Event: Global Commodity Outlook Conference 3

Venue: Almas Towers, Jumeirah Lake Towers, Dubai

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Organized By: Richcomm Global Services

In Association With:

I. Dubai Multi Commodities Center (DMCC).
II. Dubai Commodities Clearing Corporation (DCCC)
III. Dubai Gold and Commodity Exchange (DGCX)
IV. Thomas Reuters
V. United Arab Emirates Ministry of Economy

Conference Objective

Global Commodity Outlook Conference (GCOC) brings together expert professionals in macro economy, agriculture, base metals and precious metals and creates an avenue for engagement and networking between traders, investors and policy makers on the strategic issues impacting global commodity industry, trends and an outlook in the year ahead.

Highlights of the Conference

Welcome speech by the CEO of Richmomm

Speaker / Topic	Highlights
Gautam Sashital	o World population to continue to grow whilst demand for commodities will continue to grow as well o Demand for commodities is expected to increase and supply expected to be in short supply o Expectation of price reduction in commodities due to crude oil @ at average of $30 /Barrel. o Global trade to grow by 3% in 2016, changing mechanism expected o Today's market structure to adapt to changing structures o DMCC to come up with a report on the future of trade by August 2016
Honourable General Bheki Cole, Dep Minister of Agriculture	o Global Agriculture to increase by 37% production o Current global economy not so conducive o Climatic challenges over the world and other challenges with emerging economies leading to the rise in the cost of food o South Africa to revitalize agro processing o Reduction in production of Maize affects revenue and exportation. o Problems of barriers placed by developed countries leading to

	imbalance in trade
H.E Anunag Bhushan, The Consul of India	o Challenges; • External – China's growth challenges India's growth, china's huge financial power • High interest rates in India; Central Bank of India is trying to reduce rates o India's recession of 2007-2008 was brought about by: • Indiscriminate lending by banks leading creation of Toxic assets • Reduction in market capitalization across all banks • Reduced capacity to fund growth potentials of the economy • Increase in Indian combined debt over the years o A new India is emerging; • New government which is pro trade; the ruling party controls parliament. • Road map for reforming and transforming the economy • Foreign Direct Investment has increased; Debts has reduced • Better trade / Balance of trade • India's highest fertilizer production achieved in 2015; improvement and increase in other areas such as ethanol, railway capital expenditure, road construction, ease of trade • Growth at 7% per annum o Year 2016 is expected to be challenging however it is expected also to be full of opportunities
Omar Khan, Dubai Chamber of Commerce (DCC)	o DCC is ready for the challenges and opportunities in 2016 o DCC promotes and supports businesses by providing infrastructures o Plans for 2016; • To diversify the business communities • To expand its International offices to Asia, Africa and Latin America • To coordinate the African Business Forum in 2016 • To set up international offices with the best technology infrastructures o Effect of the falling oil prices on Dubai GDP will be minimal as the oil sector contributes 2%. Tourism and Foreign trade are the primary contributors to Dubai's economic growth o Outlook for the future is not clear but there is optimism in the opportunities available. o DCC is one of the strongest in the world and it is looking for opportunities in Africa o Dubai is a diversified economy and a significant HUB for trade

	in the GCC countries and the Middle East o Ratio of Dubai exports; • To the GCC countries – 60% • To the other parts of the world – 40% o DCC is willing to assist businesses in the UAE
Ms Hind Alyouha – Director, Foreign Trade Policies ***"UAE Economy At A Glance"***	o Dubai Multi Commodities Center (DMCC) is one of the success story of the UAE o UAE is already diversifying its economy away from Oil and DMCC is the trail blazer for that shift in policy o UAE's 2021 vision is "To be amongst countries in the world". o The Six(6) priorities for the UAE government; • To be a competitive knowledge based economy • To be the economic, touristic and commercial capital for more than 2 Billion people. • FDIs to reach 5% of the GDP of the UAE • To be amongst the top 10 in the world global competitive index • To be the first in the ease of doing business index • To build SME's contribution to Non- Oil GDP to 10% o UAE's GDP = 400Billion in 2014; $430Billion in 2015 with >5% of the GDP being oil based o India is the UAE's number 1trading partner o Increase in UAE's FDI driven by political stability o The UAE is presently the 16th in commodity imports index worldwide and 17th in commodity exports index worldwide
Prof John Talboth Of S.J Pain School Of Management ***Macroeconomic Outlook***	o Falling oil prices and China's impact; o Marked reduction in consumption of crude oil by China; between 2008 and 2014, China's consumption of commodities grew from $2.73trn to $10.35trn o China consumes 15% of the world oil production; 50% other commodities o Energy consumption by China reduced to about 2.2% of the total world consumption of energy o The rest of the world was in recession while China's consumption grew between 2008 and 2014 o During the recession period, Chinese banks borrowed over $20trillion in 7years. o Presently Chinese banks have the largest bad & toxic risk assets(loan) portfolio in the world, reducing their borrowing capabilities and thereby affecting their consumption volumes o Pre-70's, crude price was at a time at $2 / barrel but due to the monopoly of Organization of Petroleum Exporting Countries (OPEC), the price of crude oil shot up o A decline in the consumption from China will affect largely emerging economies in South East Asia and Africa that depends on exports such as oil exports to China
• **Tobius Young – DGCX**	o OPEC is projected to stimulate prices of crude oil by reducing

(Moderator) • **Gary King – Intrepid GTL Limited** • **Matt Stanley – Freight Investor Limited** • **Eli Mashmoor – MUD Partnership** • **Edward Bell – Emirates NBD Bank UAE** ***Energy Outlook Panel Discussion***	supply of crude oil to the market; the success of this strategy however, will depend on the reaction of other countries which are Non-OPEC members. This will ultimately drive the prices of crude oil in 2016. ○ Crude oil production is expected to reduce by at least 5%. This should simulate a 35% - 45% increase in price of crude oil in 2016. As mentioned earlier, this may be challenged by Non-OPEC members especially the USA. ○ Crude oil price is currently at an average of $31/ barrel and the average price projected for 2016 is $41 / barrel. ○ Crude oil was overpriced in the past but based on market fundamentals, the current crude oil prices reflect a fair price of crude oil. ○ Removal of trade barriers in Iran and the commencement of exportation has also increased the supply of crude oil. As at January 27, 2016, Iran was producing 106,451 Barrels / day. ○ Iran's average production per day is expected to grow to 500,000 barrels / day by 2016. ○ This increase is not expected to have a significant impact in the world crude oil prices.
• **Maha El-Dahan – Thomson Reuters , Moderators** • **Rohit Mahabor – Louis Dreyfus Commodities, UAE** • **Johnathan Grange – Grains Trader, UAE** • **Guipert Dhalwal – Olam International, UAE** • **Thomas Morley – Representative of World Food Programme** ***Agriculture Outlook Panel Discussion***	○ Reduction in the demand for agricultural based products by China and other South East Asian countries due to a dip in purchasing power. ○ The low crude oil produces is anticipated to have a positive effect on the cost of processing agricultural commodities ○ Lower processing costs is expected to reduce the cost of agricultural commodities ○ The grains market globally is expected to grow in 2016 ○ There is currently an oversupply of maize in the market. ○ As a result of the oversupply, the World Food Program plans to purchase large stocks of maize as reserves to meet shortages that may occur in the future. ○ Purchasing power in developing countries with a single export like petroleum e.g. Nigeria and other oil dependent countries have experienced lowered currency values from trade imbalance due to crude oil price fluctuation ○ There is global food shortage however, food distribution is not even i.e. some countries have more while others have less than they require ○ While food is getting cheaper, the distribution is getting worse.
• **Arnaud Boucard – Thomson Reuters (Moderator)** • **John Short – UD Industrial** • **Paul Mcgregor – London Metal**	○ London Metal Exchange (LME) is entering the once restricted China Market ○ Base metals are at an historic all time low ○ Reduced cost of base metals is expected to have a positive effect on lowering production cost of vehicles and equipment in 2016 leading to a price reduction for cars and equipment. ○ This might be a good time to hedge on the low prices of base

Exchange • **Raj Narsaia – AL Ghurair Group** • **Dhamesh Bhatia – Emirates NBD Bank** ***Base Metals Outlook Panel Discussion***	metals as the prices are expected to rise in the future o LME plans to provide training sessions on trading in metal markets worldwide o Falling oil prices will affect the base metals industry in 2016 o GCC countries are major consumers of base metals for construction. As these countries rely on oil as major revenue base, there would be less constructions in 2016
• **Cameroon Alexander – Thomson Reuters** • **Tawhid Abdullah – Dubai Gold & Jewellry Corporation** • **Gerhard Schubert – Schubert Commodities** • **Junaid Awarkhan – National Bank of Fujairah** • **Rajah Hamed – Sabayik Al Kuwaiti Company** • **Harsh Pawami – Bin Sabt Jewelry** ***Precious Metals Outlook Panel Discussion***	o Gold gained over 10% in 2015, expected further fresh buys in the remaining of 2016 o Market trend for 2016 will continue as was in 2014-2015 o Gold price is affected by; US foreign policies and consumption trends o Demand is determined by current or future economic situations o There is potential for resurgence in the demand for physical gold in 2016 o There has been increasing consumer confidence in the growth in value of Gold therefore, it is projected that consumer will purchase ahead in order to make a premium.