

Sunday, 1st March 2016

Dear Mustafa,

I am sitting in the vast expanse of Dubai International Airport, en route to Karachi. Whenever I come through this airport I am always struck by an endeavour that seems, both literally and metaphorically, to be built on sand.

Dubai presents itself as a premier offshore financial hub, a transit hub and a poster child of Near Eastern stability. But on a second look its *raison d'être* seems to be founded on the instability of others; so perhaps time for a little history?

With the fall of the Shah of Iran in 1979, and the Soviet Afghan invasion of 1979, Iran and Pakistan found themselves under unpredictable management. Monies from these nations flowed to Dubai, going into the local real estate, businesses and bank accounts.

However, instability is a relative game. Anecdotally I hear that Tehran is regaining its taste for international business and, from first hand experience, Karachi's security and economic climate is on an upward trend. On the other hand Dubai's neighbours, specifically the

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Kingdom of Saudi Arabia, are now embarking on all sorts of military escapades. This is on top of the KSA's open disagreements with its long-standing allies and its often-reported internal family schism inside the House of Saud. Stability seems to be ever changing, like the sands around this airport.

Just as Dubai benefitted immensely from the instability of its neighbours, it is now Dubai that may be on the backfoot, as Iran and Pakistan begin a slow yet steady progress towards stability. Dubai's policy of 'winning by default' is not a durable one.

There used to be many regular direct flights from London to Karachi and London to Tehran, perhaps history's detour to Dubai is over, as its own area becomes vulnerable. Money fears instability and may now be flying out of Dubai.

See you on my return - Chris