HSBC Sustainability Insights

Mid-market enterprises turn to sustainability for growth

59% say sustainable business practices will improve their profitability

KUWAIT: Almost a third 30 percent of Middle Market Enterprise companies consider having a sustainable impact on the community and environment as one of their top three long-term objectives, data from HSBC Commercial Banking shows.

Indonesia (43 percent), UAE/Saudi Arabia (36 percent) and Australia (34 percent) are the countries where firms are most likely to focus their long-term strategies on this, as well as companies in the Mining (42 percent), Utilities (38 percent) and Manufacturing (37 percent) sectors.

In the poll of more than 1,400 decision-makers across 14 countries, half (50 percent) recognize their customers are demanding products that consider environmental and social impacts. This can act as a competitive advantage. In fact, 59 percent of firms say that sustainable business practices will improve their growth and profitability.

Companies in the Manufacturing sector (72 percent) and in India (68 percent), Saudi Arabia (66 percent) and Canada (66 percent) are the most likely to recognize this commercial benefit. Almost a third (30 percent) of companies globally also believe that becoming a more sustainable business will contribute to improving their financial performance over the next three years.

To unlock further growth, more than a quarter (27 percent) of Middle Market Enterprise companies have prioritized investment to become more sustainable, with firms in Saudi Arabia (34 percent), Hong Kong (33 percent) and Australia (33 percent) the most likely to have done so. In terms of sectors, Mining (36 percent), Professional Services (34 percent) and Utilities (33 percent) show the greatest commitment to becoming more sustainable in terms of investment.

Commenting on the findings, Bryan Pascoe, Global Head of Client Coverage, HSBC Commercial Banking, said: "The importance of building sustainable practices into their immediate and long-term strategies has become a no-brainer for business leaders. That's what customers are demanding, and that's how businesses will find growth to compete in today's economy. It is positive to see Middle Market Enterprise are not only aware of sustainability as a potential game-changer, but many are already capitalizing on trends and taking action.

"What we, at HSBC, are doing is helping these firms take this further. That means working with them to look at their entire ecosystem to identify efficiencies in their supply chains, adapt their product offering, and meet the sustainability standards expected by their buyers."

On average, only 18 percent of Middle Market Enterprise rated sustainable actions as important to their business today, however nearly half (46 percent) said they are important to them in the short to medium term (next three years). The action that has gained more importance going forward for these companies is to set up a dedicated team to be accountable for implementing Corporate Social Responsibility (CSR) initiatives.

An important area businesses can address now to become more sustainable is to find operational efficiencies in their supply chains. Almost half (47 percent) of leaders identify this as a contributor to their company's financial performance over the next three years.

Practical steps that firms can take to put sustainability at the heart of their business include:

• Looking for efficiencies in their supply chain that can be both green and cost-effective. For example, solutions which mean that raw materials travel shorter distance can help cut emissions and save transport costs

• Adapting to customers' changing preferences by changing their business model. Environmentally-conscious consumers may respond well to products sourced and produced in a sustainable way, which could boost revenues

• Investing in renewable sources of energy such as wind turbines and solar panels as part of broader efforts to manage their environmental footprint

• Introducing and enforcing codes of conduct and policies on issues such as human rights and relationships with local communities

• Reporting on Environmental, Social and Governance (ESG) performance. Transparency can be an important first step in winning consumers and investors' trust

For its 2017 survey HSBC polled decision-makers of companies with between 200 and 2,000 employees in Australia, Canada, China, France, Germany, Hong Kong, India, Indonesia, Mexico, Saudi Arabia, Singapore, the UAE, the UK and the US.

	% of Middle Market Enterprise having sustainability in their top 3 long-term objectives	% of Middle Market Enterprise saying sustainable business practices will improve their growth and profitability	% of Middle Market Enterprise prioritising investment to become a more sustainable business
Global	30%	59%	27%
Australia	34%	61%	33%
Canada	29%	66%	25%
China	32%	54%	23%
France	22%	56%	27%
Germany	26%	62%	25%
Hong Kong	30%	56%	33%
India	28%	68%	19%
Indonesia	43%	62%	31%
Mexico	24%	55%	23%
Saudi Arabia	36%	66%	34%
Singapore	26%	54%	25%
UAE	36%	44%	23%
UK	19%	60%	27%
USA	28%	56%	28%

London-listed NMC in talks to run struggling Saudi hospital

DUBAI/KHOBAR: London-listed NMC Healthcare is in talks with the Riyadh government to take over the running of a struggling Saudi hospital, according to four sources familiar with the matter.

A deal for the Saad Specialist Hospital in Khobar, one of the top cancer treatment facilities in the Gulf, would be a rare instance of a foreign group operating a Saudi hospital.

It would be a test of Riyadh's plan to bring overseas investors into the healthcare sector under a reform drive, led by Crown Prince Mohammed bin Salman, aimed at restructuring the kingdom's economy and reducing its dependence on oil revenue.

The Saudi health ministry has asked interested parties to submit bids for the operational license by the end of this month, said the sources who declined to be named as the discussions are confidential. UAE-based NMC is involved in the process and is considered a frontrunner to win the contract, they added. The 750-bed hospital is owned by Saad Group, a conglomerate owned by billionaire tycoon Maan al-Sanea which also operated the facility. But in recent weeks the government has stepped in after the hospital become weighed down by financial problems, said the sources.

The hospital had effectively ceased operating - with the emergency room the last unit of the facility to close last month - due to debts which meant it was unable to pay salaries or contractors, according to the sources. The government's intervention coincided with the detention of the Al-Sanea by Saudi authorities for unpaid debts, sources have previously told Reuters. NMC Healthcare and the Saudi health ministry were not immediately available to comment.

Saad Specialist is one of only two hospitals in the kingdom to have a cyclotron, used to help identify cancerous tumors. The ministry is keen to get it re-opened as quickly as possible.

It approached NMC and other healthcare companies a few weeks ago about taking over the running of the facility and conducted a site tour for potential bidders, which number around 10, according to the sources familiar with the matter. The sources did not name any other potential bidders.

'Vision 2030'

Saad Specialist Hospital, which Al-Sanea opened in 2001, gradually ground to a halt this year as staff began to leave, including doctors and nurses, because of non-payment of salaries, which in some cases dated back around one year, said the sources.

In addition, contractors began to stop maintaining the high-tech medical equipment because of lack of payment, the sources said. At the peak of his business success in 2007, al-Sanea was ranked by Forbes as one of the world's 100 richest men, with his Saad Group owning interests in everything from banking to civil engineering.

But his empire has been embroiled in a high-profile debt dispute since 2009 spanning courts in London to the Cayman Islands, and Saudi authorities have recently begun liquidating some of his assets. Al-Sanea was detained in October in the kingdom's Eastern Province and he has been held in a civil detention center in Khobar, sources previously told Reuters. His detention was a few weeks before Prince Mohammed launched a corruption crackdown in which dozens of Saudi princes and businessmen are being held.

In an effort to get him released, Reemas Group, a financial consultancy hired by Saad Group, has outlined a proposed settlement covering $4 billion in debt, sources previously told Reuters. Reuters was not able to determine whether the plan includes any provision to repay hospital staff or contractors. NMC Healthcare has $800 million available to start investing in 2018 in the Gulf and other markets, its CEO Prasanth Manghat said this week. "We want to look at opportunities in Saudi Arabia," he said. "It is a very strong market and the reforms happening there will give the healthcare sector a lot of momentum."

The government is looking to bring in foreign investors to the healthcare sector as part of its "Vision 2030" plan. But progress has been slow. The health ministry has put on hold its tender seeking financial advisers for the privatization of 55 primary healthcare units in Riyadh, a financial source familiar with the matter told Reuters earlier this month. — Reuters

VIVA: One month to end the NBK Al-Shabab customers' offer

KUWAIT: VIVA, Kuwait's fastest-growing and most developed telecom operator, announced that there is one month left of the offer with their strategic partner NBK. NBK Al-Shabab Prepaid Cardholders who use their card to pay for a VIVA Postpaid or Internet package will get a chance to win a brand new "Mini Cooper", in addition to 15 percent discount off their bill.

Through the offer, that was released on 13 October 2017 and will end on 13 January 2018, Al-Shabab customers will automatically enter the draw against every KD 1 spent on their VIVA package.

On this occasion, Abdulrazzaq Bader Al-Essa, VIVA's Corporate Communications Director, commented: "Supporting the youth in Kuwait is one of VIVA's priorities, thus we are glad to launch this offer with our strategic partner, NBK, which meets all the youth aspirations."

"Nowadays, the Kuwaiti youth live digitally and prefer to bank digitally too," explained Dalal Yousef Al-Mulla, Marketing Planning and Execution Manager at the National Bank of Kuwait. "This is why we've worked with our strategic partner, VIVA, to offer a package that rewards Al-Shabab Customers and meets their lifestyle and daily needs."

College or university students in Kuwait of ages 17 to 22 may open an Al Shabab Package online at nbk.com. They can apply for Al-Shabab Prepaid Card online too and transfer money via NBK Online Banking, NBK Call Center or the NBK Mobile Banking App. The recharge-as-you-go feature helps students budget their monthly allowance, making it easy for them to transfer money as needed for expenditure while tracking all spending.

EXCHANGE RATES

Al-Muzaini Exchange Co.

ASIAN COUNTRIES	
Japanese Yen	2.673
Indian Rupees	4.731
Pakistani Rupees	2.759
Srilankan Rupees	1.977
Nepali Rupees	2.962
Singapore Dollar	227.030
Hongkong Dollar	38.727
Bangladesh Taka	3.635
Philippine Peso	6.043
Thai Baht	9.267
GCC COUNTRIES	
Saudi Riyal	80.787
Qatari Riyal	83.207
Omani Riyal	786.772
Bahraini Dinar	804.440
UAE Dirham	82.482
ARAB COUNTRIES	
Egyptian Pound - Cash	20.160
Egyptian Pound - Transfer	16.940
Yemen Riyal/for 1000	1.216
Tunisian Dinar	123.570
Jordanian Dinar	426.950
Lebanese Lira/for 1000	2.018
Syrian Lira	0.000
Morocco Dirham	32.659
EUROPEAN & AMERICAN COUNTRIES	
US Dollar Transfer	302.750
Euro	362.090
Sterling Pound	407.650
Canadian dollar	239.900
Turkish lira	80.090
Swiss Franc	309.240
Australian Dollar	236.600
US Dollar Buying	301.550
GOLD	
20 Gram	260.520
10 Gram	133.180
5 Gram	67.430

Dollarco Exchange Co. Ltd

Rate for Transfer	Selling Rate
US Dollar	302.400
Canadian Dollar	238.005
Sterling Pound	406.005
Euro	359.795
Swiss Frank	300.860
Bahrain Dinar	802.595
UAE Dirhams	82.725
Qatari Riyals	83.545
Saudi Riyals	81.500
Jordanian Dinar	427.795
Egyptian Pound	17.077
Sri Lankan Rupees	1.978
Indian Rupees	4.723
Pakistani Rupees	2.740
Bangladesh Taka	3.668
Philippines Pesso	6.012
Cyprus pound	17.995
Japanese Yen	3.665
Syrian Pound	1.590
Nepalese Rupees	2.956
Malaysian Ringgit	74.840
Chinese Yuan Renminbi	46.470
Thai Bhat	10.225
Turkish Lira	79.560

Bahrain Exchange Company

CURRENCY	BUY	SELL
Europe		
British Pound	0.399445	0.406945
Czech Korune	0.005964	0.015264
Danish Krone	0.044196	0.049196
Euro	0. 353835	0.361335
Georgian Lari	0.134844	0.134844
Hungarian 0.001141	0.001331	
Norwegian Krone	0.032345	0.037545
Romanian Leu	0.064785	0.081635
Russian ruble	0.005194	0.005194
Slovakia	0.009023	0.019023
Swedish Krona	0.032310	0.037310
Swiss Franc	0.300028	0.311028
Australasia		
Australian Dollar	0.225787	0.237787
New Zealand Dollar	0.206794	0.216294
America		
Canadian Dollar	0.232554	0.241554
US Dollars	0.298650	0.303070
US Dollars Mint	0.299150	0.303070
Asia		
Bangladesh Taka	0.003298	0.003882
Chinese Yuan	0.044544	0.048044
Hong Kong Dollar	0.036824	0.039574
Indian Rupee	0.004130	0.004771
Indonesian Rupiah	0.000018	0.000024
Japanese Yen	0.002587	0.002767
Korean Won	0.000271	0.000286
Malaysian Ringgit	0.070580	0.076580
Nepalese Rupee	0.003021	0.003191
Pakistan Rupee	0.002579	0.002869
Philippine Peso	0.005917	0.006217
Singapore Dollar	0.219924	0.229924
Sri Lankan Rupee	0.001697	0.002277
Taiwan	0.010002	0.010182
Thai Baht	0.008918	0.009468
Arab		
Bahraini Dinar	0.796269	0.804769
Egyptian Pound	0.014736	0.020454
Iranian Riyal	0.000084	0.000085
Iraqi Dinar	0.000186	0.000246
Jordanian Dinar	0.422401	0.431401
Kuwaiti Dinar	1.000000	1.000000
Lebanese Pound	0.000155	0.000255
Moroccan Dirhams	0.022130	0.046130
Omani Riyal	0.0780045	0.785725
Qatar Riyal	0.078868	0.083808
Saudi Riyal	0.079647	0.080947
Syrian Pound	0.001283	0.001503
Tunisian Dinar	0.117287	0.125287
Turkish Lira	0.074213	0.084513
UAE Dirhams	0.081002	0.082702
Yemeni Riyal	0.000984	0.001064