



A'AMAL LOOKS AT EXPANSION AND FURTHER **GROWTH PROSPECTS**

AN INTERVIEW WITH AHMED SALEH AL-ABDALI

Chairman and CEO
A'AMAL HOLDING

1 How would you describe a large business venture like Aamal Holding?

Aamal Holding Company is one of the leading successful companies in Kuwait specialized in the food business activities and hotels through an authentically famous chain of restaurants and a concept of preparation and distribution of the most famous healthy food concept in Kuwait in addition to management a chain of hotels.

Aamal Holding Company is a multidisciplinary organization with a reputation for providing effective, demanded, and professional services to a wide range of public and private sector clients. The Company has a completely integrated in-house capability of expertise, to offer a diversity of professional services in the following sectors: Nutrition, Restaurants and Hotels.

2 Can you introduce some of the organization's flagship projects?

Café Bazza

Café Bazza which has very successful 9 state of the art branches, however, the Café Bazza concept is a blend of the Kuwaiti heritage with a twist of a trendy new modernized culture. This can be recognized in the interior design, identity & menu. Café Bazza offers a stylish traditional food and beverage within international standards to assure best quality.

Diet Care

Diet Care which has been launched in 2005 and one of the leading organizations engaged in manufacturing and producing healthy food, operates an outstanding nutrition concept Diet Care, a food delivery service that distributes dietary, healthy foods to customers located anywhere in Kuwait. Diet Care has proven to be quite popular and is high in demand, due to the numerous advantages it offers,

Due to the rapidly increasing rate of obesity throughout the world, the Company decided to focus on nutrition and healthy food services as well, so as to contribute to the reduction in obesity rates in Kuwait.

Le Royal Hotel

Le Royal Hotels Company operates five hotel properties owned by Aamal Holding Company, and has supplied hotels with numerous additional services to help keep their customers satisfied and generally pleased. The hotels that the Company owns include Le Royal Hotel Le Royal Tower, Ritz Sharq Hotel, Ritz Salmiya Hotel and Corniche Hotel.

3 How important is the private sector as a contributor to the economic growth of Kuwait?

A healthy, vibrant and competitive private sector is an essential key of contribution to the economics growth in general.

In Kuwait particularly engagement of private sector plays a role in the development of Kuwait as a partner in

the economics is creating jobs, income, opportunities and generate additional funding for sustainable and inclusive growth.

4 The construction and real estate fields are the major beneficiaries of the National Development Plan for Kuwait which is estimated at billions of Kuwait Dinars. Does this create opportunities for growth for a business holding like Aamal?

Yes, the development of construction and real estate in Kuwait has affected positively the other sectors of business and created opportunities for the growth of our business activities in the field of hotels & hospitalities in addition of expanding the vision of driving the restaurants and food production.

5 What are Aamal's strategic plans for 2013? What are your plans for the longer term?

Expanding in outside Kuwait through our brands to be franchise internationally, with developing and improving the business methodologies to the up to date technologies in order to improve & keep the high level of business standards.

6 Are there any projects that you would like to launch but have faced challenges to launch? What are these projects?

Actually all new projects will be facing challenges. The main challenge, however, will be market competition. However we have focused on the quality of the products and service to overcome the challenges. Our expansion with opening many locations was the main project which faced challenges but we have passed this stage and it is now a smooth process. The next challenge is to be the leading nutritional company in the GCC and Middle East, not only in Kuwait.

7 Do you think that the hospitality industry in Kuwait, which you are involved with, is keeping up with the economic downturn, intense competition and constantly changing travellers' habits?

Hotel sectors in Kuwait are generally affected but we succeeded to achieve tangible growth by upgrading our hospitality services to meet with all the new market challenges and changes.

What type of tourism do you see progressively expanding in the Middle East? Would it be conventional, recreational or mostly business? How about the same question addressed for the Gulf and Kuwait in particular?

We consider that leisure and business travelers are growing in the Middle East. In terms of Gulf area and Kuwait there are potential business travelers, conventional and adequate leisure business.

9 What kind of tourists and travelers are hotels under the Aamal umbrella catering to?

A'amal Holding Company is expanding immensely. It has got five hotels properties under its banner and in terms of tourist and travelers, A'amal Holding focuses on numerous tourist, such as business traveler, conventional and recreational travelers.

10 What makes your properties stand out in the Kuwait market?

A Kuwaiti authentic chain that keeps its personalized level of service inspired by the Arabian heritage of hospitality. We are committed to provide our valuable guests with a level of service embraced with speed, elegance, generosity and precision. We promise to provide our guests with warmth, peace and comfort that they would only expect to find at home. We are taking care of the smallest details and committed ourselves to offer our guests with a pleasant and unforgettable experience of hospitality.

11 Do you feel that the hospitality industry market in Kuwait is saturated and demand is thinning against the backdrop of constantly growing supply?

We believe that hotels business is saturated in Kuwait, unless mega project is launched but the opportunities of food services and restaurants growth are available and growing.

12 Diet Care one of your main business ventures, have already established a name in the country's nutrition and wellness niches. How do they contribute to each other's success story and how did Aamal launch them? What was the major idea behind opening a centre for nutrition and a recreational facility? How did the idea come about?

The idea of healthy eating and health food industry is a relatively new idea that started in the 1990s, due to the fact that consumers are increasing their health awareness and making it their primary concern when purchasing food. What initiated this consumer behavior was the dramatic increase in obesity rate worldwide, which was associated with many health concerns, as well as an economic burden on the countries. Therefore, healthy eating was advocated for and championed, not only by health professionals but also by governments.

Currently, F&B businesses are evidently incorporating this healthy food trend. Even the fast food restaurants are trying to embrace this movement in their menus, where most have added a selection of salads, baked potatoes and desserts containing fresh fruits are taking over. Regardless of whether these items are truly light and healthy or not, it is clear that healthy food trends have taken over the consumer market to the point where no one can deny it or neglect it for the success of their business.

An article in Nutrition Business Journal reported total sales of healthy foods in 2006 at \$120 billion, or 21 percent of total food sales. That's double the numbers from a decade earlier. Furthermore, BBC reported that, in 2009, the market for weight loss products and services was worth nearly \$121 billion. BCC anticipates this market will expand at a compound annual growth rate (CAGR) of 2.2% during the forecast period, resulting in a projected market size of more than \$134 billion in 2014.

This worldwide trend is mostly obvious in Kuwait, where 80% of the Kuwaiti population is overweight or obese, hence placing Kuwait as the second country

worldwide regarding the obesity rate. Moreover, an alarming 26% of Kuwaiti suffers from diabetes.

People in Kuwait nowadays are more aware of their health and they definitely know the direct link between what they eat and how healthy they are.

Many people want to lose weight, and in the same time to eat healthier, but the challenges of modern living make this lifestyle difficult for those with busy schedules. Not only is time considered a challenge to eat healthy, but also the flavor of the food, everyone considers 'healthy', 'Diet' food as tasteless and dull. Therefore, we saw a great opportunity in this new market trend and shift in people's food preferences, where Diet Care solves health seekers' issues by offering food that is already prepared in a healthy wholesome manner, as well as it being flavorful and delicious.

Eventually our business is about lifestyle and being healthy, which is not only the absence of the disease, but also a state of complete wellness in people's mental, emotional and physical wellbeing. With us, diet is more a recipe or a weight loss plan; it is about improving one's entire quality of life by nutrition, achievement and a positive self image.

13 The sedentary lifestyle and unhealthy food habits are often purported as major causes for various diseases. What goals have you set for Aamal when it comes to changing the mindset and redirecting attention towards healthier nutrition and lifestyle in Kuwait?

A sedentary lifestyle and unhealthy eating habits are in fact the major causes of many serious diseases; however, many people, especially in Kuwait, lack this knowledge and don't know that many of the day to day habits are actually unhealthy. Goals for achieving a healthier lifestyle in Kuwait can be summed up in 3 points:

1. Maintaining our position as the market leader that allows us to set the trend for a healthy living.
2. Community awareness, whether it is by our special events or our health campaigns, we always make sure that on a monthly basis, we provide Kuwait with new ideas and solutions on how to be healthy and lead a healthy lifestyle.
3. Maintaining our growth in all of our product lines:
 - Boutique and supermarket products that are readily available in almost all Kuwaiti districts. So if a person has any sort of craving, they can fulfill it right away because they will find a nearby Diet Care that would sell the healthy version of any craving item. So our target is to cover all of Kuwait's geographical areas.
 - Clinic and individualized plans for tailored advice and consultation, each person according to their own needs. Our clinics keep on expanding and our target is to keep this expansion going. Currently we opened a new concept that is the "youth" clinic concept tailored to the needs of the younger population of under 16, that has different needs from the adult population but is a growing problem for obesity-related issues.
 - Catering to the health care industry, where Diet Care caters to three of the major private hospitals in Kuwait and is aiming to include more hospitals as well.



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Focusing on the community as well as on the individuals helps diet Care reach a vast majority of the Kuwaiti population, in order to aid them adopt a new healthier lifestyle of sound eating and activity.

1 How tough is the competition in the field you operate in and what is the formula for your success?

In our field, the market is growing at an exponential rate, and every day we hear about a new competitor. Like in any other business, competition is rather fierce and everyone wants their own share. However, until now, our growth reflects its success, hence making us the largest in our industry.

Our formula is very simple; it starts with our belief and commitment in improving Kuwait's quality of living and focusing on the welfare of our clients. Moreover, we closely monitor the market needs around us and we quickly and efficiently meet those needs enabling us to maintain our competitive edge.

Finally our packages are tailored to suit every segment, no matter your budget, your age, your health status, you will find a plan that will suit you. Customer satisfaction is our number one objective and we are able to meet it by our creativity and innovation, in addition of course to our highly qualified employees and state of the art facilities and Kitchens. Diet Care now is the only nutritional center that is accredited by both the Arabic center for nutrition and has the HACCP certification, as well as being voted as a super brand for the year 2012.

2 How important are social networks, investment in latest technologies and advanced human capital for the success and growth of any company? How important are they for the success of Aamal?

Companies success is linked to the

investment in the new methodologies and employing the professional workforce who are the most factor affecting the company's growth.

Through investment in social network which kept us on track with customers, latest technologies and workforce we become a preferred supplier and employer in the food service & manufacturing arena.

3 What are the three top qualities that a good manager in the hospitality industry in Kuwait should have? What are the necessary top qualities of a good business leader in Kuwait?

In terms of good manager, the following top three qualities are required:

- Exceed customer expectation by providing personalized services and assure that policy & procedures are implemented & developed.
- Should be pro-active rather than re-active.
- Create a healthy business environment to build up a strong relationship with guests and team members.

In terms of good business leader the following top qualities are required,

- Creative, vision and strong sense of market changes in order to lead business towards the ideal direction based on the local & global market trends and challenges to have a high anticipation for the future market demands to implement accurate planning.