
From: Sultan Bin Sulayem [REDACTED]
Sent: Wednesday, September 2, 2015 10:37 AM
To: Jeffrey Epstein
Subject: Fwd: Wall Street Journal article on Iran - includes your quote

Sent from my iPhone
=br>Begin forwarded message:

=rom: Kate Delahunty [REDACTED]
Date: September 2, 2015 at 3:16:3 PM GMT+5:30
To: Sultan Ahmed Bin Sulayem [REDACTED], Sabs Sultan bin sylayem [REDACTED]
Cc: Sana Ma=dad [REDACTED], Michael Vertigans <[REDACTED]>
[REDACTED] >
Subject: Wall Street J=urnal article on Iran - includes your quote

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Chairman,

Please find below the Wall Street Journal article on Iran for which you spok= to journalist Nico Parasie a few weeks ago.

Best regards, Kate

=ran Deal Could Open Door to Gulf Businesses

While ex=cutives see opportunities, governments remain at loggerheads on other issue=

<=pan style="font-size:7.5pt; font-family:"Arial", "sans-seri="; color:#333333">ENLARGE

A RAK Ceramics factory. Executives at U=A.E.-based RAK expect the long wait on Iran will soon pay off. PHOTO: RAK CERAMICS

By

NICOLAS PARASIE

Updated Aug. 31, 2015 5:58 p.m. ET

38 COMMENTS

<<http://www.wsj.com/articles/iran-deal-could-open-door-to-gulf-businesses-1441013401?mod=e2tw#livefyre-comment>>

DUBAI—In the 10 years since RAK Ceramics opened a \$40 million tile manufacturing plant in Iran, the United Arab Emirates-based firm has racked up millions of dollars in losses in the Persian country, fired hundreds of employees and all but extinguished its kilns.

But this summer Iran struck a nuclear deal with the U.S. and other foreign powers. Now with sanctions on Tehran expected to ease, RAK Ceramics is looking to boost output of the kitchen and bathroom tiles it sells in Iran and the wider region. Executives for one of the world's largest manufacturers of tiles and sanitary ware by capacity are now betting the long wait on Iran is about to pay off.

"We were a patient investor," says Abdallah Massaad, RAK Ceramics' chief executive.

RAK Ceramics is one of a handful of Arab-owned firms positioning themselves to profit from a post-sanctions neighbor, even as frosty relations between Iran and most of the Gulf Cooperation Council—Saudi Arabia, Bahrain, the U.A.E., Oman, Qatar and Kuwait—show few signs of thawing.

The week after the U.A.E. joined Saudi Arabian-led airstrikes in April against Iranian-backed Houthi rebels in Yemen, U.A.E.-owned Etihad Airways launched a daily commercial service to Tehran. Dubai-owned Fly Dubai has launched seven new routes to Iran this year after a bilateral aviation agreement was signed in January between the U.A.E. and Iran. <<http://www.wsj.com/articles/saudi-arabia-launches-military-operations-in-yemen-1427275251>>

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Dubai's Jumeirah Group, operator of the ultra-luxury Burj Al Arab hotel, is searching for properties in Iran. Officials at DP World <<http://quotes.wsj.com/AE/DIFX/DPW>>, one of the world's biggest shipping-container handlers, recently visited the Persian state to see the country's ports and railway infrastructure can be used to transport goods faster between China and Europe.

"I am not a politician, I am a businessman," said Sultan Ahmed Bin Sulayem, chairman of Dubai government-owned DP World, and one of the most prominent Emirati businessmen. "What I look for is if there is an opportunity for our customers."

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The forays by Gulf businesses, though still in their infancy, could further complicate political alliances across the Middle East by deepening commercial ties between Iran and some of its less-hostile neighboring states. Such developments could begin to shift the region's center of economic gravity from Saudi Arabia, the world's biggest oil producer, to Iran, home to an educated and burgeoning middle class.

As executives from the Gulf are eyeing Iran for business opportunities, their governments are locking horns elsewhere in the region. Saudi Arabian warplanes, supported by the U.A.E., Bahrain, Qatar and Kuwait, continue to bombard Iran-backed Houthi militants in Yemen. The tiny Gulf island of Bahrain in July pulled its ambassador from Iran in protest at alleged Iranian meddling in its affairs. Gulf-backed rebels also face off against the Iranian-supported government of President Bashar Al Assad in Syria.

The foreign ministers of the GCC in August publicly backed the nuclear agreement between Iran and world powers in meetings with U.S. Secretary of State John Kerry <<http://www.wsj.com/articles/gulf-arab-states-voice-support-for-iran-nuclear-deal-1438618887>>. But some, such as the U.A.E.'s minister of state for foreign affairs, Anwar Gargash, have also voiced concern that the deal will embolden Iran.

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The U.A.E., particularly the port of Dubai, has long been an important trade conduit for Iran in the region. Iran's imports from the Gulf region amounted to around \$35 billion last year, the bulk of which were exports from the U.A.E. that were imported via Dubai, according to figures from the Washington-based Institute of International Finance. Globally, the U.A.E. is one of Iran's largest trade partners alongside India and China.

Bank of America Merrill Lynch predicts that with the removal of sanctions Iran's annual import totals could soar to \$200 billion from \$80 billion in 2014. The U.A.E. is among those countries best positioned to benefit from the trade flows, analysts at the bank said in a note to clients.

Like the U.A.E., Oman, which has the closest political relationship with Iran of all the Gulf States, is making headway to strengthen its economic ties. Ahead of the nuclear agreement between Iran and world powers, Iranian President Hassan Rouhani visited Oman in March and signed a 25-year deal to sell \$60 billion worth of natural gas to the Arab state.

Access to cheap energy in Iran, as well as raw materials and labor, means the country is in a sweet spot for production of ceramics, said Mr. Massaad, the RAK chief executive. In production of ceramics, Iran ranks fourth globally after China, Brazil and India in terms of capacity, a fact that spurred RAK Ceramics to acquire a 420,000-square-meter (about 104 acres) tract of land in Isfahan, Iran, (about 270 miles south of Iran) and build a plant in 2005, he said.

But one year later, sanctions were imposed on Iran, and RAK Ceramics cut annual production from nine million square meters of tiles to six million. As financial sanctions tightened, manufacturing fell further and the company cut its roughly 480-strong Iranian workforce to around 70.

For the past six months, the facility has produced nothing and sales have come to a virtual standstill. In the first quarter, RAK reported an overall profit but noted losses of 15.4 million U.A.E. dirhams (\$4 million) related to hyperinflation in Iran and Sudan. RAK decided to sell its operation in the American country earlier this year.

After years of talks, the U.S. and other foreign governments struck a deal in July that will limit parts of Iran's nuclear program in exchange for lifting international sanctions. The agreement still must survive a U.S. congressional vote, among other political hurdles.

Now Mr. Massaad is preparing a staff team to go back to Iran. But the tile maker isn't going to get ahead of politics and will wait for sanctions to unwind before committing more investment. If sanctions ease, RAK plans to use Iran to export to Russia, Central Asia and Europe.

"We were in a dilemma," Mr. Massaad said. "[But] we have an asset which is fully equipped, fully invested. We don't need to wait years to find land. We can produce in very short term in a market that will boom."

Write to Rory Jones at roby.jones@wsj.com and Nicolas Parasie at nicolas.parasie@wsj.com <<mailto:nicolas.parasie@wsj.com>>

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