



GCOC IV

9:00 am on 12 February
Almas Conference Centre
Welcome speech by Sanjeev Dutta

Thank you for the kind introduction.

Before I begin, I would like to take this opportunity to welcome you all to this fourth edition of the Global Commodity Outlook Conference.

We are honoured once again to host the event here at DMCC.

These are uncertain times for our industry.

Here in the Gulf, in 2016 the sentiment was weakened by low oil prices.

The knock on effects were widely felt in both the oil and non-oil sectors.

Internationally, we start 2017 seeing the effects of volatile markets; modest global economic growth; uncertain outcomes of geopolitical conditions (Brexit & US Elections); and shifting regulatory environments.

Over the last twelve months, experts say they have grown weary of trying to predict what is going to happen next.

However, one lesson from the turbulence of 2016 we saw, was to take nothing for granted.

Certainly not when it comes to financial markets.

Because, too often, recently events have confounded predictions.

I believe it is up to us now as an industry to meet the challenges of uncertainty.

We need to understand how we can leverage our collective experience to create opportunities.

It is our responsibility to take a leadership role in finding the best way forward to unlock new opportunities - and ultimately strengthen confidence in markets.

Everyone in this room today have a tremendous opportunity.

We are going through a period of change - potentially seismic shift.

Geo-economic and geo-political plates that have been in place for decades seem to be shifting.

All of us have an important role to play in helping our industry adapt quickly.

Certainly, there is a lot of work to be done.

And, of course, there are big challenges ahead.

But the rewards for success are high.

The end of 2016 brought much needed relief for commodity markets, and there are more reasons for optimism in 2017.

Oil prices are finally recovering.

The World Bank forecasts an average price for oil in 2017 of \$55 a barrel, compared to \$43 in 2016.

\$55 a barrel would see liquidity return to the Gulf, and infrastructure spending resume.

Likewise, prices for coal and natural gas are on the rise.

Demand from China is expected to boost prices for metals in 2017, particularly for steel and for lead.

And China's focus on re-establishing ancient trading routes through its ambitious Belt and Road initiative will create increasingly large-scale opportunities for everyone.

HSBC says it believes we are on the cusp of a prolonged and exciting era of global trade growth.

It predicts global trade volumes will quadruple from current levels to \$68.5trn by 2050, with most of the growth coming from outside of Europe and North America.

At DMCC we are lucky.

Our geography means we are positioned at the natural crossroads of the world's major markets.

And the time zone here in Dubai means trading with either the East or the West, the North or the South, is relatively convenient.

DMCC was created with the intention of facilitating commodities trade through Dubai and to complement existing markets. Put simply: DMCC is about creating trading opportunities - finding new solutions to challenges.

We want to connect new markets with more established markets, for the benefit of everyone.

We're also proud to have DGCX, a world-class exchange with a well-established clearing house in place, to support the precious metals trading in the Middle East.

Currently, DGCX bullion product suite includes a Spot Gold contract, Futures contracts in both Gold and Silver and Quanto contracts in Gold and Silver.

Gaurang Desai, CEO, DGCX will give us more insights on the latest in the world of DGCX.

We have had considerable success.

Last year, for example, 37m kilograms of tea were traded through the DMCC Tea Trade Centre.

UAE coffee trade is growing approximately 9% every year and we at DMCC believe in innovating, tapping into new markets and creating new products.

In Q1 2017, we will open a 6,500 square meter DMCC Coffee Centre with a storage capacity of 6,500 tonnes.

We will offer the coffee industry world-class facilities in which to go about the business of trade - from meeting rooms to storage, a dedicated centre of excellence for coffee quality and specialty coffee trading, blending and packaging facilities. Now coffee trading is coming home to the Arabian Peninsula with the DMCC Coffee Centre.

Likewise, in September of 2016, we launched the DMCC Food Trade Group to bring people within the industry together.

To find new and more effective ways to trade food in a region reliant on food imports.

I mention these examples because I want to stress that, again and again, DMCC has demonstrated that it is willing to invest in order to create opportunity.

I believe this is the secret to flourishing in these uncertain times.

The businesses and organisations that will succeed over the long-term will be the ones who are prepared to move forwards now.

That are prepared to back themselves, whether it be by forming strategic partnerships or by investing in new technologies.

I hope today, as we listen to talks from elite of speakers, we remember trading is about meeting people.

It's about connecting.

And it's about moving forward.

Volumes will return - but we must all work together to ensure we are optimally positioned when they do.

Thank you.