

## Business

# JustClean CEO features in first episode of Gulf Bank's 'Let's Talk Business' podcast

Gulf Bank's podcast highlights the little-known origin stories behind some of Kuwait's favorite local brands

KUWAIT: Gulf Bank launched the first episode of its "Let's Talk Business" podcast, with local entrepreneur, Athbi Alenezi, CEO of JustClean, as its first guest. The program, hosted by Tareq Al-Saleh, Deputy General Manager of the Economic Research Unit at Gulf Bank, presents entrepreneurial stories within a simplified economic framework, targeting budding entrepreneurs who are considering starting businesses of their own. The Bank's new podcast is part of its overarching strategy of fostering economic and community sustainability in Kuwait.

## The idea

During the first episode, Alenezi touched on several compelling aspects of his business, including the idea behind the JustClean application, the company's financing, marketing, and more. Regarding the idea behind JustClean, Alenezi said: "When I returned from studying in the UK, I noticed how widespread laundry delivery services were in residential and commercial areas in Kuwait. In contrast, laundry delivery services were not as available in the U.K., and that was very interesting to me. During that time, the huge acquisition of the Kuwaiti Talabat application took place, which made me, like many young people back then, want to start working on a digital application."

## Financing

With the ins-and-outs of JustClean's vision becoming clearer, Alenezi and his brother, Nouri Alenezi, moved to the implementation phase, which started with obtaining funding. Alenezi continues: "According to our simple study of

the market at that time, we discovered that we needed at least KD 30,000 to start working. I went to the bank to request a loan, while my brother left his job in the oil sector to devote himself to managing the new company. We initially directed this funding towards paying rent and the legal costs associated with preparing contracts, in addition to building the internal work structure in terms of our company's sources of income and the cost of building the digital application itself."

He added: "At that time, my experience in the business sector was simple, and I did not want to blame anyone for my loss. That is why we did not want to actively seek out investors just yet. However, one of my friends convinced me to give a presentation about our company to investors, and I did. Among the investors was Mohammed Jaffar from Faith Capital, who expressed his interest in the idea and his desire to finance it on the condition of expansion in the GCC, which was incredibly fortunate. We are so incredibly grateful to Faith Capital for believing in us and for their ongoing support."

## Challenges

Alenezi added: "One of the challenges we faced due to our lack of experience in business management was that we did not take into account the costs required for the post-launch stage of the business. We did not have the money required for advertising campaigns, and at that time, the profits were not enough to cover these costs. At that time, I had to contact all the newspapers, magazines and bloggers in Kuwait to help us with advertising—and it was still not enough. We end-



ed up coming up with a new idea for digital advertising that required the help of the laundry companies we dealt with, and the idea, which was relatively cost-efficient, won the satisfaction of the laundry companies."

There were other challenges related to the laundry sector that JustClean wanted to address. Laundry service deliveries tended to take place at unspecified timings, causing an inconvenience to customers. Many laundry services also lacked a sophisticated sales management system, with invoices recorded using pen and paper, and prices not being clear or fixed. Regarding this, Alenezi says: "We realized at that time that the laundry sector in Kuwait was in dire need of development, because it is a service sector that brings together many service providers, and changes were bound to come either way. We launched the JustClean application, and we were keen to include several features, including giving customers the

option to specify their preferred delivery times, clear and transparent pricing, and the option for customers to evaluate the laundries they dealt with. We made these features available to all customers."

## Expansion

JustClean has expanded both operationally and geographically, as the company has set its sights on providing multiple types of cleaning services, having started with offering a car cleaning service. After the company launched in Kuwait, it also began to expand to Bahrain, as the Bahraini market is small compared to the rest of the region. After Bahrain, the company launched in several regions in the United Arab Emirates, followed by Qatar, and the Kingdom of Saudi Arabia.

## Working during the pandemic

JustClean reaped the benefits of geographic expansion during the pandemic. While the lockdowns in Kuwait were

undoubtedly a challenge, Alenezi notes that other countries were preventing everyone from entering laundry services, and allowing delivery and pick-up services only. Fortunately, some of the restrictions were in the interest of JustClean, which was often times the only provider of laundry services in some areas. While the company's sales did decline at the time, the team also managed to reduce costs, and used the time and resources available to develop an expansion strategy that it began implementing this year.

"Let's Talk Business" is Gulf Bank's newest podcast, created in collaboration with Belmokhba, a local creative content creation and production house. New episodes air every Thursday at 7:00 pm on Gulf Bank's digital and social media channels. Gulf Bank's vision is to be the leading Kuwaiti Bank of the Future. The Bank is constantly engaging and empowering its employees as part of an inclusive and diversified workplace in recognition of every employee's role in delivering customer excellence and serving the community at large. With its extensive network of branches and innovative digital services, Gulf Bank is able to give its customers the choice of how and where to conduct their banking transactions, all while ensuring a simple and seamless banking experience. Gulf Bank is committed to maintaining a robust sustainability program at the community, economic, and environmental levels through sustainability initiatives that are strategically selected to benefit both the country and the Bank. Gulf Bank supports Kuwait Vision 2035 "New Kuwait" and works with various parties and stakeholders in service of the vision.

## Ooredoo partners with KidZania, launches Ooredoo Telecom Center

KUWAIT: Ooredoo Telecom, the first to introduce innovative digital services in Kuwait, has announced its partnership with KidZania Kuwait, an award-winning children's city concept globally recognized for its unique blend of education and entertainment. The announcement came during the official opening of "Ooredoo Telecom Center" in KidZania on October 20, 2021 which also included a private introductory tour of KidZania.

Driven by its vision of improving children's capabilities, helping them to build their identity, and introducing them to the basic principles of the Internet and the fifth generation in particular (5G) which helps them understand and create a relationship with the real world, along with teaching them the importance and efficient role of the Internet and communications in our lives from an early age, Ooredoo opened its own telecom center in KidZania Kuwait for children to enjoy the interactive activities prepared for them.

KidZania is a safe and interactive edutainment center where children can experience over 100 role playing activities in a replica of a real city. The various playful activities of KidZania are specifically designed to aid physical and intellectual growth, and contribute to the development of skills and attitudes.

Commenting on the opening, Tapan Tripathi, Acting Chief Commercial Officer at Ooredoo Kuwait, said: "We are happy with our partnership with KidZania Kuwait, which came within our belief that our children are the leaders of the future and our vision of unleashing their imagination in an educational yet entertaining way. Further, we take pride of our continued efforts that contribute to enhancing



The official opening ceremony of Ooredoo Telecom Center at KidZania

knowledge and experiences of youth wishing to learn about the world of communications, technology and the Internet, and to stimulate their creativity by enabling them to play different roles in the world of digital services, and Information and communications technology. Our partnership with KidZania Kuwait will also contribute to realizing the dreams of children and help them create an initial idea of developing their career path when they grow up to become leaders in the telecommunications sector."

Fernando Medroa, Vice President of Leisure and Entertainment at Alshaya Group said: "At KidZania, it is our constant endeavor to partner with brands that provide opportunities for children to learn through unique, real-life like role-plays, to positively impact the society and the environment they live in. We are very happy to see the launch of the "Ooredoo Telecom Center" at KidZania to promote skills, values and positive qualities in an entertaining way for our children. The experience at the "Ooredoo Telecom Center" will enhance kids on how technology plays an important role in our lives, aligning with our objective to help children develop their skills and curiosity". KidZania Kuwait is proud to welcome Ooredoo Kuwait onboard.

The scaled-down city replicates the real world in a safe and self-contained 7,000 square meter facility.



The official opening ceremony of Ooredoo Telecom Center at KidZania

Children can choose from 78 engaging establishments and role-play 100 exciting roles, which include being a police officer, doctor, journalist or a shopkeeper - and, just like in the real world, they can earn kidZos, KidZania's currency, to either spend or save. KidZania operates like a real city complete with buildings, paved streets, vehicles, a functioning economy, and recognizable destinations in the form of "establishments" sponsored by Marketing Partners who represent leading multi-national, regional, and local brands.

## NBK Economic Report

### Egypt's post-COVID economic recovery is broadly on track

KUWAIT: With lockdown restrictions easing over the summer and businesses gradually reopening, economic growth has continued to recover. GDP growth accelerated to 7.7 percent y/y in 2Q21 (the final quarter of FY20/21) - albeit boosted by a base effect after weakness a year earlier - from 2.0 percent in 1Q21. This pushed growth to 3.3 percent during FY20/21 from 3.6 percent in FY19/20. However, the tourism sector (worth about 12 percent of GDP in 2019) is likely to remain under pressure due to continued international travel disruptions. We expect growth to recover to around 5.0 percent over the medium term based upon the authorities' continued commitment to crucial economic reforms, and assuming no major slowdown in the global economic recovery including due to the emergence of more contagious coronavirus strains.

## Fiscal deficit

Despite huge pandemic pressures, the govern-

ment still managed to trim the fiscal deficit again last year, helped by improved spending control and slower growth in debt service costs. The deficit narrowed to 7.4 percent of GDP in FY20/21 from 8.0 percent a year before, with the rise in revenues (+12 percent y/y) outpacing growth in spending (+9 percent). The primary balance (i.e. excluding interest payments) reached a surplus of 1.4 percent of GDP. As the economy recovers and the government pursues its debt restructuring strategies (including diversifying the debt structure and extending the average debt maturity), the overall budget deficit could narrow to 7.0 percent of GDP in FY21/22 and further to about 6.0 percent by FY23/24. This will help public debt decline to about 86 percent of GDP by the end of June 2022 and further in the medium term. Given prevailing low global interest rates and previous successful debt issues, the government is likely to utilize external borrowing to finance a major part of these projected deficits.

## Drop in tourism revenue

Despite the gradual recovery of Egypt's external position, the current account is still under pressure as subdued international travel weighs on the tourism sector, the main source of foreign currency earnings. In fact, the drop in tourism revenues in FY20/21 (-50.7 percent to \$4.9 billion) contributed to a widening of the current account deficit to \$18.4 billion (4.6 percent of GDP) from \$11.2 billion (3.1 percent of GDP) in the previous fiscal year. We expect the

deficit to narrow to an average of 2.5 percent in future years on a recovery in tourism and trade. On the financial side, the recent acceleration of capital inflows combined with IMF support (\$5.2 billion Stand-by Arrangement, COVID emergency financial assistance of \$2.7 billion and \$2.8 billion from an SDR allocation) and foreign borrowing have more than offset the increase in the current account deficit. This has helped the pound remain broadly stable against the US dollar at an average of EGP15.7/\$1 so far this year. Meanwhile, after dropping to a pandemic low of \$36.0 billion in May 2020, net foreign reserves had recovered to \$40.8 billion in September 2021, further supporting the external picture. Monetary policy on hold amid moderate inflation.

Amid rising commodity and energy prices, inflation accelerated to 6.6 percent y/y in September (4.5 percent in 1H21). Over coming months, the late-July increase in fuel prices and a potential rise in prices for subsidized bread could push up the headline rate. Still, inflation should remain under control in FY21/22, averaging about 5.8 percent compared to 4.5 percent in FY20/21, much lower than in the past, and still towards the lower end of the CBE's target range of 7 percent ±2 percent. So far in 2021, the central bank has kept its policy rates unchanged at relatively high levels (8.25-9.25 percent). Although a fresh rate cut is possible in Q4 to support the economy and lower debt financing costs, the bank will be mindful of the need to avoid triggering capital outflows, especially if as expected the US Fed starts to taper its asset purchases.

## Dow ends at record as Evergrande worries recede

WASHINGTON: The Dow finished at a record Friday, capping a strong week for US stocks, while European and Asian equities mostly rebounded as risks of contagion from troubled Chinese property giant Evergrande eased. While both the S&P 500 and Nasdaq dropped Friday, all three major Wall Street indices scored weekly gains following mostly solid corporate earnings that have offset worries about inflation.

"While just about every company is talking about supply chain pressures, you're not seeing a lot of companies talking about how demand is falling," said Briefing.com analyst Patrick O'Hare.

O'Hare said investors have been reassured by statements that companies have managed to pass on price increases to consumers, preserving profit margins. But some companies have sold off sharply after surprising investors with bad news. Snap plunged 26.6 percent as it reported a hit from Apple's move to change its privacy settings that have made it more difficult to target advertising. Fellow social media companies Twitter and Facebook both lost about five percent.

Earlier, Chinese state media reported that Evergrande made a key offshore interest payment a day ahead of a weekend deadline, averting a default for now. The crisis at one of the nation's biggest property developers, which is drowning in \$300 billion of debt, has hammered investor sentiment and fueled fears of a spillover into the wider economy. Evergrande's share price jumped more than four percent in Hong Kong, though that came a day after a drop of more than 12 percent sparked by its announcement that the planned sale of its property services unit had fallen through.

The payment helped boost sentiment in Asian and European equity trading. Stocks stumbled last month as investors worried about persistent supply chain problems that are stoking inflation and which are pushing monetary policymakers to begin to wind down economic stimulus measures.

But corporate earnings have largely beat expectations, with many companies having been able to pass along price hikes and maintain profits. Analyst Fawad Razaqada at ThinkMarkets said that the records likely reflect a view by investors that the supply bottlenecks and surge in inflation are likely to be temporary after all, and that therefore central banks won't tighten monetary policy too much.

"Central banks wouldn't want to choke off economic growth by being too aggressive when they tighten their policies, especially as there have been some signs of weakening recovery of late," he said. —AFP