- **Allied Services**

Mezzan leveraging their long operational history, well developed logistics infrastructure and supply chain network is involved in various food supply services, from manufacturing to retail operations.

Non-food business segments

- **FMCG Distribution**

FMCG division distributes household products of premium global brands such as Listerine, Dettol, Harpic, Huggies, Carefree, Kleenex and Vanish. It also manufactures and distributes products such as shampoo, conditioners and body soaps under its own brand 'Softy'. Softy products are manufactured and sold in Kuwait and Jordan.

- **Pharmaceutical Distribution**

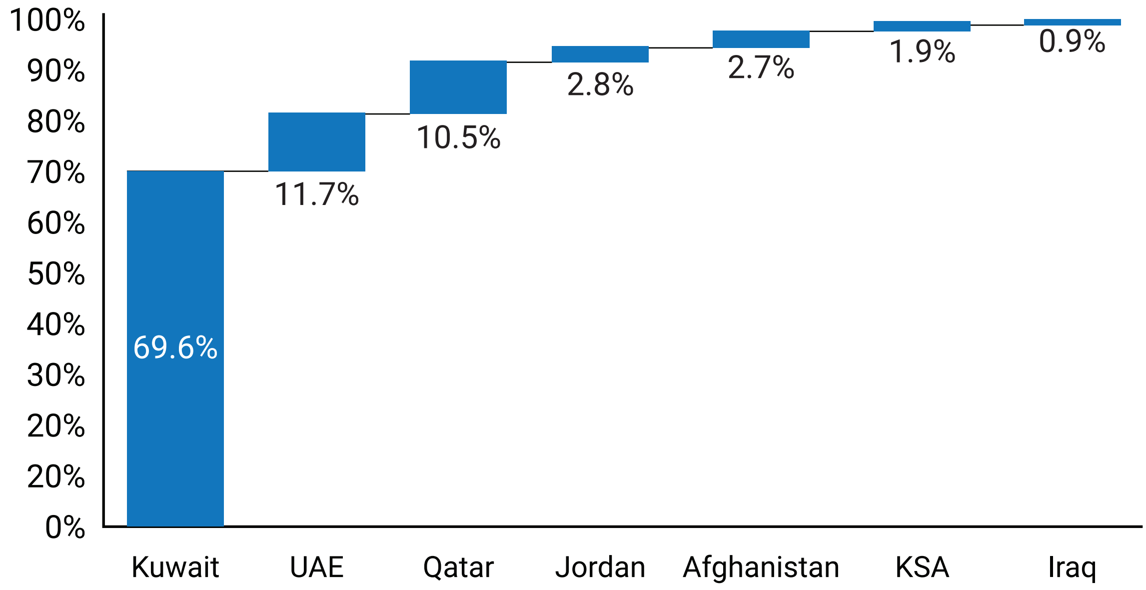
It undertakes retail and wholesale distribution of medicinal, wellness and healthcare products. Additionally, the products are also sold through the pharmacies that Mezzan owns and operates.

- **Industrials**

The Industrial division supports the operations of other business divisions. It is primarily involved in the manufacturing of packaging materials such as carton boxes for its food products. The division also manufactures lube oil, motor oil, diesel oil, hydraulic oil, gear oil, mould release oil and other related products.

Currently, Mezzan Holding operates as a regional distributor with over 25,000 Stock Keeping Units (SKUs) for over 358 local, regional and global brands. Geographically, Kuwait constitutes the primary market for Mezzan Holding. Apart from Kuwait, it has pursued opportunities in other GCC countries such as UAE, Qatar and Saudi Arabia.

Figure 4.1: Mezzan Revenues by Geography (2018)



Source: Mezzan

The launch of a distribution platform in Saudi Arabia, the building of manufacturing plants in Qatar and Jordan, and the acquisition of UAE's leading distribution company Unitra Mets Group (UMG) in 2014 have enabled Mezzan to grow its business across geographies.

8. Al Babtain Group

Al-Babtain Group (Abdulmohsen Abdulaziz Al-Babtain)

In 1948, Abdulmohsen Abdulaziz AlBabtain Co. (AABC) was established as an automobile spare parts importer and distributor in Kuwait. In 1954, it inaugurated its first automotive showroom and obtained the distributorship for Nissan motors (Japan). It enhanced its distributorship profile by adding other players such as TADANO – Japan-based manufacturer of cranes and aerial platforms, CITROEN (1984), Infiniti (1996), Renault (2002) and JMC (2007) to its portfolio.

Apart from automobiles and vehicles distribution, it also involved in distribution of Dunlop tires and Maxxis tires from Chen-Shin Rubber Ind Co Ltd (Taiwan). It established GULFEX in 2006 as a subsidiary and distributor of tires and oil products (TOTAL). Over the years, it started AlBabtain Plus to cater to the need for high-end auto-care solutions in Kuwait. It offers a variety of products and services including solar protection film, paint protection film, ceramic coating, car polishing and accessories.

It started Kuwait Paint Company in 1978, which caters to the industrial and decorative needs of the regional market. The group forayed into real estate business and was involved in various projects across residential, commercial and hospitality segments. The real estate operations were carried out under the brands Sharm Cliff Resort, Sharm Holiday, Royal City, and Alex View in Egypt.

Table 4.12: Abdulmohsen Abdulaziz Al-Babtain Business Divisions

Sector	Subsidiary/Brand Portfolio
Automotive	AABC (Automobile distributors) • Nissan (1954), Al Rai & Ahmadi • Tadano (1978) • Citroen (1984) • Infiniti (1996) • CMC - Taiwan (1999) • Renault (2002) • JMC (2007) Gulf Express (GULFEX) • Dunlop tires (1984) • Maxxis (1998) • TOTAL Lubricants Albabtain Plus (Al Rai)
Investments	Private Equity Securities & Real Estate across geographies
Industrial	Al Ahila Plastics Co (1974) Kuwait Paint Company, KPC (1978)
Real Estate	Commercial Residential & Hospitality projects (4-star Sharm Cliff Resort) in Egypt
Technology	Healthcare Solutions (1996)

Source: Babtain

Al Babtain formed NCS in 1977 to provide IT business solutions. In 1996, it offered healthcare information system for various healthcare institutes to raise the efficiency of the organizations. The group's portfolio, managed by the investment department, spans across regional and international markets and various asset classes including equity, real estate and private equity.

Abdul Aziz Saud Al-Babtain & Sons Company (Al-Babtain Group)

Abdul Aziz Saud Al-Babtain & Sons Company was established in 1958 as a small business that was involved in promoting consumer goods.

Table 4.13: Abdul Aziz Saud Al-Babtain & Sons Company Business Divisions

Sector	Subsidiary/Brand Portfolio	Subsidiary/Brand Portfolio
Electronics	Abdul Aziz S. Al-babtain & Sons Co. for Electrical & Electronics (1973)	CASIO, Gigaset, GREE, BEC (private label brand of Al Babtain)
	Al- Babtain Electronics Co.	LG (1999)
	Al-Babtain Turnkey Solutions Co	Samsung (1999) & VIVA
FMCG	Massad Co. W.L.L (1995)	La Vache Qui Rit, Kerrygold, Elle & Vire, Power Horse, Libby's etc
	Raad Trading & Marketing Co. (RTMC)	Perrier, Disney, Barbie, Mr. Muscle, Raid, Baygon, Mazola, Hot wheels
Air-conditioning	Al-Babtain A/C & Refrigerating Co. (BACR)	LG

Source: Al Babtain Group

Electronics

Abdulaziz S. Al-Babtain & sons Co. for Electrical & Electronics, was established in 1973 as a retailer and distributor for leading brands of electronics products. It created its own private-label brand 'BEC' that produces a wide range of entertainment and electronic products including home appliances. The products are procured from suppliers in Europe, Turkey, Korea, North Africa and China. In 1999, the firm obtained the rights for exclusive distribution of LG and Samsung products. Established in 1999, Babtain Turnkey Solutions is the distribution, retail and after sales service provider of telecommunications handsets (Samsung) and operator services (VIVA Telecom).

FMCG

Raad Trading & Marketing Co. (RTMC) was established in 1963, which marked its foray into FMCG distribution. It became the first company to hold an import (FMCG) license in Kuwait (its import license number was one). Starting with supermarkets, RTMC gradually grew to become a successful distributor for multinational brands including, Perrier, Mr. Muscle, Mazola, Raid, Baygon, Glade, Disney, Windex, Pledge, Barbie, and Steen Land. In 1995, it acquired the FMCG Company Massad Co. W.L.L., which enabled it to improve upon its brand portfolio. Presently, it represents multinational brands ranging from La Vache Qui Rit, Kerrygold, Elle & Vire, Power Horse, Libby's, Paseo, Sannine and others like Malizia, Coraya and Lavache.

Air-Conditioning Contractor

In 2013, Al-Babtain A/c and Refrigeration Co. (BACR) started as an HVAC contractor, catering to both the governmental and private sectors. BACR is the distributor for LG (Korean brand) air-conditioner products.

Investments

Apart from the business divisions, the company has been investing their surplus since the 1960's. The investments that started small have grown over the years and spans across geographies and asset classes. Its real estate portfolio is comprehensive and includes lands, rental buildings, private housing, hotel apartments, offices and warehouses in Kuwait and abroad. It also has investments in farms inside and outside Kuwait.

Table 4.14: Investments

Name	Country	Holding
Kuwait Portland Cement Company (K.P.S.C)	Kuwait	7.06%

Source: Reuters

9. Al Homaizi Group (Kuwait, 1962)

Historical Background of the group

Al-Homaizi group, founded in 1962 by its Chairman Yacoub Yousef Al-Homaizi, has presence in Kuwait, Egypt, U.K and Australia. Yacoub Al-Homaizi's late grandfather, Saleh Al Homaizi, was in charge of Kuwait Treasury while his late father Yousuf Al Homaizi was a businessperson and member of the 1938 Council of Kuwait. Yacoub Yousef Al-Homaizi served in the first National Assembly of Kuwait from 1960 to 1963 and was the youngest member of the committee that wrote the Kuwait Constitution[2].

[2] Wealth-X

The group is dominant in consumer food and beverages industry with investments in franchisee of international food chains, self-developed food concepts, production and sale of specialized nuts, poultry and livestock breeding, beverage bottling etc. The group has further entered other consumer industries, such as furniture, retail apparel and sportswear.

The founder, Mr. Yacoub Al-Homaizi, was also the founding member of Kuwait Finance Investment Company. Mrs. Fadwa Al-Homaizi and Mr. Saleh Al-Homaizi are joint Co-Vice Chairperson of Al-Homaizi Group. The former is also the co-founder and Chairperson of Kout Food Group, a subsidiary that owns many international restaurant franchisee, while the latter is the president of IKEA (Kuwait), Vice Chairman of Kout Food Group and Chairman of Kuwait Finance Investment Company.

Currently, Al Homaizi group main businesses comprise of dealership of office equipment and durable goods, retail of food products and fashion products, restaurants and manufacture of processed foods.

Restaurants and Fast Food Outlets

Kout Food Group, founded in 1982 is part of Al Homaizi Group and operates in Kuwait and U.K. Its first local franchise was 'Hungry Bunny'. Since then, it has expanded its operations domestically and internationally. In Kuwait, it is the franchisee operator for leading international brands such as Burger King, Pizza Hut, Applebee's and Taco Bell. Armed with the experience of running retail food business successfully, it developed its own brands, Scoop a Cone and Ayyame. The U.K division of Kout Food Group acquired Little Chef chain for GBP 15million in 2013.

Al Homaizi Foodstuff Co. WLL, a hospitality and food services company, owns and operates fast food and casual dine in restaurants throughout Kuwait and Middle East. The company obtained the MENA region franchise rights for Al Rifai Nuts, Coffee, and Confectionery. The partnership came to an end in 2013[3]. Al Homaizi Foodstuff Co. WLL operates as a subsidiary of Kout Food Group Company KSCC.

It has a manufacturing facility, Sabhan 'Fresh Productions' that is capable of producing pre-packaged food, own label or private label, and also serves the demand of airline catering.

Fashion Retailing & Others - LSH (Homaizi Group)

The group is into retailing (food, fashion, sports and home) through LSH Holding that was started in the year 2011 with the view to bring together numerous reputed companies. The company is specialized in offering end-to-end solutions from manufacturing, distribution and retail. The brands offered by it include AlRifai, Franklin Marshall, Destination Maternity, Lillywhites, Sports Direct, Sports Box, and Clas Ohlson.

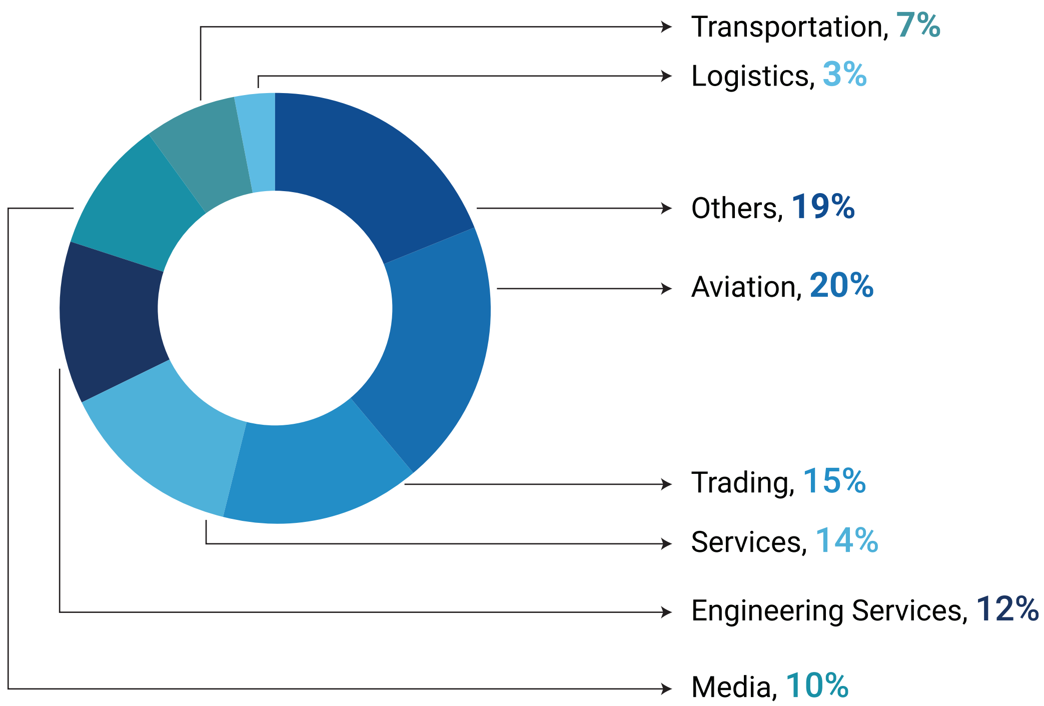
[3] Lebanon Opportunities Business News

10. Al Boodai (Kuwait, 1958)

Historical Background of the group

Boodai Corporation is one of the largest conglomerates in the Middle East. They have been operating in the GCC region for more than 60 years. The group started trading of heavy construction machinery in 1955, and diversified into several sectors thereafter. Currently its holdings span 11 major sectors. It entered the sectors of construction and manufacturing of cement and engineering products in 1980s. In the 2000s it entered media and advertising, aviation and aircraft leasing.

Figure 4.2: Al Boodai Business Split



Source: Boodai Corp

Marwan Marzouk Boodai, the Chief Executive Officer of Boodai Corporation and the Chairman and CEO of Jazeera Airway, led the transformation of Boodai Corp into its present state.

Table 4.15: Boodai Corp Holdings

Sector	Year of Entry	Companies
Heavy Construction Machinery	1955	Boodai Trading Company (BTC)
Transportation	1977	City Group Company
Infrastructure	1979	Jassim Transport & Stevedoring Company
Construction	1980	Boodai Constructions WLL
Engineering	1984	Gulf Engineering Company
Cement	1984	Hilal Cement Company
Travel	1984	Boodai Aviation Group
Information Technology	1985	Kuwait Application Service Provider
Media & Advertising	2002	AlRai Media Group
Aviation	2004	Jazeera Airways
Aircraft Leasing	2008	Sahaab Aircraft Leasing

Source: Boodai Corp

Aviation Sector Business

Jazeera Airways is the first non-government owned airline in the Middle East. The passenger airline serves the Middle East, the Indian subcontinent and Europe. Jazeera Airways was listed on the Kuwait Stock Exchange in 2008.They operate a fleet of Airbus A320 aircrafts. Since 2018, Jazeera Airways is operating from its dedicated terminal attached to Kuwait International Airport

Engineering Business

Gulf Engineering Company provides electro-mechanical, contracting and maintenance services. In addition to manufacturing, the organization serves as agency for products of Siemens, Rheem (U.S), Scientific Systems (U.S) and TTK Company (France)

Media & Advertising Business

AlRai Media Group is into newspaper, television and advertising business. Alrai newspaper, launched in 1961, came into the Boodai fold in 2002. The newspaper also has an online presence. Alrai TV is the first licensed non-government-owned TV station in Kuwait. Alrai International for Marketing & Advertising (RIMA) is the advertising business wing of the group. Alrai Media Group was listed on the Kuwait Stock Exchange in 2010.

Transportation Business

City Bus, subsidiary of City Group Company (CGC), was established in 2002. It is Kuwait's first non-government-owned public transport service. CGC operates five other fully owned subsidiaries- Boodai Aviation Agency, Boodai Aviation Company, and The Transport & Warehousing Real Estate Group Company, Abar Oil Field Reserves and Kuwait China Bus Company. CGC was listed on the Kuwait Stock Exchange in 1999.

Infrastructure Related Business

Jassim Transport & Stevedoring Company (JTC), initially an inland transportation company, has diversified its operations to include port management, contract logistics, power & equipment rental, fuel distribution and warehousing. The company operates in Kuwait and four other countries in the Middle East.

Cement Business of the Group

Hilal Cement Company is Kuwait's third largest cement packaging and distribution company. In August 2007, Suez Cement Company acquired 51% of Hilal. In 2008, the company acquired Al Mahaliya Readymix Concrete Company which in turn acquired Kuwait German Ready Mix and Gulf Ready Mix.

Information Technology Business

Kuwait Application Service Provider (KASP) was originally established as Boodai Computer Co to serve the growing IT needs of Boodai Group and help align its IT with its business. Over the years, the company has grown to provide information technology services to other enterprises as well.

Heavy Construction Machinery Business

Boodai Trading Company (BTC), the oldest company in the Boodai Corporation, began its operations as a supplier of equipment to the oil-exploration industry. Presently it operates across the GCC and supplies wide range of products from equipment for construction to nuclear, biological & chemical protection shelters.

Aircraft Leasing Services

Sahaab Aircraft Leasing owns and leases a fleet of 13 Airbus A320s to passenger airlines around the world, such as Jazeera Airways, Virgin America, SriLankan Airlines, and Nas Air. The company is a fully owned subsidiary of Jazeera Airways Group.

Construction Services

Boodai Constructions WLL(BCC) provides civil contracting for buildings and infrastructure projects and engineering consultancy services. Presently, Boodai Constructions is executing one of the major projects in Kuwait "Upgrade of Jamal Abdul Nasser Highway" as joint venture with an international consortium. Some of the noteworthy projects of BCC include Kuwait Sewerage Renovation Projects for government, Central Kitchen Building for Palace and VIP Lounge at Beirut airport

Travel and Freight Services

Boodai Aviation Group is the travel management company of the Group. It provides travel, tour, medical tourism and cargo services. Through its online portal, it also enables booking tickets for flights, concerts etc. Travel Technology Systems (TTS) is in the business of booking, making payments and issue of airline tickets, car rentals etc.

Other Actvities

City Group Company (CGC) conducts medical camps, health awareness campaigns and programs for school children as part of its CSR.

11. Bukhamseen Group (Kuwait, 1957)

Historical Background of the group

The Bukhamseen Group was started by Jawad Ahmed Bukhamseen in 1957 as Jawad Bukhamseen Commercial Corporation . From its beginnings as a family business, it has become one of the largest conglomerates in Kuwait. The group has its presence in a multitude of sectors including trade, real estate and construction, financial services, hospitality, travel and tourism, industrial production and media.

Table 4.16: Bukhamseen Group Holdings

Sector	Business Division
Banking	Kuwait International Bank (2007) erstwhile Kuwait Real Estate Bank (1973) Majority Shareholder in: Egyptian Gulf Bank (1981) First Abu Dhabi Bank (2016) Qatar First Bank (2009)Controlling Shareholder: Kuwait International Bank
Finance	Major Shareholder in: CreditOne (2005) Fully Owned: Arab Investment Company (2006)
Insurance	Controlling Shareholder: Warba Insurance Company (1976) Ritaj Takaful Insurance Company (2004)

Sector	Business Division
Real Estate	Controlling Shareholder: Al-Arabia.com Real Estate Marketing Company Al-Arabiya Real Estate Fully Owned : Tanmiya Realty Layan Real Estate
Hospitality	Controlling Shareholder: Al Houda Hotels & Tourism(1982) • Holiday Inn (Egypt, Kuwait) • Intercontinental (Kuwait) • Crowne Plaza (Kuwait) Major Shareholder in: Azzad Trading Group(1994) Fully Owned : Gourmania International • Ruby Tuesday(2001) • Fauchon (Paris)(2004) Arabian Beverage Company(1960)
Engineering & Contracting	Controlling Shareholder: Bukhamseen International Group of Contracting (1973) MNA International Group (2006) Fully Owned : The Interior Collaborative (2007) Osama Bukhamseen Design (2001)
Industry & Oil	Controlling Shareholder: United Steel Industry Company/Kuwait Steel (1996) Fully Owned : Gulf Energy Company (2004) Asian Concrete Industries
Travel & Tourism	Fully Owned: Al Madina Travels & Cargo Company (1971) Bukhamseen Travel & Tourism (1977)

Sector	Business Division
Media	Fully Owned: Bariq Al Dana Magazine (2003) Al Barakah Media Group (2007) Controlling Shareholder: Kuwait Cable Vision (1997) Dar Annahar for Press (2007)
Others	Controlling Shareholder: Kuwait International Company for Education (2002) Fully Owned: Al Huda Medical Services Company (2004) Health House Nutrition(2013)

Source: Bukhamseen Group

Banking & Finance Business

In 1973, the group established Kuwait Real Estate Bank. The Bank was converted to Kuwait International Bank, an Islamic bank in 2007. The bank has customer deposits of USD 3.72 billion, 26 branches, 100 ATMs and 730 employees. It offers Sharia compliant financial services. It has a long-term issuer rating of A+ from the credit rating agency Fitch. CreditOne is a Sharia compliant financing company. Starting out with car financing, it has expanded to providing credit and insurance. Arab Investment Company (AIC), is an asset manager and advisory services provider for Bukhamseen group investments and other clients. It has assets under management in excess of USD 1.0 billion in global and regional markets.

Insurance Business

Warba Insurance Company is one of the oldest and largest insurance companies in Kuwait. It offers products under life and non-life category such as marine, motor and medical. Ritaj Takaful Insurance, promoted by Warba Insurance, provides sharia compliant takaful insurance products. Ritaj Takaful Insurance was the first medical insurance provider in Kuwait and the first insurance company in Kuwait to be awarded the ISO 9001:2000 Certificate of Quality Management.

Real Estate Business

With over 60 years of experience, the real estate division comprises of eight established companies. The companies operate across the MENA region and are into asset and property development, project management, facility management etc. Al-Arabiya Real Estate firm is listed on the stock exchange. It has a diversified equity portfolio of over $260 million. Tanmiya Realty was involved in the development of Lusail City, the first green city in Qatar.

Hospitality and Food Sector Business

The group operates through its brands - Al Houda Hotels & Tourism and Gourmania International. These two brands manage sub-brands such as Ruby Tuesday, Holiday Inn etc. The group is also into beverage manufacturing and food service distribution through its Arabian Beverage Company and Azzad Trading Group.

Engineering and Contracting Business

The division has been involved in the construction of famous buildings like the Gravity Tower and Crystal Tower. The group is involved in architecture and design, civil engineering, quantity surveying, landscaping, logistics and feasibility studies.

Industry & Oil Sector Business

Bukhamseen Holding entered oil and heavy industry to complement its construction business. Some of United Steel Industry Company's notable achievements are building the country's first steel rolling mill in 2002 and building a steel manufacturing plant in 2011.

Travel and Tourism Sector Business

Bukhamseen Travel and Tourism Company (BTTC) provides travel and tourism services to the corporate market. It is an IATA member and partners with over 500 hotels across the globe. Al Madina Travels and Cargo Company (AMTC) is into travel and cargo business. It also offers courier facilities, door-to-door services and arranging customs clearance.

Media Business

Al Barakah Media Group marked the Bukhamseen Group's entry into media and entertainment sector. Kuwait Cable Vision(KVC) is the first interactive cable television operator. Its capabilities include broadcasting, managing of satellite TV Stations, advertising and producing movies, films, and TV content. It was listed on Kuwait stock exchange in 2002. Al-Dana for Publishing & Advertising Company publishes Bariq Al Dana magazine, a monthly periodical. Dar Aanahar publishes the Kuwait daily newspaper, "Aanahar".

Others

The group has interests in other sectors including education and healthcare. Kuwait International Company for Education operates private universities and educational institutes across Kuwait. Al Huda Medical Services Company manages hospitals, health clubs, radiology and laboratory services. It is also involved in pharmaceuticals and medical supplies trading. Health House Nutrition is into supplement distribution business. Al-Mubarra, the group's charitable arm, provides necessary finance support for medical care and education for those in need.

12. Alshaya Group (Kuwait, 1890)

The Alshaya group has holdings in real estate, construction, hotels, multiple retailing, automotive, IT and advertising, largely centered in the Middle East. M.H. Alshaya Co., the retail division of the group, is an international retail franchise operator headquartered in Kuwait. Its automotive division has the exclusive dealerships in Kuwait for Mazda and Peugeot cars, as well as Eicher trucks, Michelin tyres and Mobil lubricants.

Historical Background of the group

M.H. Alshaya Co. started its operations as a shipping company in 1890, headquartered in Kuwait. It diversified into hospitality business in 1963 with the Sheraton Hotel, Kuwait. It's growth into a multinational retail franchise operator was architected by Mr.Mohammed Alshaya, Executive chairman of M.H. Alshaya Co. Mr.Mohammed Abdul Aziz Alshaya, a third-generation member of the family and a Wharton MBA, had a 3 month work experience in UK-based retailer, Mothercare. On returning home in the 1980s, he joined the family business' retail franchise division. He played a major role in opening the first Mothercare store in Kuwait in 1983.

Operations

The operations of M.H. Alshaya Co. spans across multiple categories- fashion and footwear, health and beauty, food, leisure and entertainment etc. The regions of operation include the GCC, North Africa, Turkey, Russia and Europe. The company manages 90+ brands. It employs over 60000 people of 120+ nationalities. It has 4,000+ stores out of which 450 are in Kuwait and over 700 stores are in Saudi Arabia. It boasts of a total retail space of 1.2 million square meters.

Table 4.17: M.H. Alshaya Co's Firsts

Sector	Brands
Fashion & Footwear	Mothercare(1983)
Health & Beauty	Debenhams(1992)
Food	Starbucks(1999)
Optics	Vision Express Solaris
Pharmacy	Boots
Home Furnishings	Pottery Barn (2010)
Leisure & Entertainment	KidZania (June,2013)

Sector	Brands
	TekZone, an innovative virtual reality destination(2018)
Hospitality	Sheraton(1965)
Outside Middle East	TopShop(2002)
Online Presence	Mothercare e-commerce site(2012)

Source: Alshaya

Other brands franchised by M.H. Alshaya Co. include Katsuya by Starck, Victoria's Secret, The Body Shop and Charlotte Tilbury. M.H. Alshaya Co. has enabled many brands spread their wings outside their home countries and set foot in the Middle East. A few noteworthy mentions are Texas Roadhouse (U.S.), The Cheesecake factory, IHOP Restaurants (North America), Icing (U.S.), Etude House(Korea), Babel(Lebanon), Bridgewater Chocolate(US). It also opened its own brand restaurant, Amiti Noura, in Jan 2019. M.H. Alshaya Co. has partnered with Hilton in August 2019 for franchising their Hampton brand.

M.H. Alshaya Co also holds a stake in Noor, an e-commerce platform.

Training & Education

In December 2012, Alshaya opened the Alshaya Retail Academy in Riyadh, Saudi Arabia. The academy provides retail training and employment on graduation for young Saudi women. Branches of the academy were opened in Jeddah in May 2015 and in Dammam in September 2015.

Philanthropic Initiatives

Mr. Mohammed Alshaya, Executive Chairman of the M.H. Alshaya Co., is a trustee in the Mentor Foundation, an international non-government organization that works to prevent substance abuse and empowers children and young people to make healthy choices.

M.H. Alshaya Co. and Kuwait's Society for the Guardian of the Disabled (KSGD) have been doing welfare schemes for disabled students since 2010. As a part of this initiative in October 2015, Alshaya had provided internship opportunities to 13 Kuwait students with disabilities, in their retail stores. Alshaya in partnership with Manpower and Government Restructuring Programme (MGRP) offers annual summer internship to students.

Kidzania, Kuwait, a brand franchised by M.H. Alshaya Co organizes events for children with disabilities as a part of its CSR.

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