

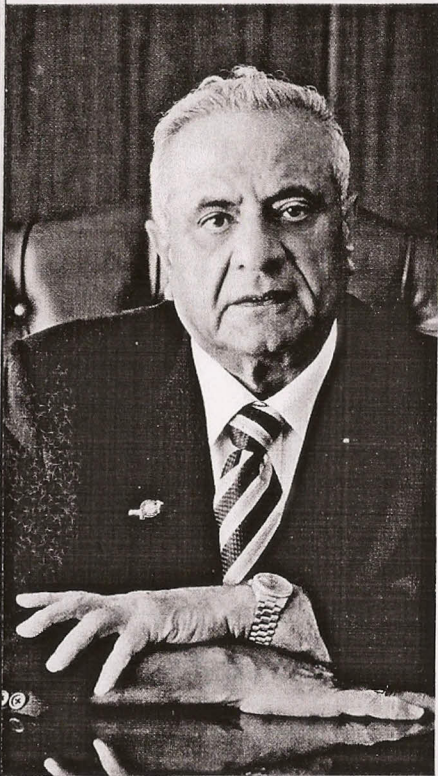
# Rags to riches

Asgar Patel arrived in the UAE in his 20s with a solid track record as an entrepreneur already behind him. After years of building up new businesses, the globe-trotting Indian still sees Dubai as his base — but says that Thailand is the land of opportunity.

BY COURTNEY TRENWITTE







Patel says he established Wall Street Exchange to help Indians remitting money from Dubai to India.

**T**HERE ARE FEW PEOPLE, MUCH LESS immigrants, who can recall the days when Dubai truly was little more than a stretch of sand. Sheikh Zayed Road was a mere two lanes and the tallest building was a few storeys high. The population consisted of a scattering of people in a dusty city little known internationally.

That was until oil was discovered and thousands of foreigners flocked to the emirate to seek the opportunities. Among them was an ambitious 20-something-year-old Indian immigrant named Asgar Patel.

But what made Patel stand out in the early 1970s was that he had already proven his independent business acumen after building up the largest Asian transport company

at the time, Patel Roadways, despite his age. He arrived in Dubai with the cash needed to kick-start his own ventures, ironically benefitting from the earnings of his fellow Asian expats who typically worked as low-paid labourers. Wall Street Exchange Centre became the UAE's largest and oldest foreign exchange and money transfer company and was a lifeline for many who came to rely on Dubai to support their families back home. Remittances from Dubai are among the highest in the world, with nearly \$13bn transferred out of the country last year, according to UAE Exchange.

Patel says he could sniff the money-making opportunities in the Middle East from 2,000km away.

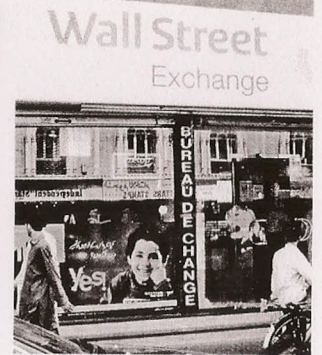
"Because I was educated in England I

didn't really like India, to be honest with you. Therefore I came to Dubai," Patel says.

"First thing, it was a tax haven. Secondly, the government really encouraged investment very much. Sheikh Rashid, the father of Sheikh Mohammed, I used to know personally. Things were different in those days; you could talk to them, sit and have a cup of tea with them.

"I established the exchange centre to help the increasing number of Indians remitting money from Dubai to India. Dubai was just building up so labourers had to send the money back to India. Being in the roadways business I didn't see any difference to transporting money. One thing went by wire and one thing went by truck."

Patel spread the firm to the UK and Hong



Patel sold his remaining 40 percent stake on Wall Street Exchange to Emirates Post last year.

**"Being in the roadways business I didn't see any difference to transporting money. One thing went by wire and one thing went by truck"**

AED50-60m invested already in Dubai, so obviously a prudent businessman would like to spread risk. In India I've got over 100 acres of land, so there's no sense in investing more in India, also.

"So I went on a tour of the world."

After nine months scouting big-name cities such as New York, London, Hong Kong and Singapore, Patel settled on Thailand, a nation famous for its tourism and gracious people.

"London was good but the taxation was very high and there are debt duties so there are too many complications to stay out of the [top] tax bracket," he says. "Another choice was obviously the US but I find it too difficult to control the US because it's eighteen to 20 hours flying [to get there]."

"Then I went east, that is to Singapore, which was too expensive. I went to Hong Kong—I'm a resident of Hong Kong—and it was far too expensive. So out of logical deduction it came to Thailand.

"Singapore is now so out-priced that the Singaporeans in fact find it easier to live and work in Thailand. If they have a business it's easier to have a back office in Thailand and still have an office in Singapore because

Kong, as well as other UAE emirates and used the profits to branch into real estate, amassing a large portfolio and creating property advisor group House of Patels.

On the cusp of celebrating 40 years in Dubai, Patel, who is now worth \$400-500m and is one of the richest Indians in the Gulf, finally sold the exchange house to none other than the Dubai government.

He first sold a 60 percent stake to state-owned Emirates Post Group Holding five

years ago. Then, ever the money maker, he continued to build up the business until he finally relinquished the final 40 percent to Emirates Post for even more than the first, much larger, stake.

That was last year and while Patel remains in Dubai, much of the money doesn't. Similar to his vision as a young man, he has his sights set on a new emerging market and it's not where most would think.

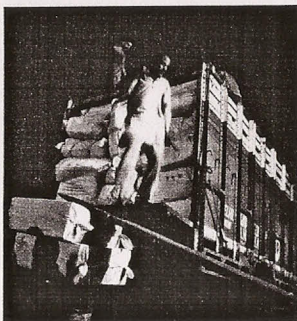
"When they gave me that money—the substantial cash in my hand—I went looking for another place [to invest in], so I went on a world tour," Patel explains.

"I've got eight apartments in Dubai so if you take them at AED3-4m per apartment, I've already got AED30m invested in [real estate]. Plus my own home takes it to

## \$13bn

Value of remittances from Dubai in 2012, according to UAE Exchange.





India-based Patel Roadways is now one of the largest road transportation companies in Asia.

### "It's a peculiar thing: when you do well, everybody becomes your friend"

Thailand is 25-30 percent of the cost of [operating in] Singapore. So my costs come down by nearly 70 percent. It's that cheap working out of Thailand."

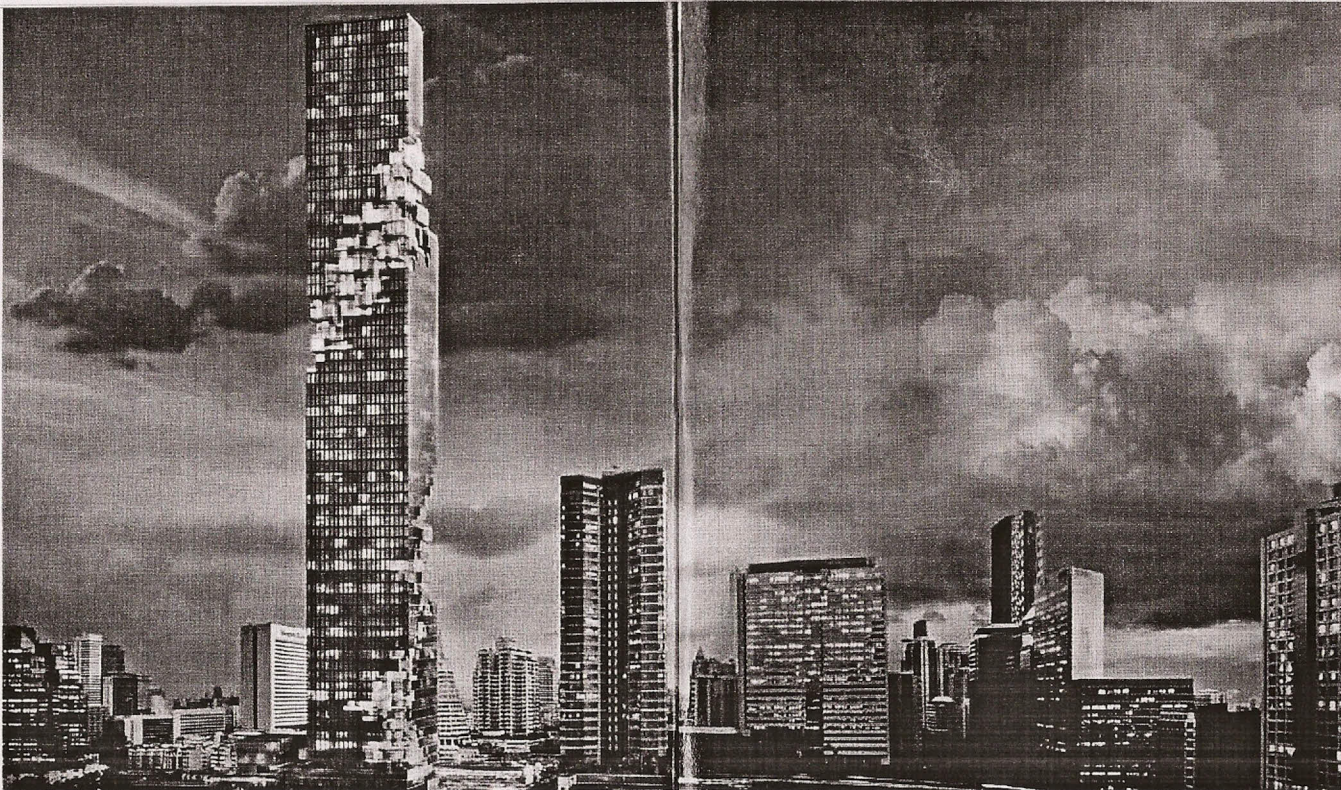
Patel says Thailand is the quiet achiever sitting snugly between its booming neighbours, China and India, who have been receiving all the attention.

"The rate of growth [in Thailand] remains between five to six percent. That's a very high rate by any standards because India itself is struggling at 5.5 percent and China at seven to 7.5 percent," he says.

"There's nothing wrong with Dubai, it's one of the greatest countries in the world. Living in Dubai is a lifestyle but... who really lives in Dubai? It's a country of convenience, where people come and live for the lifestyle and [because it's a] very clean country and no income tax."

Patel has committed about \$100m to two projects in Thailand. In particular, he is the anchor investor in what will be the country's tallest skyscraper, MahaNakon Tower, a \$630m mixed-use tower in Bangkok due to be completed in 2015.

The development includes residences and hotel rooms that will be operated by Ritz-Carlton. Patel says it will be the most luxurious hotel in Bangkok. He says the rising Thai baht means he already has made ten percent on his investment, which includes two penthouses and



Patel is the anchor investor in what will be Thailand's tallest skyscraper, the MahaNakon Tower.



Asia is now where the opportunities lie, Patel says.

several apartments, since the beginning of the year.

"I came back to Dubai and bought a Rolls-Royce... to celebrate," he says.

As many good business deals are done, Patel's interest in MahaNakon Tower was secured over a game of golf, one of his treasured hobbies.

Patel says much as the West was the economic driver during the industrial revolution and the Middle East was the place to

be during the oil boom, Asia is now where the opportunities lie.

"The future lies in Asia, not that there's anything wrong with the West. The West has shown us the way but the West has developed already; the East has to develop," Patel says.

"There's a competition going on now between China and India but where will they grow? Everybody is after Thailand; it's a place of the future. Why? There are two great powers competing for Thailand: one is India, the second is China. Both need Thailand so both are trying to support Thailand in its growth.

"India is now proposing a road into Thailand [and] if that road, or railway, comes up then Thailand is the future as far as India is concerned. [Also] the people have a very similar culture, I wouldn't say the same but it's a similar culture. So that makes working very easy.

"At the same time, from the other side, China would like to get into Thailand so

they also want to make inroads into Thailand and have connections so that their people can expand. The rich Chinese have to get out of China because it's Communist... so you get into a better country and there can't be a better country than Thailand for them. A lot of Thais are descended from Chinese blood, so again the culture formation is really easy."

Countries such as Japan also are increasingly seeking their manufactured parts from Thailand, where labour is much cheaper. The country also is expected to benefit from a move to create one visa for all of the ten Association of South East Asian Nations (ASEAN) members.

"It didn't take me a long time to decide that this is the future place to invest in," Patel says. "If you want to invest your money in a safe haven, if you want your money to double, if you want to live there and it's not just an investment, I have travelled all over the world and I would say the best place is Thailand."

Patel's move into Thailand marks almost a full circle from where he began in Mumbai, India. At nineteen, those first business pursuits were sparked out of the love for a woman his family had tried to prevent him marrying.

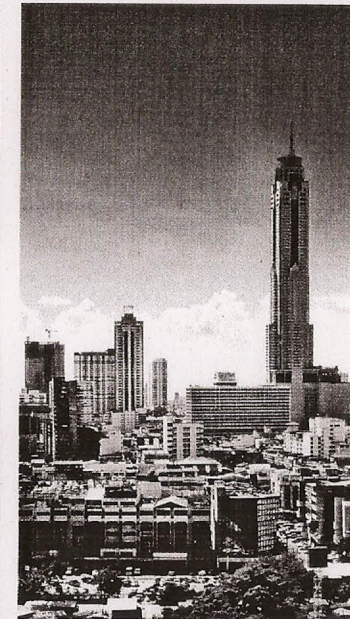
"I married a woman I fell in love with. She's a Catholic and I'm a Muslim so my parents said 'enough no more [money]'," Patel says.

"In India it's arranged marriages. My dad said 'if you take the girl of my choice you'll have a piece of the business; if you take the girl of your choice you'll stand on your own feet'. So I said 'well, I take the girl of my choice and I'll stand on my own feet' and it worked."

Patel borrowed money at an excessively

## \$630m

Value of the MahaNakon Tower project.



Patel — seeing a big potential — has committed about \$100m to two projects in Thailand.

high rate of 28 percent to buy one lorry, which swiftly turned into a trucking empire.

"By 1962 I was practically a millionaire," he says. "I started with one truck and I multiplied it until I had 2,000 trucks, 800 branches in India and employed 10,000 people.

"That's when I thought 'enough is enough, let me move on', so I made it publicly limited and moved to Dubai."

He has maintained his roots in India, where he owns several real estate developments and is building more. He also has 18km of waterfront land that he's hoping to turn into a resort with the Ritz-Carlton if all goes well with the MahaNakon Tower partnership.

He is also still married after 50 years and the couple have two sons and a daughter, while he has managed to rekindle the relationship with his family.

"It ended up okay, but at the time it wasn't," Patel says. "It's a peculiar thing: when you do well, everybody becomes your friend." ■