

UAE pumped \$5.7b into Comesa

Written by Administrator
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Dubai: The size of UAE investments in the Common Market for Eastern and Southern Africa (Comesa) reached \$5.7 billion (Dh20.92 billion) last year, Heba Salama, Director of Comesa Regional Investment Agency, told Gulf News yesterday.

"Compared to previous years, the UAE investments in the Comesa markets have increased from \$4.8 billion in 2009 to \$5.7 billion in 2010," she said on the sidelines of the fourth Comesa Forum in Dubai.

However, she added that the forum will provide an opportunity for dialogue between the policymakers of Comesa members and the representatives of the investment and business community on leveraging trade and investment.

Stressing the business opportunities in the Comesa markets, Salama said that the annual trade within the Comesa represent 29 per cent of its total trade while it is not more than 10 per cent with the European Union countries.

"The Comesa region is also endowed with a wide variety of mineral resources, including sizeable deposits of copper, gold, platinum, nickel, cobalt, coal and iron."

"It offers investment opportunities in mining, manufacturing and processing in a wide variety of goods and other industrial products. There are also opportunities for oil exploration and refining in a number of member states."

Foreign direct investments from the UAE since 2003 are estimated at 115 projects by 67 companies, of that Dubai World is among the top ten companies which account for 36 per cent of investment projects.

Abdullah Mohammad Al Awar, CEO of the DIFC Authority, said that Comesa countries should improve the legal infrastructure that help create a conducive business environment, which in turn will attract more investors to the region.

Main factors

He also stressed the main factors that should be available to achieve economic growth.

These should include infrastructure that will connect the region with the rest of the world, and a solid legal and judicial platform.

Karim Schoeib, Head of Capital Market, Shuaa Capital, said that to achieve real development there should be easy financing for all projects in the Comesa region. He also stressed the importance of credit ratings to win the support of the private sector and international credit markets.

There is a need to tap into the international financial and credit markets as the local banks cannot meet the expected economic and development growth in the Comesa region.

Pointing out that finance is the main challenge for development projects, Dr Maggie Kigozi, Executive Director, Uganda Investment Authority, said: "Although there is a remarkable increase in the trade volume between the Comesa, Middle East and Asia, we still lack adequate channels for finance."

Support

She also called on the Gulf countries to establish the first Gulf bank in Africa to finance and support trade and other development projects.

Sulaiman Al Mazrouqi, Chairman of the Bankers Business Group, said that UAE banks have enough experience and liquidity to be present in the Comesa markets to support trade and industry whenever those governments are able to create a healthy and suitable business

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environment, secured with proper regulations and proper legal infrastructure.

Dr Nasser Saidi, Chief Economist and Head of External Relations at the DIFC Authority, said that the DIFC is ready to respond to any company and institution from the Comesa region that wants to go for initial public offerings.

Fahd Al Gergawi, CEO of the Foreign Investment Office at the Dubai Economic Development Department, said that to provide better business opportunities between the UAE and the Comesa countries there should be representative entities for any company or institutions in the two countries.

Source : Gulfnews.com