

EXCLUSIVE

THE NEW TYSON



IRON MIKE is not interested in simply making as much money as possible. In fact, he is now all about trying to help people **BECOME BETTER VERSIONS OF THEMSELVES**

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BACK TO THE FUTURE

“IF YOU ARE LOOKING FOR OIL, THAT IS NEVER GOING TO LAST FOR LONG. IF YOU ARE LOOKING FOR A FUTURE, YOU NEED TO EXERCISE YOUR MIND. IT’S A DETOX FOR THE MIND. YOU NEED TO GET OUT OF YOUR COMFORT ZONE. YOU NEED TO GET THEM TO ACT IN A WAY THAT HASN’T BEEN SEEN BEFORE. IN SAUDI ARABIA – I THINK \$60 IS A GOOD PRICE FOR OIL. IT’S BEING MANAGED VERY WELL. IT’S A GOOD BUSINESS SO FAR. WE BUY A LOT OF OIL. WE WANT TO BE A PARTNER, NOT JUST A CUSTOMER. WE WANT TO INVEST IN OURSELVES. WE WANT TO INVEST IN BANKING, NOT JUST IN OIL. WE WANT TO CLOSE A DEAL. WE WANT TO DO THE NEXT THING. WE WANT TO DO A GOOD BUSINESS. WE WANT TO SPEND AS MUCH AS WE CAN. WE WANT TO HAVE A GOOD DAY. WE WANT TO SEE A FUTURE.”



Samena Capital's Shirish Saraf is on a mission to help the world see a whole new Asia



UAE:	AED 12
Saudi Arabia:	SAR 12
Qatar:	QAR 12
Egypt:	EGP 10
Oman:	OMR 1.200
Bahrain:	BHD 1.200
Kuwait:	KWD 1.200

ERAMICS THESE ON **SAMENA**. IT'S AND REAL **PEOPLE**



IN THE SPOTLIGHT

COVER STORY

By Michael Jabri-Pickett

SHRISH SARAF,
CO-FOUNDER
AND VICE
CHAIRMAN
OF SAMENA
CAPITAL, IS OUT
TO CONVINCING
YOU THAT
PRIVATE EQUITY
IS EXCITING
WHILE TELLING
YOU THAT WHAT
WAS OLD IS NOW
NEW AGAIN.

SHIRISH SARAF HAS a plan. Truth be told, he has many plans. Ask the private equity investor what he has coming up and he will happily talk your ear off. The 49-year-old co-founder and vice chairman of Samena Capital is no shrinking violet when it comes to sharing his ideas or explaining in great detail how he was inspired by something as straightforward as the name of the company he helped found in 2008.

“When we set up Samena, it was a pretty ambitious plan, it was an abstract model,” says the Indian national who was born in Oman, where his father was a businessman and his mother was a dentist. “The name Samena did not exist. Most people know emerging markets as BRIC. I say Samena is the new BRIC. I basically coined it on a beach in Goa. And it was Subcontinent Asia Middle East North Africa.”

Saraf imagines that even if he is not known for making good investments, perhaps one day this name/acronym will make him as famous as Brit Jim O’Neill of Goldman Sachs, who is most famous for creating the term BRIC, which represents the theory that the economic potential of Brazil, Russia, India and China could become the dominant economies within the next half century.

Saraf says the world is shifting back to where it was hundreds of years ago, and that the economic realities of the Subcontinent, Asia, the Middle East and North Africa are as relevant today as during the Ming dynasty.

“In the 15th century, India, China, the Middle East dominated the world, and now it looks like we are going back to the future,” Saraf says. “For 1,800 years, 60 percent to 70 percent of the world’s GDP



▲ Sheikh Nahyan Bin Mubarak Al Nahyan, UAE Minister of Culture and Knowledge Development, with Shirish Saraf.



▲ India’s economy is projected to grow 7.5 percent in 2017-18, according to the Organisation for Economic Co-operation and Development.

“In the 15th century, India, China, the Middle East dominated the world, and now it looks like we are going back to the future”

4%

The UAE government’s targeted growth rate for 2017.



▲ Sheikh Nahyan Bin Mubarak Al Nahyan (centre) is among the big-name investors at Samena Capital.



▲ Saraf over the years has rubbed elbows with a number of high-profile personalities, including Prince Andrew, the Duke of York.



▲ Saraf with V-Nee Yeh, one of the founding shareholders of Samena Capital.



▲ (From left) Anand Mahindra, Ali Habib, Shirish Saraf and Sayid Tarik.



▲ Myanmar's reform efforts are gradually helping the country to catch up with more advanced economies, according to the IMF's Regional Economic Outlook.



▲ Samena Capital is one of several investment groups that are turning their attention to the booming economies of Southeast Asia.

was out of India, China and the Middle East. It was only the last 200 years that was an aberration. You're seeing that wave come back. These countries cannot be ignored. You can't box them in with Western jargon because the West is going to have its biggest challenges over the next ten to 15 years."

By his count, Samena has had about 45 exits and \$1.2bn of assets raised. The company has returned \$600m of capital in what Saraf calls "extraordinary" times.

With deals coming in India and Myanmar, he believes the good times will continue for Samena.

"Myanmar was the richest country in Asia in 1960. It is today the third poorest country in the world. It has every resource you can dream of, over the ground and under the ground. It has 70 percent of the world's teak — Burmese teak — it has 90 percent of the world's rubies, it has 40 percent of the world's jade and it has gas. The second highest finds after

\$650m

The value of assets being handled by Samena Capital in emerging markets around the world.



SHIRISH SARAF ON:



"Today there is gloom and doom. You sit in Dubai, you see the world and the oil prices come down, the world I look out to has a lot of positives going on. Why? Because as oil has come down, 800 million people are worse off, but 6.3 billion people are better off, 85 percent of the world is better off today with low oil [prices]. They are better off today with low commodity prices. So the rebalancing of the world's economies are taking shape right in front of us. Two hundred million people are coming out of the clutches of poverty in India alone in the last three years; 500 million people have come out of poverty in China in the last ten years"



▲ Efforts by Vietnamese authorities to create a more business-friendly atmosphere is making the country more attractive for foreign investment.



▲ The Philippines economy grew 6.8 percent last year, and is projected to expand 6.9 percent in 2017, according to the World Bank.

Qatar. It has 50 million people and is between India and China. These are opportunities.”

Myanmar is a microcosm of all that Saraf sees in the business world, ie, potential. Countries that are coming up to \$2,500 per capita is what Saraf is — ideally — looking for.

“We call it the sweet spot,” he says. “We start to see consumption explode exponentially. Why do we call it the sweet spot? Because \$2,500, on average, is what you need for the basic needs to be met. Once basic needs are met, consumption patterns change astronomically.”

So, if you are going to try and figure out where Saraf needs to

be in the next five to ten years, look no further than where Samena is focussed.

“I have to be in countries that have the growth — India, Indonesia, Vietnam, Myanmar, Philippines — all over 6 to 8 percent growth. Fastest growing economies in the world today are these. This isn’t me, the World Bank is saying it.”

You also have very young populations in these countries.

\$1.1bn

The value of assets raised by Samena Capital since 2008, according to Bloomberg.

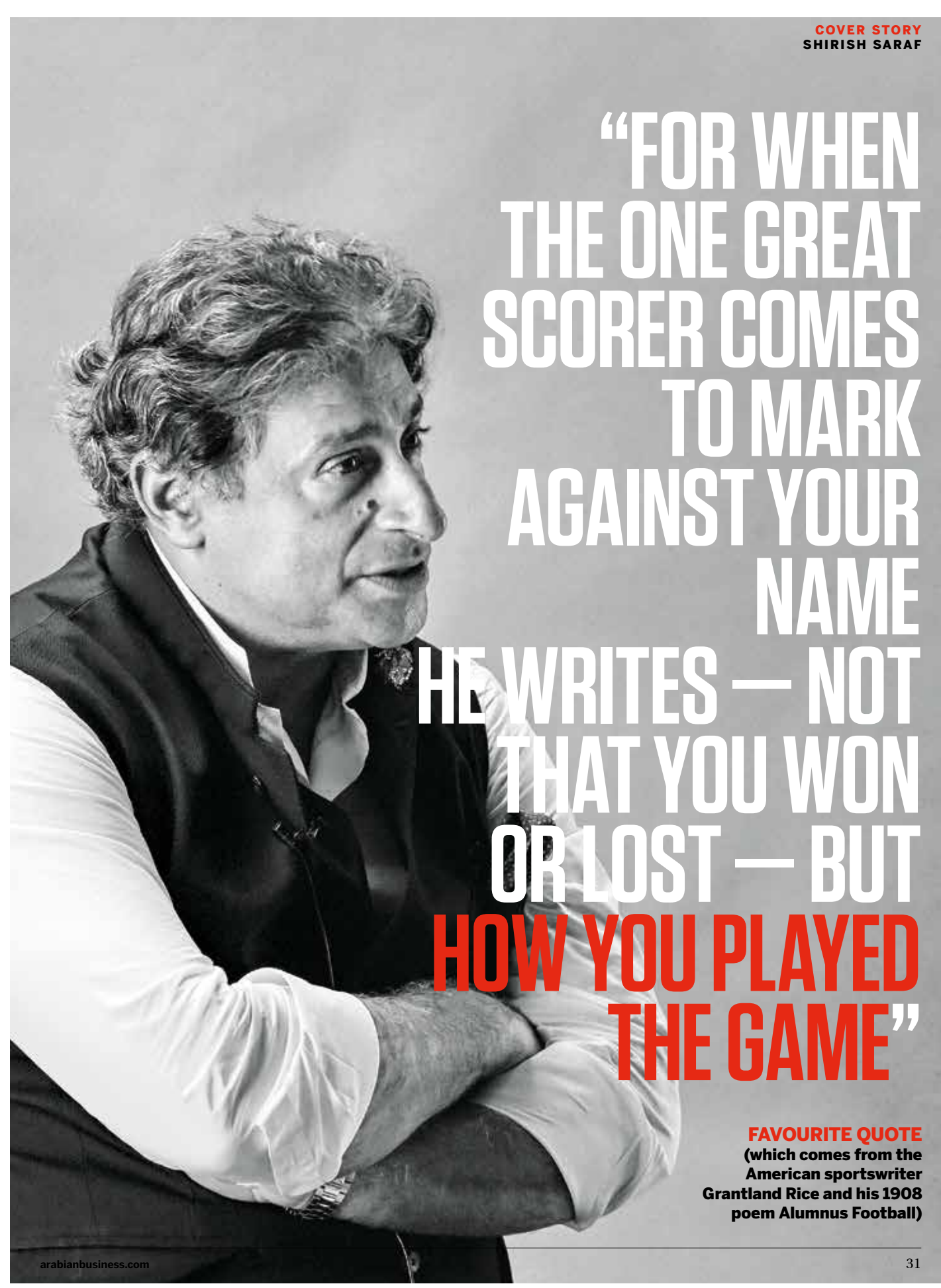
SHIRISH SARAF ON:



“If you are looking for \$100 oil, that is never going to happen, not in my lifetime. If you are looking for a \$60 oil — and you think that this exercise is going to be a detox for governments to sort of cut out excess spending ... and to actually get their act together, in term of inefficiencies that have been existing in countries, like Saudi Arabia — I think there is an opportunity. I think \$60 is a very good level for economies to be managed very effectively”



“Age is mind over matter. If you don’t mind, it doesn’t matter. Getting to 50 you reflect on a few things. Attachment is the cause of most suffering. Everything that you’ve been attached to, you will now lose. So if you look at the first 50 years of your life, it’s all about gaining, it’s all about taking. And the next 50 years will be all about losing it. So it will be all about losing your family, losing your friends, losing your money, losing your health. And that’s what you have to reflect on. It’s almost like two stages of your life”



“FOR WHEN THE ONE GREAT SCORER COMES TO MARK AGAINST YOUR NAME

HE WRITES — NOT THAT YOU WON OR LOST — BUT HOW YOU PLAYED THE GAME”

FAVOURITE QUOTE
(which comes from the American sportswriter Grantland Rice and his 1908 poem Alumnus Football)



▲ Crown Prince of Abu Dhabi Sheikh Mohammed Bin Zayed Al Nahyan with Indian Prime Minister Narendra Modi in New Delhi in January.

“India has the youngest population in the world,” he says. “It has the biggest democracy in the world. It has rule of law. All these are factors that we must consider when we go in. Places like Myanmar are still at an early stage. We will not make big bets in them, but we will get our feet in there, we will tread very carefully.”

The Subcontinent, Asia and the Middle East is logical because it’s a contiguous region, he says. What this means is that it brings together partners from the Subcontinent and the GCC. The cities in this region are all connected, Saraf says.

Dubai is the best suburb for

Bombay, he says. “It’s also the best suburb for Riyadh... and the best suburb for Karachi. It’s literally a new hub. But... there is obviously going to be a lot of cross-border consolidation opportunities in the next five years. We see that as a wave and that was the thesis under which Samena was set up.”

So from an economic perspective, Samena makes complete sense. But recent

\$500m

The value of capital returned by Samena from more than 40 full and partial exits.

SHIRISH SARAF ON:



“When you operate in communities ... you are part of the community. We are part of the community. How can you be in those communities making extraordinary profits and not give back to those communities?”



“We never buy a business so that we leave things as they are. We buy a business so we can see an opportunity to get involved, be an active partner, be a catalyst for change. We call ourselves value bringers”

history suggests everything flows from the West, not from the Subcontinent and the GCC. Traditionally, Saraf says, not many Chinese businesses were bought in India or vice versa, while not many Middle Eastern businesses were bought in India. Today, however, you are seeing that change.

“You are seeing Alibaba’s Paytm in India, which has become the largest online provider. On the other side, you are seeing His Highness Sheikh Mohammed Bin Zayed, the Crown Prince of Abu Dhabi, who just went to India. [In January 2017, which was his second visit in less than a year.] He committed \$70bn for investments into India. So the growing ties, economically, integration-wise are all signs not of just friendships being created, these are signs of business realities.”

What makes these economic ties work in this contiguous region is the UAE.

The UAE is the “shining light,” he says. “I see that other countries like Oman and Bahrain are all very progressive and nice, but they are small economies.” They are never going to change the needle, he says.

“I think the UAE has nowhere to go but up, it is no longer a possibility, it is a reality. It is one of the most vibrant countries, it has got the best environment, it has got the best infrastructure, it has got top quality infrastructure, it has got a very tolerant and lovely system for all religions and cultures to thrive in and live. People have made money here for 50 years. I think it’s a real oasis and it shows that

6.5%

China’s projected economic growth in 2017, according to the Asian Development Bank.

in an Islamic nation how tolerance can be done and how peace can be achieved through strong leadership.”

The business realities are that the growth markets of Asia are not the traditional growth markets of the West, Saraf says.

The West knows Asia as just China, he says. Which means when some people sit in London and New York and they talk of Asia, they mean China. “When I sit in Samena and I sit in Dubai and I sit in London or I talk of Asia, I talk of the true Asia, which is India, which incorporates the growth engines of Indonesia, of Vietnam, of Myanmar, of the Philippines, of Gulf countries.”

Samena is not Saraf’s first foray into the world of private equity. He was the co-founder and managing director of the Abraaj Group, which grew to manage \$6bn. Saraf left Abraaj in 2007, but he looks back on that time fondly.

“I’m so proud to have been associated with what is today a quality shop [Abraaj], and one of the largest in the emerging markets worldwide. The opportunity to have co-founded that business and to have taken it to the size and scale so when I left it was amongst the largest in Asia, was truly satisfying.”

But Samena is a different form and a different shape. Samena is more Asia. “It is not really sheikhs doing Asia. It’s Asia as Asia. It’s Indians, it’s Chinese. It’s not an Indian fund manager and a Chinese fund manager. It’s the best-known sovereign wealth funds, merchant families and family groups, coming together with real principles with their names aligned.”

Saraf says that Samena is truly neutral. “We operate as a local player in all of these markets, and we truly are the new Asia.” **SB**

SHIRISH SARAF ON:



“I am quite hopeful that places like Qatar, Bahrain, Oman are all going to actually flourish over the next five to ten years if leadership remains stable and good”



“Because unlike investment banking, it is not a business where you just close a deal and then you move onto the next thing. It is literally an everyday business. So you buy a deal today and then you are involved with it on a daily basis. I spend as much time on RAK Ceramics these days having bought it as I do on Samena. It’s about seeing businesses and real people and being in real situations across the board. It’s not a business that you just cut your commission on”



“The first and most important thing when we invest and when we look for partnerships is reputation and integrity. If there is no reputation and there is no integrity – and even if the returns look like they are outsized – we will not enter them. Given that we are operating in markets that are opaque, they are relationship-based and we are taking a long view of the markets”

SHIRISH SARAF ON:



“I think everything in life must involve an element of giving back. The only things that are tenable, in business or in life, can be only when you take and when you give back. It’s not me only. I think everyone across the board that has any conscience and thinks about everything that is beyond making money”



“It goes without saying that Dubai today is spoken in the same breath as London, New York, Shanghai. It’s a reality. It is one of the new centres of the world. It is clearly at the crossroads of what is the new Asia”

BIO



▲ Saraf is involved with a foundation started by Orianne and Phil Collins.



▲ Saraf calls London his home.

- ✓ The co-founder and managing director of The Abraaj Group, where he worked from 2002 to 2007.
- ✓ In 2008, he co-founded Samena Capital.
- ✓ In September 2013, Asian Investor listed Saraf as one of Asia’s 25 most influential people in private equity.
- ✓ Saraf is involved with the Little Dreams Foundation, a not-for-profit initiative with Orianne and Phil Collins and is a director on the board.
- ✓ In June 2014, he led the acquisition of a significant stake (34 percent) in RAK Ceramics.
- ✓ In 2015, he founded the Shirish Saraf Scholarship at Charterhouse School, which he attended, providing an education for underprivileged children with all-around excellence.
- ✓ In 2016, Saraf established the Samena Foundation, which is an initiative set up to facilitate global charitable and benevolent causes.
- ✓ He has been married for ten years, and has a four-year-old daughter.
- ▶ Saraf spends a lot of time in Dubai, Hong Kong and India “but London is home”, he says.