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## Business Times

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### 'Bright ideas key to success' : Al Fahim

BY A STAFF REPORTER

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DUBAI - Bright ideas and sound investment sense are equally vital to ensure commercial success of any business venture, said Mohammed A. J. Al Fahim, honorary chairman of the Al Fahim group, here.

In his keynote address at the second Middle East Family Business Conference, he said innovative ideas and pragmatic investment sense complemented each other for any business to prosper and grow. Investors have to be innovative and practical so as to foresee the challenges that lay ahead.

The conference was organised by Middle East Economic Digest (MEED) at Mina Al Salam.

Speaking on the subject, "Turning bright ideas and sound investments into commercial success", he also narrated Al Fahim group's experience over the years to emerge as a leading business house in UAE.

Addressing the conference, Mohammed A. R. Galadari, Chairman of Galadari Group of Companies and publisher of Khaleej Times, said companies in the Middle East should pay more attention to corporate governance to enable them compete more effectively in the globalised economy.

International guidelines of corporate governance would gain increased regional acceptance and could be implemented more effectively once the realities of the Middle East are recognised, he said, speaking on "Dual perspective: Assessing the importance of corporate governance."

"The business environment of this region is different from the West. There is a dominance for state-owned enterprises and family-owned firms as well as large, small and medium size enterprises in this region unlike in the West," Galadari pointed out in his speech read out on his behalf by G. A. Kazmi, General Manager, Galadari Automobiles Co. Ltd. Yesterday's conference, focussed on the ways that businesses of the region can capitalise on the opportunities.

The opening address was made by Edmund O'Sullivan, Editorial Director of MEED.

Galadari pointed out that it was the family mode of corporate governance that is most represented in this region. "Enterprises are combined with families and controlled by family members bound by blood, kinship and marriage and the decision making is based on family procedures. This mode of corporate governance is an inevitable result of the cultural and economic conditions peculiar to this region," he stressed. "In this system, family harmony should be given due attention. In this kind of business, the enterprise ownership and management is mainly controlled by family members. The management and development is given to the most trustworthy members of the family and the decision making is controlled by the head of the family," Galadari pointed out. "The countries of the Middle East can learn from the relevant experience of the emerging market economies. This conference is one such example where one can discuss the developments relating to corporate governance. There should be regional networking and cooperation on developing and implementing corporate governance principles and best practices," Galadari pointed out.

This, he said, could help in raising the awareness and dissemination of information. "Another way is to have a corporate governance survey conducted for all the countries of the region and see where they stand. The voice of these regions needs to be heard and these countries should seek to apply the 12 key standards for sound financial systems." Edmund O' Sullivan, who was also the chairman of the conference, said in his opening address that competition, regulation and the pressure on the leaders of family business were relentlessly growing. "The rising of the economies of the Gulf in particular is creating an environment that is conducive to entrepreneurship and innovation, qualities found in quantity among family enterprises.

Also speaking on the topic at the two-day conference was Dr Josiane Fahed Sreih, head of the Institute of Family and Entrepreneurial Business, Lebanese American University. The speakers line-up in the morning included Khalid Mannai, chairman of Mannai Corporation, Danah A. Al Mulla, director of Al Mulla Group, Dr David Pistrui, visiting professor of Depaul University, USA, and Amin Nasser and Stuart Making, both of PriceWaterhouseCoopers.

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