

# DSM: The Gateway for Foreign Investments

An Interview with Saif Khalifa Al Mansoori,  
Acting General Manager, Doha Securities Market



Saif Khalifa Al-Mansoori

**EDITORS' NOTE** Saif Khalifa Al-Mansoori has headed the Doha Securities Market (DSM) for a little over three years. Since the beginning of his term as Acting General Manager in 2004, trading volumes have grown at a compound annual rate of 82 percent. Prior to this role, he was Head of Trading and Market Control at DSM. His regulatory experience comes from serving in the banking supervision division of Qatar Central Bank (QCB) from 1992 to 2000. He previously headed the central accounts and budgeting division at QCB. Al-Mansoori is a graduate of Qatar University.

**COMPANY BRIEF** Established in 1995, Doha Securities Market (DSM: [www.dsm.com.qa](http://www.dsm.com.qa)) began trading and became fully electronic in March 2002 with market capitalization of almost \$25 billion. As of end of 2007, the principal stock market of Qatar, DSM, lists 40 companies, and has a market capitalization of QAR 347.7 billion (\$95.3 billion).

**Doha Securities Market just completed its 10th year of trading, having expanded to 40 listed companies from 17 listed companies in 1997. What role does DSM play in enhancing Qatar's appeal and attractiveness to foreign investors?**

The exchange industry has evolved at a rapid pace in the past 10 years, both in terms of technology and products. When I look at our evolution and our status today, I find DSM to

be one of the best automated markets in the region. What DSM has achieved in the past 10 years, both in terms of growth and efficiency, has taken exchanges in some parts of the world 50 years to achieve. The most important thing to know about DSM is that it provides some of the most exciting investment opportunities in the region. Qatar's economy is expected to grow in double digits for the next five years, and DSM's market-cap-to-GDP ratio has been 140 percent, on average, over the past five years. There's a lot of growth potential in this market, underpinned by strong fundamentals and a robust economy, with a long-term rating of AA.

Since 2005, DSM has positioned itself as the gateway for foreign investments in Qatar. International institutional participation has grown from nothing in 2005 to 15 percent of annual trading value in 2007. Some days, there has even been 35 to 40 percent participation. This is when access to the market is still only possible through local brokers. As we advance toward opening our doors to international brokers, possibly this year, foreign participation in the market will only grow further. As His Excellency, Yousuf Kamal, Minister of Finance, mentioned recently, DSM, Qatar Financial Center, and Qatar Central Bank will be working together to further enhance Qatar's attractiveness to foreign investors.

I am thankful for the continuous support of the Emir, HH Sheikh Hamad bin Khalifa Al-Thani, and the Heir Apparent, HH Sheikh Tamim bin Hamad Al-Thani. Their leadership has completely transformed not only the economy, but the nation as well.

**What factors should encourage international investors to strongly consider investing in DSM-listed companies?**

Qatar's growth story and DSM's historical performance, underpinned by the strong fundamentals of the listed companies, are compelling reasons for investing in DSM. The DSM index grew almost 35 percent last year, with some growth companies seeing capital gains of around 75 percent or more. As I mentioned earlier, DSM has achieved very high automation levels over the past three years. All brokers have a FIX [financial information exchange] interface with the trading system. They also have an electronic interface with the depository and registry systems. A recent study by the World Bank indicated that DSM is technologically very well advanced and has excellent order-capturing

capabilities. All brokers provide Internet trading and call center services.

The "cherry on top" is the government's initiative to create a single independent financial services regulator that meets international standards. This will bring Qatar in line with leading financial centers of the world like London, New York, Singapore, and Hong Kong. With the new Qatar Financial Regulatory Authority, we believe we will achieve more efficiency, higher standards of regulation, and an enhanced listing process.

**DSM will soon transition into the Doha Securities Market Company, which you said will generate "more focus on providing better services." What did you mean by that?**

Our focus has always been to provide better services to our customers, including brokers, listed companies, custodians, and investors. However, transforming into a company would allow us to restructure ourselves to be more customer-centric and efficiency-driven. In this region, we are the pioneers of providing data-streaming technology on the Web. Today, investors can view market data with the same latency levels dealers have on their trading screens. We have also started a statement of account service, enabling investors to access their account statements from the depository via the Internet. More services are expected to be introduced this year.

For our issuers, we have embarked on an investor-relations initiative, which involves traveling to various financial centers around the world to present our market as well as our listed companies. Last year, we arranged Qatar's Capital Markets Day, in conjunction with the London Stock Exchange. The event was held at the London Stock Exchange's media center. We received an unprecedented response from fund managers, institutional investors, and hedge funds. The event had to be extended by one more day to accommodate meetings and presentations. Such activities will only gain pace and focus as we transform into a company.

**Moving forward, what is the primary message you would like to project to the international community?**

The key point is that we are committed to emerge as the leading financial center of the world. With serious commitment from the highest levels of authority in the country, I am confident that we will create a financial center unparalleled in the world, located in one of the fastest-growing economies of the world. ●