

Mideast recovery to start by early 2010 - analyst

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INVESTMENT OPPORTUNITIES: Transportation and logistics are seen as good areas for Middle East investment. (Getty Images)

The Middle East will recover from the economic downturn quicker than other regions, a US corporate strategist expert has claimed.

Adrian Slywotsky, director of management consultancy Oliver Wyman, said that cautious investors would consider spending in this region before others such as the US or Europe.

"I'm not sure it [the recovery] will be equally balanced across countries, but the capacity to invest here is obviously greater than some other regions, so I think this region will probably come out of it earlier than others," he said.

Slywotsky also said he expected the first signs of recovery to emerge sometime between this year's second half and early 2010.

"If I were a business person, I would rather be here than elsewhere," he added. "It is quite bad in North America and Europe.

"The combination of two things is needed for a recovery: the will to make investments and an emerging set of companies that will become world-class players."

The transportation and logistics industries are ones that financiers eyeing Middle East investments should consider, according to Slywotsky.

He said: "Opportunities really exist in the region. A decade ago this was not a particularly interesting region for logistics players to come in and make it their base.

"That has radically changed and in some cases it is the best frontier for interacting with customers around the world."

But he warned investors that failing to scrutinise business models before spending big on Middle Eastern companies would be disastrous.

"Understanding within an industry which are good business models and which are bad is crucial," he said. "Investing in a poor business model without a plan to radically reinvent it is a very dangerous game."