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## Family business - Generation game

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Family businesses are the fabric of the UAE economy. Here we look at some of the largest, and most important business families in the UAE, excluding the ruling families.

Their balance sheets are some of the most closely-guarded secrets in the country, so we cannot know exactly how each of them is performing, but looking at their public assets, it is easy to see that they dominate some of the key sectors, including automotive, real estate, fashion, and retailing.

This is largely due to the fact that for international companies to operate in the United Arab Emirates, they need a sponsor, and so the role of local agent has become a very lucrative one.

Some brands are virtual goldmines. Toyota, for instance, by far the most popular automotive maker in the country, has alone earned millions of dollars for the Al Futtaim Group.

Winning and maintaining these agencies is not as easy as some people would let you think, but life could soon become a whole lot harder, as a new business law is expected to make it a lot easier for international businesses to compete on a level playing field in the UAE.

The biggest challenge to family businesses, however, comes from within. "Entrepreneurial-led Family firms only have an average lifespan of about 24 years," said David Pistrui of Acumen Dynamics in a recent piece for MEED magazine.

"Only 30 per cent survive into the second generation, ten per cent into the third and a mere three per cent into the fourth," says Pistrui. While many of the families on our list have been around for many years, few have been through any kind of succession, and only one is in more than the fourth generation.

The story has really only just begin for most of these companies . "Families tend to do what we call a three-step Waltz," says Mishal Kanoo, deputy chairman of Kanoo Group. "The grandfather starts the business; the son grows it, and the grandson spends it."

Depending on how families businesses are structured in relation to the family these problems will be bigger or smaller. Specifically, if management and ownership of a business if inextricably linked, then problems can arise.

If you are forced to take on leadership of the business just because you are the eldest son, for instance, regardless of whether or not you have any business acumen, or even any enthusiasm for the business, then it is unlikely to do that well.

"Our culture says that the eldest son always inherits, but do you want to follow culture even if it kills you, or adhere to culture based on your needs," says Kanoo. "Families need to find the best and the brightest, rather than following social norms.

There is a failure of families to tell the difference between ownership and management." One option for family companies going forward is to stop becoming family companies and bring in outside investors through private placements or initial public offerings.

The change in culture for a family company looking to go public is extreme. The Abdullah Family, owners of the Damas Group, recently brought in private investors in preparation to go private, and talked about the difference between making decisions over lunch and putting everything through a board.

This kind of loss of control appears to be too much for many family businesses to contemplate at the moment.

"Of the multitude of IPO issuers on record at [Zawya.com](http://Zawya.com) our analysis reveals that less than ten per cent of those are family owned companies despite the fact they make up the largest part of the GCC's private sector," said Ihsan Jawad, Managing Director of [Zawya.com](http://Zawya.com).

Currently, a minimum of 55 per cent of a company has to be offered to the market in an IPO, leading to complete loss of control by any family firm choosing that route.

"With the advent of the new companies law and the opening of DIFX this will likely no longer be a problem going forward," says Jawad. Then the games might really begin.

**FAMILY:** KANOO

**COMPANIES :** KANOO GROUP

Established: 1963

No of employees: 600+ in the UAE

Active family members: Yusuf Ahmed Kanoo, chairman; Mishal Kanoo, deputy chairman

Businesses: Kanoo Shipping Agencies, Kanoo Travel, Kanoo Oil and Gas, Kanoo Power and Industrial Projects, Kanoo Cargo Services. HAK Trading, Kanoo Business Centres, Kanoo Cargo Services, Kanoo Exhibition Services, Kanoo Holidays, Kanoo Rapid Transit

Agencies: 38, including Maersk, BASF, Perkins, and International Paints

**BILLIONAIRES:** no

[www.kanoo.com](http://www.kanoo.com) source: [Zawya.com](http://Zawya.com)

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**FAMILY:** AL FAHIM

**COMPANIES :** AL FAHIM GROUP

Established: 1958

No of employees: 1,200

Active Family members: Saeed Abduljalil Al Fahim, chairman; Amer Abduljalil Al Fahim, managing director, Rashid Abduljalil Al Fahim, director, Automotive Division; Khalid Al Fahim, Group Business Development Manager; Hanadi Al Fahim, Group Marketing Manager.

Businesses: 17, including Crowne Plaza, Western Motors, Sands Hotels, Emirates Motor Company, Marjan Oilfield Services.

Agencies: 21, including Mercedes Benz, Fiat, Michelin, Jeep, Blaupunkt.

**BILLIONAIRES:**no.

[www.alfahim.com](http://www.alfahim.com) source: [Zawya.com](http://Zawya.com)

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**FAMILY:** AL FUTTAIM

**COMPANIES :** AL FUTTAI GROUP, MAF HOLDING, AL FUTTAI GROUP

AL FUTTAI GROUP

Established: 1952

No of employees: 10,000+

Active Family members: Abdulla Hamad Al Futtai, chairman; Omar Abdulla Al Futtai, chief executive

Businesses: 40+ including ACE Hardware, Aftron, Al Futtai Motors, [Ikea](http://Ikea.com), Marks & Spencer, Toys R Us, Plug Ins, Trading Enterprises, Al Futtai Engineering, Al Futtai Tokio Marine

Agencies: 29, including Toyota, Dodge, [IBM](http://IBM.com), Volvo, Jeep, Chrysler, Fossil, Black & Decker, Seiko and Panasonic

[www.al-futtai.com](http://www.al-futtai.com)

MAF HOLDING

Established: 1992

No of employees: 6,500+

Active Family members: Majid Al Futtai, chairman

Businesses: MAF Investments, MAF Trust, MAF Ventures, MAF Hypermarkets

Agencies: Cinestar, Accor, Carrefour, Securicor

**BILLIONAIRES:** yes

www.majidalfuttaim.com source: Zawya.com

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**FAMILY:** AL MAJID

**COMPANIES :** JUMA AL MAJID GROUP

Established: 1950

No of employees: 5,000+

Active Family members: Juma Al Majid, chairman; Khalid Juma Al Majid, vice chairman

Businesses: 30, including Al Majid Industries, Al Majid Motors, Al Majid Property Establishment, [Al Arabiya](#) Electrical Industries, Al Arabiya Electromechanic, Taj Palace Hotel

Agencies: 48, including 3M, AC Delco, Citizen Watches, Konica Minolta, GE Appliances, Kia Motors, LG Elevators/Escalators, [Samsung](#) Watches

**BILLIONAIRES:** yes

www.al-majid.com source: Zawya.com

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**FAMILY:** AL HABTOOR

**COMPANIES :** AL HABTOOR GROUP

Established: 1970

No of employees: 15,000

Active Family members: Khalaf Ahmad Al Habtoor, chairman; Mohammed Al Habtoor, chief executive

Businesses: 13, including Al Habtoor Motors, Al Habtoor Engineering, Dubai National Investment Company, Al Habtoor Real Estate, Metropolitan Hotels, Diamondlease

Agencies: Aston Martin, Bentley, Mack Trucks, Mitsubishi

**BILLIONAIRES:** yes

www.habtoor.com source: Zawya.com

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**FAMILY:** AL JABER

**COMPANIES :** AL JABER GROUP

Established: 1970

No of employees: 20,000+

Active Family members: Obeid Khaifa Al Jaber, chairman; Mohammed Al Jaber, finance director

Businesses: 16, including Al Jaber Aluminium Extrusion, Al Jaber Energy Services, Al Jaber marine Agency Works, Al Jaber signs and metal Works, Shangri-La Hotel Dubai

Agencies: five

**BILLIONAIRES:** yes

www.aljaber.com source: Zawya.com

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**FAMILY:** AL GHURAIR

**COMPANIES :** ABSDULLA AL GHURAIR GROUP, AL GHURAIR GROUP

Abdulla Al Ghurair Group

Established: 1961

No of employees: 5,000

Active Family members: Saif Ahmed Majed Al Ghurair, chairman; Marwan Ahmed Al Ghurair, general manager

Businesses: 17, including Al Ghurair City, [ETA Star](#) Property developers, Raqmiyat, [Mashreqbank](#), National Cement Company, Al Ghurair Giga Gold

Refinery

[www.alghurair-pvt.com](http://www.alghurair-pvt.com)

Al Ghurair Group

Established: 1960

No of employees: 2,000+

Active Family members: Saif Ahmed Al Ghurair, chairman; Majid Saif Ahmad Al Ghurair, chief executive

Businesses: 8, including Masafi Water; Burjuman, [Reef Mall](#), Al Ghurair Real Estate

**BILLIONAIRES:** yes

[www.alghurair.com](http://www.alghurair.com) source: [Zawya.com](#)

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**FAMILY:** AL NOWAIS

**COMPANIES :** EMIRATES HOLDINGS

Established: 1979

No of employees: 3,000+

Active Family members: Hussain Al Nowais, chairman and chief executive; Yousef Al Nowaid, deputy chairman, Adel Al Nowais

Businesses: 16, including Laing Abu Dhabi, Solus Emirates, Gulf Solar Power Company, Middle East Scaffolding, Federal Foods, Middle East Energy and Industrial Services Company

Agencies: 45, including 3Com, 3M, Aventis, Fujitsu, Daewoo, Pirelli, Cisco, Panasonic, Mitsubishi, Lucent, Alcatel

**BILLIONAIRES:** yes

[www.emiratesholdings.com](http://www.emiratesholdings.com)

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**FAMILY:** AL TAYER

**COMPANIES :** AL TAYER GROUP

Established: 1979

No of employees: 2,500+

Active Family members: Obaid Humaid Al Tayer, chairman

Businesses: 19, including Al Nisr Publishing ([Gulf News](#)), Al Tayer Motors, Areej, Motivate Publishing, Aati, Al Tayer Real Estate

Agencies: 25, including Harvey Nichols, Armani, Bulgari, Gucci, Jummy Choo, Maserati, Range Rover, [Ford](#), Ferrari, Yves Saint Laurent

**BILLIONAIRES:** yes

[www.altayer.com](http://www.altayer.com) source: [Zawya.com](#)

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**FAMILY:** GALADARI

**COMPANIES :** GALADARI BROTHERS HOLDING COMPANY; I & M GALADARI

Galadari Brothers

Established: 1969

No of employees: 2,500+

Active Family members: Mohammed Abdulrahim Galadari, chairman and chief executive

Businesses: 20, including Continental Travel, Galadari Auto Services, Galadari Automobiles Company, Galadari Investments International, Galadari Printing and Publishing (Khaleej Times)

Agencies: 10, including Baskin Robbins, ICI, and Mazda

I&M Galadari

Established: 1998

No of employees: 2,000+

Active Family members: Ilyas AW Galadari

Businesses: Galadari Motor Driving Centre, I&M Galadari Cold Stores, I&M

Galadari Management, IMG Jewelers, Kitchen and Beyond, Leathero Upholstery,  
Metro Taxi Company, Cityof Arabia, Mall of Arabia

Agencies: Sunseekers

**BILLIONAIRES:** no

www.imgaladari.com source: Zawya.com

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