

Business & Investment in the Gulf looks beyond work to address the entrepreneurial lifestyle

B-I-G

SPECIAL REPORT

FDI: WHERE DO WE GO KNOW?

NEW AGE MARKETING

21-TIPS ON LOW COST MARKETING

CORPORATE REPORT

BAHRAIN NATIONAL HOLDING



SOCIAL POWERHOUSE

ABDULNABI AL SHO'ALA
A man without boundaries



CREDIT CRUNCH
IN GCC

EVALUATING
US DOLLAR

CUSTOMER
SERVICE IDEAS

ORGANIC PRODUCTS

Abdulnabi Al Sho'ala



A CLASS APART

Wisdom is not a product of schooling but of the lifelong attempt to acquire it enunciates *Mr. Abdulnabi Al Sho'ala* - Chairman, Al Fanar Investment Holding Co. BSC (c) - whose numerous achievements have placed him in a league of his own. In an exclusive *teté-a-teté* with *Paritosh Palav*, Mr. Abdulnabi recalls on how he converted life's challenges into opportunities and went on to achieve his dreams.

Leaders are not born, they are made. They show that style is no substitute for substance, and vision and conviction are critical factors for registering achievements. One such leader who has left his mark on almost every sphere of life with his business acumen, incisive diplomacy and dedicated efforts is Abdulnabi Al Sho'ala, Chairman, Al Fanar Investment Holding Company. One may run short of words while illustrating his multitude contributions made to the Bahraini society and is truly the Kingdom's pride.

Abdulnabi's life is closely synonymous with Bahrain's economic progress. With humble beginnings in 1960s, Abdulnabi has passionately lived out his dreams by strengthening his spirit through various challenges that life kept on posing time and again. Today, the high-profile Abdulnabi is proud to have served his country as the Cabinet Minister and Minister for Labour & Social Affairs for several years besides setting up and heading more than 20 companies till date.



“Necessity is the mother of invention. In those days one had to go for higher education abroad and one's first choice would be England. However, life had a different plan for me and instead of going west I ended up in the east, in India”



THE BEGININGS

All the business houses that lived through the pre-oil era in Bahrain and are today thriving enterprises have probably not forgotten the sheer amount of challenges that came in the form of infrastructure, manpower, finance, higher education and opportunities. The term 'development' was considered new as the avenues for earning cash receipts were seriously low. This was precisely the time when Abdulnabi, still in his school, decided to start depending on himself by earning his own livelihood whilst planning for higher education. To cite his own words, "Necessity is the mother of invention. In those days one had to go for higher education abroad and one's first choice would be England. However, life had a different plan for me and instead of going west I ended up in the east, in India, where I pursued my studies in economics and political science. For this I had to work and save for almost three years."

Back in Bahrain in 1973 Abdulnabi straightaway joined the foreign affairs, one of the most sought after departments to work at that time. After working for almost 11 months over there, Abdulnabi realised that this was not something he wanted to take up in the long-term. He explains, "Leaving foreign affairs was a difficult decision as it was a steady and well-paying job. Still, I had saved enough while working there and I arranged with a bank to back me up. Thus Gulf Public Relations (GPR) was born whereby we offered services such as – translation,



market research, marketing, public relations, and others.”

Located at the Al Zamil building in Manama, GPR had one office, one desk and one telephone line for start up. “Our signboard was actually bigger than the office,” claimed Abdulnabi. “Originally, Al Zamil was a full-fledged apartment building and was later converted into offices due to the growth in the business in Manama. On the service side, we also translated Arabic newspapers and made briefs in English, since there was no English media available. We also translated the official gazette and debates held at the National Assembly. This brought us clientele from Embassies, which till date are subscribers.”

While work carried on for a while, things changed when GPR was awarded with the translation and public relations work by Bahrain’s largest industrial outfit - Alba. This proved to be turning point in Abdulnabi’s business career although GPR had a limited exposure towards professional marketing services. “The Alba contract boosted our confidence immensely and from then on we grew and expanded successfully. Today Al Fanar Investment Holding Company has more than 20 companies under its fold with prominent presence in sectors such as – manufacturing, trading, construction, auditing, management consultancy, publishing, translation, and marketing,” he highlights.

Talking about difficulties, Abdulnabi reflects that raising finances and human resource was the biggest challenge in those days. According to him the service sector is all about people and for this getting the right calibre was a prime necessity. “People with right skills and knowledge are expensive and one cannot compromise on quality. Hence, convincing such people to come on board and meeting their costs required immense work given the fact that they would be coming in from a relatively developed market where communication tools were easily available in contrast to the Kingdom’s limited exposure.”

THE PEOPLE’S MAN

Abdulnabi’s first public career came in 1983 when he became the board member of the Bahrain Chamber of Commerce and Industry (BCCI). Within the BCCI itself, he progressed gradually including holding the executive office for three terms. In addition to the business career, he expanded his public appeal by becoming the member of the Shura Council in 1992. As time progressed, Abdulnabi enhanced his profile by becom-

“People with right skills and knowledge are expensive and one cannot compromise on quality, hence convincing such people to come on board and meeting their costs required immense work ”



ing the Chairman of the GOSI and High Council for Vocational Training in 1995.

It was around the same time that the public reiterated their faith in him and elected him as the Minister of Labour & Social Affairs. This was the beginning of his association with social affairs and in 1996 he was selected as the Chairman of the Arab Council of Ministers of Social Affairs and later as the Chairman of the Gulf Council of Ministers of Labour & Social Affairs. He has also served as the Cabinet Minister of State from 2002-05.

THE HUMAN FACTOR

Having served at the helm of Ministry of Labour & Social Affairs, Abdulnabi feels that adequate and appropriate manpower still remains a critical issue in defining the future of an economy. He suggests that free market forces usually determines and balances the demand-supply of the right calibre.

Tracing the prominent features of the Kingdom's labour market, he says, "Cheap labour is not necessarily an attractive economic factor especially in our kind of country which is heavily dependent on expatriates. One cannot have an advantage over everything. Having emphasised all these years on cheap labour also has its negative effect. If all those workers were well paid then their economic contribution would have been immense simply because they would be more efficient. At one stage 80 per cent of expatriates in Bahrain were paid below BD100 per month. It was a form of slavery. Such workers are more of a liability than an asset."

Having lived and studied in India, Abdulnabi's bonding with the world's largest practicing democracy is no doubt strong. However, changing times and India's booming economy are attracting (Indian) expatriates in the Gulf back to their homeland. Commenting on this trend Abdulnabi says, "The GCC region as a whole has always had the opportunity of being close to one the largest reservoir of manpower i.e. India. We have been very lucky to get skilled and unskilled labour to work with us. I must say that we have been able to provide job opportunities for millions of people and have been able to give sizeable income than what they were getting back home. Many Indians have come here and have become a strong force in the development of the country. Also, the first Indians who came to the region did not come for a job. They came for business."

"Now the opportunities are swinging. However, the ongoing change in India is a



positive sign for everybody as we should get better people. Earlier, lot many people who came here were the ones who could not join the market there. Now the picture is wider and the opportunity is greater because there is no alternative. Also, India and the Gulf have always complemented each other. We know each other for years hence it is natural for us to look at India as a source of expertise and acumen. This will continue. This is history, this is geography."

REFORMING THE SYSTEM

For long, Abdulnabi has been a firm believer in free economy and says that the concept should be applied to the ongoing reforms in the labour market. When about is his opinion on Bahrain's labour market reforms, he clarifies that it is a debatable issue and everybody is free to have an opinion.

He argues, "Personally speaking, it is not good to put more regulations and organisations. There should be free movement of labour and the system of local release should be abolished. People should be free to change their jobs even if they find a new one the very next day. Of course, as an employer, if one has lost something one can go to the court."

Striking a different note, he further says, "There is no point in bringing someone and not pay him properly and yet try to retain him. If we free the market then there will be no need for minimum wage regulation as the market will work by itself and the so called black market and free visa will be eliminated. But there are many who may not agree to my view."

"There will be some difficulties and delays. But at least things will be better. For

the time being nobody can claim that there is a permanent solution to the labour market in Bahrain. Circumstances can change so the policies will need to be revisited and re-evaluated.”

ECONOMIC VIEWPOINT

It is important to note that at a time when Bahrain is experience an economic boom, inflation has creped into the system with a steep rise in essential commodities and needs. To this Abdulnabi observes, “I think

“The weaker section of the society in Bahrain needs to be uplifted not through subsidies but through education and meaningful contribution towards economic development ”



Al Fanar Investment Holding Company BSC (c) - A PROFILE

- 1 Al Fanar Travel Agency W.L.L. (AFT)
- 2 Al Hilal Hospitals Co. B.S.C.
- 3 Alfanar Investment Holding Co. BSC ©
- 4 Alfanar SN Retail WLL
- 5 Bahrain Alloys Manufacturing Co. W.L.L. (BAMCO)
- 6 Bahrain Industrial Filters Manufacturing W.L.L. (BIFM)
- 7 BMR Advisors
- 8 Business Development Enterprises W.L.L. (BDE)
- 9 Dar Al Bilad for Press Publishing and Distribution BSC
- 10 Direct Middle East W.L.L. (DME)
- 11 Fanar Capital B.S.C.
- 12 Gannon Dunkerly WLL
- 13 Gulf Markets International W.L.L. (GMI)
- 14 Gulf Temperature Sensors W.L.L. (GTS)
- 15 Gulf Translations W.L.L. (GT)
- 16 International Technical Supplies & Services W.L.L. (ITSS)
- 17 ITSS Trading – Dubai
- 18 Pearl Enterprises (PE)
- 19 Primedia International Fz-LLC
- 20 Royal Education and Development W.L.L.(READ)
- 21 Scantech International (SI)
- 22 Tele-Gulf Directory Publications W.L.L. (TGDP)
- 23 Towell Smelter Services Division (TSSD)
- 24 United Industrial Services Company L.L.C (UNISCO)



Abdulnabi Al Sho'ala with BIG Managing Editor Paritosh Palav

it is a natural cycle. Economic boom stimulates growth and as investments increase prices are bound to go up. Also, increase in the standard of living is another factor that has resulted in price increase. However, the rise in commodities like food is universal and is not Bahrain-centric. Look at India for instance, where consumption of essential commodities has risen tremendously thus putting pressure on exports.”

“The weaker section of the society in Bahrain needs to be uplifted not through subsidies but through education and meaningful contribution towards economic development. We must not just feed them fish but teach them how to fish. I am sure they can afford to pay for the price rise provided they have been equipped to deal with it.”

On the growth side, Abdulnabi explains that diversification is the key to the future. “Present excess liquidity in Bahrain is good as it paves way for diversification. Sectors such as health, education and IT hold good potential and Bahrain should capitalise on this. If you leave the US and Europe, where sub-prime crisis has crippled the economies, markets such as Asia are still available to invest where risks are considerably small.”

Being a father to the publishing industry in Bahrain, Abdulnabi observes that the rise of the print media sector is extremely healthy. According to him, too many payers will breed competition, which is ultimately good for the end-user as the final product will be good. The fittest will survive. “Few years back when the Internet was on a high, people felt that it was time for print media to fade away. But it has turned out otherwise. In fact, print media has grown manifold and will always continue to grow since it is tangible at the end of the day,” says he.

THE INFLUENCE

Talking to Abdulnabi one obviously starts to see life from a totally different perspective. He indirectly teaches you how to be at ease and think through your strategies by banking on your experience. When asked about his achievements at life, the humble Abdulnabi calmly says that – there is always a sense of pride at different stage of life.

To sum up in his words, “It was an achievement to have attained higher education with no resources. My first contract with Alba proved to be brightest period. Also, I felt great pride when our country’s leadership and countrymen posed their faith in me to serve our Kingdom. Today, I am equally contended that I have done my job.” **B+G**