

FAMILY OFFICES | 10 OCT, 2023

## Sectors appealing to Indian and Asian family offices in Middle East

Several family offices from India and Asia have set up bases in the GCC and are looking at new and innovative sectors for investment opportunities.

BY **PAROMITA DEY**

Family offices from countries in Asia like Singapore and Hong Kong, and India are increasingly flocking to the UAE to set up their bases in the region. The strategic location of the UAE – serving as a bridge between the West and East – as well as a business-friendly environment, tax advantages, and political stability play a significant role in cementing its appeal for the ultra-wealthy to set up family offices.

Exploring the financial strength of the region as well as strategizing investments in relatively new sectors remain at the top of the agenda for these family offices. Hong Kong-headquartered single family office, Tsangs Group, entered the UAE last year and opened an office in the DIFC. 'Our aim is to be the first batch of Asian family offices to take advantage of the early-stage potential of the UAE, Saudi Arabia, and the region's opening-up environment,' Patrick Tsang, chairman of Tsangs Group, told Citywire Middle East.



'We will focus mainly on smart city technology, biotechnology, and new energy projects. We are also interested in the entertainment business in the Middle East.'

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In September, Tsangs Group signed strategic business and investment agreements with two of the companies, namely A-Grade Energy Limited, a renewable energy material and technologies company, and Rice Robotics Limited, a smart logistics robot services company, to explore the smart city business opportunities in the Middle East.



Another Hong Kong-based single family office, Landmark Family Office, is planning to open its Dubai office within next year. CEO Cameron Harvey (pictured) believes in the booming economic region and the investment opportunities in new projects. 'In the Middle East, we are looking at real estate, infrastructure, gold, and digital assets opportunities to complement our other portfolios. We have identified these sectors as having the greatest growth potential in the region, though of course we are always assessing new opportunities in other sectors which are popping up frequently now with the economic strength of the Middle East coming to the fore.'

The family office is also considering several co-investment opportunities with some of the largest families in the region.



Indian multi-family office Waterfield Advisors highlighted the security and transparency of operations in the Middle East, making the region a robustly regulated booking centre. Nakul Beri (pictured), senior managing director, global client origination and coverage, said: 'Our asset allocation strategy for our clients in the Middle East will be around looking at global ventures with the UAE as our strategic hub, along with tapping into local investment opportunities. We aim to help our clients leverage the thriving real estate market, relaxed foreign ownership rules, and residence-by-investment programmes. We believe that with the right approach, the Middle East can be a pivotal point from which we can address and cater to a vast spectrum of investment needs for our clients.'

The MFO is [awaiting its Dubai license](#) and plans to hire seven to eight bankers in Dubai to work with families looking to set up family offices.

For Singapore-based MFO Whampoa Group, the focus lies on the opportunities in the financial services and consumer space. The family office has already launched a digital bank in Bahrain to serve the growing digital economy and as a bridge between fund flows and investment opportunities from Asia into the Middle East and vice versa.



Saleh Al Zayani, vice president Middle East for Whampoa Group, said: 'As the region continues to diversify away from oil, we believe there are several opportunities in other industries. If you look at the historical development of every major economy globally, sectors servicing the consumer have always thrived over the long term. We intend to take advantage of this opportunity with our digital bank.'

'The Middle East will occupy a growing part of our diversified portfolio. We take a long view of the opportunities in the region and will deploy patient capital in that regard.'

## Market outlook

Amid the challenging global markets in September, Harvey sees this as an opportunity to position for Q4 and the potential rally in listed equities. 'We are still looking at private markets where we see compelling reasons to invest into distressed assets, secondaries, and private credit. Geopolitical risk is the one that is most concerning over the medium term and something that is unpredictable. Outside of that, we position ourselves for any outcome through diversification of asset classes, individual positions, and custodising assets across multiple jurisdictions.'

After the pandemic and the social incidents that happened in Hong Kong, Tsang highlighted the extra work needed to rebuild the country's connection to the world. 'Amidst strained China-US relations and a global economic recovery from the pandemic, the Middle East emerges as a promising hub for us due to its political neutrality.'

The interest rate environment and its corresponding impact is top of the list of concerns for Zayani. 'It is impossible to forecast the precise impact but the higher for longer narrative will clearly have a contractionary effect on the markets.'

However, Beri believes that robust consumer spending coupled with enhanced corporate earnings will provide the resilience companies need to weather the interest rate storms in the long run. 'Beyond the market volatility, the ever-changing compliance and regulatory environment keeps me up at night, demanding us to stay agile and adaptive. Plus, where a more accessible and connected world presents the opportunity to service clients from various regions, it also means grappling with cross-border and anti-money laundering (AML) risks.'

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