CARAVAN

THE EXECUTIVE NEWSLETTER OF
QASR AL ANQAA GROUP OF COMPANIES

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GROWTH CAN HIDE A WEAK BUSINESS

Why bigger isn't always better — and how to tell the difference.

Revenue. Cash. Structure. Value.

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CEO'S NOTE

GROWTH CAN HIDE A WEAK BUSINESS

Dr. Hossein Azarbaijani
Chief Executive Officer
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There is a number every business owner likes to talk about.
Revenue.
It appears in pitch decks, annual reports and conversations over coffee. We crossed $10 million. Sales are up 30%. We opened another market. We hired 40 people.
Growth has a wonderful way of making everything look healthy.
Until you look at the cash.
A company can sell more this year than it did last year and still become a worse business. Its margins can narrow. Its customers can take longer to pay.
Inventory can pile up. Debt can rise. One large client can quietly become responsible for half the company's future.
None of this necessarily shows up in the sentence:
"Revenue grew 25%."
And that is the problem.
Bigger is easy to measure. Better is not.
Consider a company with $20 million in annual sales.
Next year, it reaches $30 million.
At first glance, there is not much to debate. Revenue is up 50%. Someone deserves a good bonus.
Now look again.

> A COMPANY CAN SELL MORE THIS YEAR THAN IT DID LAST YEAR AND STILL BECOME A WORSE BUSINESS.

To win those new customers, the company cut prices. Payment terms went from 30 days to 90. Inventory increased because management was afraid of losing orders. The business took another credit facility to finance the gap.
Revenue went from $20 million to $30 million.
But cash became tighter.
Margins became thinner.
Debt became larger.
The company grew.
The question is whether the business did.
That distinction is becoming increasingly important.
The global cash conversion cycle — roughly, the time between a company spending money on operations and getting that money back from customers — climbed above 67 days in 2025, around three days above its ten-year average.

In the Middle East, the difference between companies is even more revealing. KPMG found that smaller companies averaged a cash conversion cycle of 105 days, compared with just 42 days for companies with more than $1 billion in revenue.

That is a lot of money sitting somewhere other than the bank account.

The good news can be true.

This is not an argument against optimism.
There is plenty of it.

Middle Eastern CEOs reported average revenue growth of 12%, compared with 8% globally, according to PwC. Nearly three-quarters are highly confident about their companies' revenue prospects over the next three years.

That matters.

But another number matters too.

Global business insolvencies are expected to rise 6% in 2026, according to Allianz Trade — the fifth consecutive annual increase.

THE COMPANIES UNDER THE GREATEST PRESSURE SHARE SOME FAMILIAR CHARACTERISTICS:

thin margins, high debt and heavy working-capital requirements.
In other words, businesses are not necessarily failing because nobody wants what they sell.
Sometimes they fail while selling plenty of it.

THE DANGEROUS CUSTOMER EVERYONE WANTS

There is another version of the same problem.
Imagine winning the largest contract in your company's history.
It is the kind of deal businesses announce proudly.
Revenue jumps. Production expands.
People are hired.
Then, gradually, that customer becomes 20% of sales.
Then 30%.
Then 40%.
The customer knows it too.

Now imagine receiving an email one morning saying the contract will not be renewed.
Yesterday, you had a record-breaking business.
Today, you have excess inventory, excess staff and a very large hole in your forecast.
Was the customer good for growth?
Absolutely.
Was the company becoming healthier?
That is a different question.

GROWTH HAS QUALITY.

This is the part we tend to miss.
Not every dollar of revenue is equally valuable.
Revenue that produces cash is different from revenue that consumes it.
Revenue from 100 customers is different from the same revenue coming from three.
Growth financed internally is different from growth that requires another loan every six months.
A management team capable of running the company is different from a company where every decision still ends up on the founder's desk.
Two companies can report exactly the same revenue and have completely different values.
One owns a business.
The other owns a very demanding job with employees.

TRY A DIFFERENT GROWTH TEST.

Forget next year's sales target for a moment.
Ask something less comfortable.
What happens if revenue does not grow next year?
Would the company still generate cash?
Would margins still be attractive?
Could it survive losing its largest customer?
Could it operate for three months if receivables arrived late?
Could the founder disappear for six weeks without operations slowing down?
Could management explain, clearly, which products, customers and markets actually make money?
These questions rarely make headlines.

THE NUMBERS BEHIND THE STORY

67 DAYS
The global cash conversion cycle climbed above 67 days in 2025, around three days above its ten-year average.

105 DAYS
In the Middle East, smaller companies averaged a cash conversion cycle of 105 days...

42 DAYS
...compared with just 42 days for companies with more than $1 billion in revenue.

CEOS ARE OPTIMISTIC

12% Middle Eastern CEOs reported average revenue growth of 12%, compared with 8% globally, according to PwC.

75% Nearly three-quarters are highly confident about their companies' revenue prospects over the next three years.

KEY INSIGHT

Two companies can report exactly the same revenue and have completely different values. One owns a business. The other owns a very demanding job with employees.

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YOUR BUSINESS HAS SYMPTOMS. DO YOU KNOW THE CAUSE?

By Atefeh Hosseini
Business Development Manager,
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Moving from one country to another has a way of making you question what you thought you knew about business.

The market changes. Negotiations feel different. Relationships carry different weight. Customers ask different questions. A commercial approach that worked perfectly in one country can fall flat in another.

At first, I thought the rules had changed.

They hadn't.

The environment had. The fundamentals had not.

Customers still need a reason to buy. Revenue still needs margin. Profit eventually needs to become cash. Operations still have to deliver what sales promised. And strategy still comes down to a handful of difficult choices: where to compete, how to win and what not to do.

What changes dramatically is how problems reveal themselves.

After years working across business development, international marketing and strategy, I have become wary of sentences that begin with:

"Our problem is..."

Our problem is sales.
Our problem is marketing.
Our problem is cash flow.
Our problem is the team.
Our problem is financing.

Perhaps.

But what management calls a problem is often only a symptom.

And treating a symptom can be expensive.

THE OBVIOUS ANSWER IS OFTEN THE DANGEROUS ONE

Suppose sales fall 20%.
The response is almost predictable.
Hire more salespeople. Increase the marketing budget. Offer discounts. Push harder.
By the end of the meeting, everyone has something to do.
But nobody has answered the most important question:
Why did sales fall?
Maybe the company lacks leads.
Maybe it has plenty of leads, but they are the wrong ones.
Maybe customers want the product but reject the price.
Maybe the price is fine, but quotations require four days of internal approval while a competitor replies in four hours.
Maybe new customers are arriving, but late deliveries mean they never order twice.
Maybe the market has simply moved on.
Every one of those problems can produce the same line on a management dashboard:
Sales: -20%.
They require entirely different treatments.
Hiring salespeople solves only one of them.
For some of the others, it could actually make things worse.
Companies have departments. Problems don't.
This is where diagnosis becomes difficult.
Imagine a salesperson wins a major customer by offering 90-day payment terms.
Sales celebrates. Revenue rises. The pipeline looks healthier.

> **WHAT MANAGEMENT CALLS A PROBLEM IS OFTEN ONLY A SYMPTOM.**

Meanwhile, the company pays suppliers, freight, salaries and operating expenses long before the customer's money arrives.
Growth accelerates.
Cash gets tighter.
Eventually finance announces a working-capital problem and management starts looking for another credit facility.
But was it really a financing problem?
Or did it begin months earlier with a commercial decision?
The distinction matters.
A sales problem can begin in pricing. A cash problem can begin in commercial terms. An operational problem can originate in sales incentives. What looks like poor employee performance can be the result of badly designed decision-making.
And sometimes a company is not executing badly at all.
It is executing the wrong strategy remarkably well.

THINK LIKE A DIAGNOSTICIAN

Before asking "What should we do?", I prefer a different sequence:

SYMPTOM → POSSIBLE CAUSES → QUESTIONS → EVIDENCE → ROOT CAUSE → TREATMENT

Think of it as a Business Health Map.
Look across seven areas.

- **Commercial:** Are we creating profitable revenue or simply more volume?
- **Sales:** Where exactly do prospects disappear — lead generation, qualification, proposal, negotiation, closing or repeat purchase?
- **Financial:** Where does cash get trapped — receivables, inventory, weak margins or poor payment terms?
- **Operations:** Can we consistently deliver what we sell?
- **Market:** Have customers, competitors, technology or regulation changed the game?
- **Management:** Where do decisions get stuck?
- **Strategy:** Are we executing badly, or pursuing the wrong opportunity?

EVIDENCE IS MORE USEFUL THAN CONFIDENCE

One discipline has become particularly valuable to me in strategy work:
Treat strong opinions as hypotheses, not as truths.
Then challenge them.
Look at actual data.
Talk to customers, frontline teams and suppliers.
Follow the evidence even when it leads somewhere uncomfortable.
The goal is not to prove that we are right.
The goal is to understand the business as it really works.

ONE SYMPTOM. SEVEN PLAUSIBLE DIAGNOSES. SEVEN VERY DIFFERENT DECISIONS.

Now take our 20% sales decline again.

- Perhaps pricing has become uncompetitive.
- Perhaps qualified leads have collapsed.
- Perhaps credit restrictions are blocking viable orders.
- Perhaps delivery failures are destroying repeat business.
- Perhaps customers have moved to a substitute.
- Perhaps quotations require so many approvals that competitors get there first.
- Perhaps the company is targeting a market where it has no meaningful advantage.

One symptom.
Seven plausible diagnoses.
Seven very different decisions.
A dashboard can tell you where it hurts.
It cannot always tell you why.

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THE SEVEN DECISIONS THAT SHAPE A BUSINESS

Growth rarely comes from one big move. More often, it is a sequence of better decisions.

Businesses rarely transform because of one dramatic decision.

More often, change begins with a question.

Why have margins started to shrink? Why is growth becoming harder? Are we ready for another market? Do we need a partner? Are we actually ready for investment? Why does every important decision still end up on the CEO's desk?

The question changes as the business changes.

And so should the response.

The Business Clinic Journey is built around seven stages — distinct from the diagnostic areas in the Business Health Map, and designed not as a checklist of services, but as a way of understanding what a business may need next.

> "BUSINESSES RARELY TRANSFORM BECAUSE OF ONE DRAMATIC DECISION. MORE OFTEN, CHANGE BEGINS WITH A QUESTION.

01 – UNDERSTAND

Business Clinic

The question: What is really happening in the business?

Before talking about growth, capital or expansion, management needs a clear view of where the business stands today.
Not where the strategy deck says it stands. Not where management hoped it would be by now. Where it actually is.
That means understanding the immediate concerns, the business model, the numbers behind it and the priorities competing for management's attention.

The outcome: A clear starting point — and a better definition of the questions that deserve deeper investigation.

02 – DIAGNOSE

Business Health Assessment

The question: What is helping us grow — and what is quietly holding us back?

Revenue alone tells us surprisingly little about the health of a company.
The next step is to look underneath it: revenue quality, costs, margins, supply chain, capital position and the company's ability to turn plans into execution.
The objective is not another long report. It is to identify the gaps that matter, rank them and decide what deserves attention first.

The outcome: A Business Health Scorecard, a prioritised gap analysis and a practical 90-day action plan.

03 – GROW

Sales Growth & Commercial Development

The question: Where should the next dollar of revenue come from?

"Sell more" is not a commercial strategy.

The better questions are more specific: Which customers? Which offer? At what margin? Through which channel? Where is the pipeline breaking? And which revenue is actually worth pursuing?

Growth becomes more useful when it is selective.

The outcome: A stronger commercial engine — clearer offers, better pipeline discipline and a more deliberate route from opportunity to revenue.

04 – CONNECT

Strategic Partnerships

The question: What if the fastest way forward is not to build everything ourselves?

Some capabilities take years to develop internally.

A strong distributor can open a market. A supply partner can strengthen an offer. The right strategic alliance can bring access, credibility or reach without the cost of building all three from scratch.

Partnership, when designed properly, is not a shortcut. It is leverage.

The outcome: A partnership strategy built around measurable commercial value — not introductions for the sake of introductions.

05 – EXPAND

Market Development & Export Expansion

The question: Where should we go next — and how do we enter without learning everything the expensive way?

New markets are easy to admire from a distance.

The reality begins with customers, competition, channels, regulation, logistics, pricing and the economics of getting the first transaction right.

The biggest market is not automatically the best market. And demand alone is not a market-entry strategy.

The outcome: A prioritised route to market — from selecting the opportunity and entry model to building the path toward the first customers and shipments.

06 – PREPARE

Investment Readiness & Capital Raising

The question: Would an investor see the same opportunity that we see?

Companies usually approach investment by asking how much capital they need.

Investors start somewhere else.

Why this company? Why now? Are the numbers credible? What will the capital actually change? What are the risks? And is the business ready to withstand due diligence?

That shift in perspective matters.

Investment readiness means getting the financials, growth narrative, use of funds and data room ready for scrutiny — and understanding what kind of capital actually fits the company's stage.

The outcome: A business prepared not simply to pitch, but to answer the questions that come after the pitch.

07 – LEAD

Executive Advisory

The question: What happens when the decisions become bigger than any one department?

Eventually, the hardest questions stop belonging neatly to sales, finance or operations.

Should we enter this market? Raise capital now or wait? Accept this partnership? Change the business model? Invest, acquire or walk away?

There is rarely a perfect answer.

But there is a better way to think through consequence, timing, risk and alignment.

This is not about adding more opinions.

It is about shaping the right decisions — and standing behind them.

The outcome: Decisions that are better informed, better timed and better aligned with where the business is going.

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DUBAI'S WAREHOUSE OPPORTUNITY

Why industrial real estate is becoming harder for investors to overlook

By Ritu Dodhi
Head of Marketing & Investor Relations,
RG Group

When investors talk about Dubai real estate, the conversation usually starts with residential towers, luxury apartments, offices and retail. Warehouses rarely get the same attention.

Yet behind Dubai's visible property boom, industrial real estate is becoming increasingly relevant — not because warehouses have suddenly become fashionable, but because the economy needs more of them.

Dubai's position as a regional centre for trade, logistics and distribution depends on physical infrastructure. E-commerce companies need fulfilment facilities. Food distributors need storage. Manufacturers need production space. Automotive, pharmaceutical and logistics companies need buildings that connect efficiently with roads, ports, airports and customers.

As these activities expand, demand for the space behind them grows too.

DEMAND FROM THE REAL ECONOMY

Available market data points to a tightening industrial market. Requirements for new industrial and logistics space in Dubai increased significantly during the first half of 2026 compared with the same period a year earlier, with manufacturing, industrial and logistics occupiers among the important sources of demand.

Rental trends reinforce the picture. Open-market reports indicated that Dubai industrial rents increased 6.8% year-on-year in Q2 2026. CBRE had previously reported a 13% year-on-year increase in warehouse rents in Q4 2025, citing persistent undersupply of quality space and strong occupier demand.

For investors, the interesting question is not simply whether rents are rising. It is why they are rising.

Demand generated by businesses that need somewhere to manufacture, store and distribute goods gives industrial property an economic foundation beyond property speculation.

> **DEMAND GENERATED BY BUSINESSES THAT NEED SOMEWHERE TO MANUFACTURE, STORE AND DISTRIBUTE GOODS GIVES INDUSTRIAL PROPERTY AN ECONOMIC FOUNDATION BEYOND PROPERTY SPECULATION.**

INVESTORS ARE BUYING UTILITY

But that does not mean every warehouse is a good investment.
Two warehouses of similar size can have very different commercial prospects. Location matters, but so do road connectivity, loading capacity, ceiling height, power availability, yard space, parking, office facilities and fire and safety specifications.

The real question is simple:
How useful is this building to the businesses that might occupy it?

A well-positioned warehouse can reduce transport friction, improve distribution efficiency and provide easier access to suppliers, customers, ports and airports. This helps explain the relevance of established industrial areas such as Dubai Investment Park and Dubai Industrial City, where connectivity to the wider logistics network is part of the proposition.

In industrial real estate, investors are not simply buying square metres.
They are buying utility, location and future tenant demand.

- LOCATION CONNECTIVITY
- LOADING CAPACITY
- CEILING HEIGHT POWER
- YARD SPACE PARKING
- OFFICE FACILITIES SPECIFICATIONS
- FIRE & SAFETY SPECIFICATIONS

THE INFRASTRUCTURE BEHIND THE SKYLINE

Dubai's economic growth is usually represented by what we can see: towers, hotels, communities and major developments.

But an economy also depends on less visible infrastructure.

Goods need to be stored. Orders need to be fulfilled. Products need to be distributed. Manufacturers need somewhere to operate.

That makes warehouses worth considering as part of the wider commercial real estate conversation — not as a replacement for residential, office or retail property, and certainly not as a risk-free investment.

Their case is simpler than that. They are physical assets supporting real economic activity.

WHAT WOULD MAKE YOUR BUSINESS WORTH MORE?

Most founders know their revenue. Far fewer can explain why someone should pay a premium to own their business.

By Rami Ahmed Hassan
CARAVAN Editorial Team

Imagine two companies.
Each makes $10 million a year. Each reports $1 million in EBITDA. On paper, they look almost identical.
One might be worth $4 million. The other might be worth considerably more.
This can feel strange because we are used to describing businesses through numbers that are easy to repeat.
"We crossed $10 million."
"We grew 25% last year."
"We just signed our biggest customer."
These things matter. But they can create the impression that a bigger company is automatically a more valuable one.
It isn't.
A company can grow sales while becoming more dependent on a few customers. It can report higher profits while consuming more cash. It can expand while every important decision still depends on its founder.
Growth is visible. Value is harder to see.

SAME REVENUE. DIFFERENT BUSINESS.

Consider the first company.
One customer accounts for 40% of sales. Only 20% of revenue is recurring. The founder owns the important relationships and remains involved in major decisions. Reporting is inconsistent and much of the company's knowledge exists in people's heads.
The company wavers.
That does not necessarily mean it is resilient.
At the second company, no customer represents more than 15% of sales. More than half of revenue is recurring. Managers have authority, reporting is reliable and important processes are documented.
The founder still matters. But if they stepped away the company could continue to function.
Same revenue. Same EBITDA. Very different businesses.
A buyer is not simply asking how much the company earns today. They are asking whether those earnings can survive tomorrow.
That is also why EBITDA should not be confused with cash flow. A growing company can report attractive EBITDA while cash disappears into inventory and unpaid invoices.
And valuation multiples are not universal price tags. They also reflect confidence in the durability of future earnings.

HOW $4 MILLION BECOMES $10.8 MILLION

Suppose a buyer values our first company at an illustrative 4× EBITDA, reflecting its customer concentration, founder dependency and limited recurring revenue.
Enterprise value: $4 million.
Now imagine management spends three years improving the business.
Revenue grows from $10 million to $12 million. EBITDA reaches $1.8 million. Recurring revenue rises from 20% to 55%. The largest customer's share falls from 40% to 15%. Managers gain authority. Reporting improves. Processes become repeatable.
The company has grown.
But something more important has happened.
It has become easier to trust.
Suppose the stronger business and lower perceived risk now support an illustrative 6× EBITDA.
Enterprise value: $10.8 million.
Revenue increased 20%.
Under these hypothetical assumptions, enterprise value increased 170%.
The multiples are examples, not market benchmarks. Actual valuations vary widely by industry, geography, size, growth and risk.
The point is not the multiple.
Management didn't simply make the company bigger.
It made the company better to own.

INVESTORS BUY TOMORROW

Founders naturally talk about what they have built: customers won, contracts signed, markets entered.
Investors listen and think about what happens next.
Will those customers stay? Will margins hold? Will EBITDA become cash? How much working capital will future growth require?
And eventually there is a more uncomfortable question:
What happens if the founder disappears for six months?
It sounds personal. Usually, it isn't.
The buyer is trying to understand where the company ends and the founder begins.
If customers stay because of one person's relationships, suppliers cooperate because of that person and important decisions cannot happen without them, some apparent enterprise value may actually be personal value.
A buyer cannot be certain that it will transfer with the company.
Uncertainty eventually finds its way into the price.

YOUR VALUATION STARTED YEARS AGO

A company's valuation does not suddenly appear when an investor arrives. Much of it has already been decided. Allowing one customer to become 40% of revenue was a valuation decision. So was accepting poor payment terms or sacrificing margin for impressive volume. They simply looked like ordinary business decisions at the time.

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THE GLOBAL RICE SUPPLY CHAIN

From a paddy field to a bowl on the table—rice passes through a complex chain of processes, people, policies and risks before it reaches consumers around the world.

Global Production (2025/26)
540.4M TONNES

Global Exports (2025/26)
63.2M TONNES

Only **11.7%** of production enters international trade

THE RICE SUPPLY CHAIN: 9 KEY STAGES

1. **FARM** — Seed, soil, water, fertilizer and climate determine yield and quality.
2. **HARVEST** — Timing and machine control are critical. Typical moisture around 14% for efficient milling.
3. **MILLING** — Paddy is cleaned, dehusked, milled, polished and separated. Recovery: 65–70% milled rice.
4. **GRADING** — Rice is graded by broken %, moisture, length, purity and appearance. No single global grading standard.
5. **PACKAGING** — Packed in bulk, jambo bags or retail packs. Packaging impacts cost, quality protection and brand value.
6. **EXPORT PORT** — Documentation prepared: Invoice, Packing List, B/L, Certificate of Origin, Phyto:sanitary certificante, etc.
7. **SHIPPING** — Rice shipped via container or bulk vessels. Freight, insurance, route and geopolitical affect landed cost.
8. **IMPORT / DISTRIBUTION** — Customs clearance, warehousing, local transport, wholesale and inventory financing come into play.
9. **RETAIL** — Final price reflects costs, finance, taxes, logistics, packaging and retailer margin.

MAJOR PRODUCERS (2025/26)

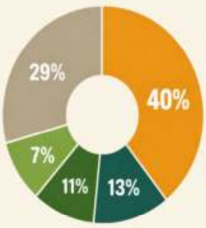
Production (Milled Rice)

India	152M t
China	146M t
Bangladesh	36M t
Indonesia	34M t
Vietnam	26M t

Source: USDA (2025/26)

TOP EXPORTERS (2025/26)

Share of Global Exports



Source: USDA (2025/26)

TOP IMPORTERS (2025/26)

Import Volume (Milled Rice)

Philippines	4.6M t
Vietnam	4.1M t
Nigeria	3.2M t
China	3.0M t
EU (27)	2.3M t
Iraq	2.2M t
Saudi Arabia	1.85M t

Source: USDA (2025/26)

KEY TRADE CORRIDORS

- South Asia → Gulf & Middle East
- Southeast Asia → ASEAN
- South & Southeast Asia → Africa

WHAT MOVES THE PRICE?

WEATHER & YIELD — Droughts, floods and monsoon patterns affect production and exportable surplus.

INPUT COSTS — Fertilizer, fuel, power, labor, packaging and freight together shape farm-level unit costs.

CURRENCY — Stronger exporter currencies can raise supply costs; weaker currencies can cut support prices.

PRODUCTION & PIPELINE — Planted area, fed, weather forecasts, stock levels and port congestion determine what becomes tight and linear or ease.

GOVERNMENT POLICY — Export bans, duties, subsidies and stock policies can amplify price swings or keep supplies flowing.

GLOBAL DEMAND — Population growth, diets, biofuel blends and industrial demand signal structural patterns.

TYPES OF RICE (Example)

- **BASMATI** — Fragrant, Premium, long grain
- **JASMINE** — Fragrant, soft texture, most cooking grain
- **LONG GRAIN WHITE** — Versatile, everyday use, everyday use
- **PARBOILED** — Converted rice, firmer grain, lower breakage
- **BROKEN RICE** — 5%, 25%, 100% broken used in various industries

CONTRACT & TRADE TERMS

Product Specifications
Moisture, variety, grain size, milling degree, broken %, admixture, damaged kernels, packing, labeling and certifications.

Incoterms (Preferred)
FOB, CFR, CIF or FCA to match buyer risk appetite, route choice and port infrastructure.

Payment Terms
Advance, Documentary Collection, Sight Letter of Credit or Cash against Documents.

Inspection & Quality
Pre-shipment inspection, SGS/CIQ or buyer survey, sampling and and annex quality protocols.

TRADE FINANCE TOOLS

Letter of Credit (L/C)
Provides security for buyer and payment assurance.

Documentary Collection
Lower cost option for lower value and moderate risk.

Export Credit Insurance
Protects against buyer or country risk.

Inventory Financing
Supports working capital for stocking and distribution.

Financing turns rice from a physical commodity into a moving asset.

RISKS ALONG THE CHAIN

- Weather shocks
- Pest & disease losses, quality, moisture, storage
- Milling & breakage in plants
- Contamination & phytosanitary issues
- Shipping delays & port congestion
- Geopolitical tensions & FX rate swings
- Exporter restrictions & policy changes
- Payment & documentation discrepancies

RICE IS NOT ONE COMMODITY IN ONE MARKET.

Its value is redefined at every stage—by nature, policy, risk, key efficiency in the mill, by clarity in the contract and by visibility in the port.

KEY TAKEAWAY

"Securing rice supply is not just about the lowest price. It is about understanding where it is grown, how it is milled, who insures it, when it is shipped and where visibility turns uncertainty into opportunity."

Agri Science | Agri Quality | Agri Contract | Agri Finance | Agri Logistics | Agri Timing

Sources:
USDA, FAO, ITC, Trade Map, ZPMG, UBM, Ag Industry Reports

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THE MARKET MOVED. WHAT DOES YOUR BUSINESS DO NOW?

Price is the most visible signal in commodity markets. But the more useful question is what has changed underneath — and what that means for the business.

By Amit Tata
Commodities & Markets Contributor, CARAVAN

Working on a commodity sales desk means spending much of the day talking to people who are trying to make decisions.

Buyers, suppliers and traders come to us with requirements for sugar, rice, sulphur, urea, edible oils and other commodities. Some arrive with precise specifications. Others begin with the question we hear most often:

What is the price today?

It is a reasonable question. But it is rarely enough.

A sulphur buyer may find a cheaper FOB offer, only to lose the advantage once freight, financing and route risk are included. Rice rises and an importer wonders whether to buy now or wait. Urea falls and procurement teams face the opposite dilemma.

The number tells you what happened. It does not tell you what to do.

> “THE NUMBER TELLS YOU WHAT HAPPENED. IT DOES NOT TELL YOU WHAT TO DO.”

That distinction matters in late **August.** Rice is strengthening. Palm oil expectations are tightening. Sugar sits between policy and commercial reality. Pulses are moving in different directions. Urea has fallen sharply from crisis levels, while sulphur remains exceptionally expensive.

Each market is sending a different signal.

THE TRADE ENVIRONMENT
UAE, TRADE CORRIDORS & MARKET ACCESS

The UAE recorded AED1.937 trillion in non-oil foreign trade during the first half of 2026, while its network of economic partnerships now covers more than 800 million people across major consuming regions.

For commodity businesses, access depends on more than geography. It depends on compliance, logistics infrastructure, financing and the ability to document efficiently across multiple jurisdictions.

NON-OIL FOREIGN TRADE
H1 2026

AED 1.937 TRILLION

UAE'S NETWORK OF ECONOMIC PARTNERSHIPS NOW COVERS MORE THAN

800 MILLION

PEOPLE ACROSS MAJOR CONSUMING REGIONS.

01 FOOD STAPLES
Sugar, Rice & Pulses

India authorised one million tonnes of duty-free raw-sugar imports. Then domestic ex-mill prices fell nearly 20%, weakening the economics of imported sugar.

The lesson is simple: policy can create access without creating demand. Refiners still have to test quotas against landed cost and margins.

Rice presents a different problem. Indian export quotations moved toward one-year highs in late August as African demand strengthened and monsoon concerns persisted. Indian 5% broken parboiled rice was quoted around $364–369 per tonne in the week of 21 August.

For importers, this is primarily a question of timing: buy earlier, increase inventory cover, diversify origin — or accept the risk of waiting.

Pulses show why headline numbers can be deceptive. India's total pulse imports fell only 1.46% in the first half of 2026, yet Tur and Masoor imports rose sharply while Chana and Urad declined.

Businesses do not trade categories. They trade specific products.

02 PROTEINS
Beef & Poultry

Brazilian beef exports reached 1.969 million tonnes during January–July, up 9.9%. Poultry exports reached 519,200 tonnes in July.

But physical supply is only part of the equation.

Veterinary approvals, sanitary requirements and destination restrictions determine which supply is actually accessible.

For protein traders, the question is not simply who has product. It is whose product can legally and competitively reach the buyer.

03 EDIBLE OILS
Palm Oil & Sunflower Oil

Palm oil moved toward roughly 20-month highs as Indonesia's B50 biodiesel programme strengthened expectations for domestic consumption and weather added concern about future production.

Yet Malaysian inventories remained relatively comfortable, while Black Sea disruption continued to complicate sunflower-oil trade.

There is no contradiction. Markets can have comfortable supply today while pricing tighter conditions tomorrow.

For buyers, inventories, energy policy, weather and freight matter alongside the benchmark.

04 TEA & FOOD INGREDIENTS
When the Average Stops Helping

India's overall tea auction average softened only slightly in mid-August. Underneath it, North India weakened while South India improved.

So saying simply that "tea prices fell" tells a buyer very little.

The same is true, even more strongly, for food ingredients, where grade, functionality, certification, processing and origin can determine commercial value.

The more specialised the product, the less useful the average becomes.

05 FERTILIZERS & INDUSTRIAL INPUTS
Urea & Sulphur

Urea has retreated dramatically from earlier crisis pricing. India secured approximetaly 1.7 million tonnes in August at around $390–396 per tonne landed, compared with $935–959 in an earlier April tender.

The question here therefore changed from can we secure material? to does the lower price create a buying opportunity?

Sulphur tells the opposite story. August Gulf producers' offers were priced exceptionally high: Kuwait at $808 per tonne FOB, Qatar at $960 and ADNOC at $1,000 FOB Ruwais for the Indian subcontinent.

But FOB alone can mislead. Freight, insurance, financing, vessel availability and route risk determine the real economics :

A cheaper tonne is not necessarily a cheaper tonne delivered.

06 THE TRADE ENVIRONMENT
UAE, Trade Corridors & Market Access

The UAE recorded AED1.937 trillion in non-oil foreign trade during the first half of 2026, while its network of economic partnerships now covers more than 800 million people across major consuming regions.

For commodity businesses, access depends on more than geography. It depends on compliance, logistics infrastructure, financing and the ability to document efficiently across multiple jurisdictions.

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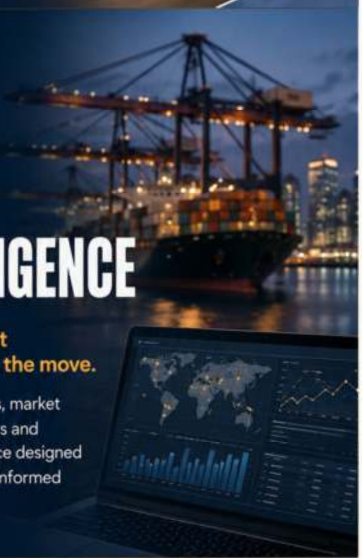

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BUSINESS CLINIC	QAA INTELLIGENCE	CARAVAN

THE COMPANY WAS READY. THE BUSINESS WAS NOT.

He came to Dubai with capital, ambition and every reason to believe he was building a company. A year later, he discovered that a company and a business are not quite the same thing.

“ CAPITAL CAN PAY FOR MANY THINGS, IT CANNOT PAY SOMEONE TO MAKE AN UNCERTAIN BUSINESS MODEL CERTAIN.

By **Josephine Beaumont**
CARAVAN Editorial Team

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When I first heard about the company, it already had an office.

There were employees at desks, business cards, licences, visas and several registered activities. Salaries were paid every month. Meetings happened in calendars. People came to work in the morning and left in the evening.

From the outside, there was nothing particularly unusual about it.

The founder had come to Dubai from a neighbouring country with money and the intention of building something substantial. He did what new investors are often encouraged to do. He incorporated a company. He took an office. He applied for licences. He hired people.

Then four months passed.

And there was still an awkward question nobody could answer clearly.

What, exactly, did the company do?

There were answers, of course. Just too many of them.

One week there was an opportunity in one sector. The next week somebody introduced another.

Employees researched markets, prepared presentations and attended meetings. New contacts led to new possibilities.

Everyone seemed occupied. Very little was being sold.

Meanwhile, the ordinary expenses of having a company continued with remarkable discipline.

Rent did not care that the strategy was unfinished.

Neither did payroll. Visas expired.

Licences required renewal.

Administrative costs arrived on time.

Uncertainty had acquired a monthly price.

The employees were not incompetent. That would almost have made the problem easier to understand.

They had simply been hired before management knew what it needed them to do.

There is a difference.

By the sixth month, the founder had built most of the things people associate with a business, except the business itself.

That was when the Business Clinic became involved.

? THE FIRST CONVERSATIONS WERE NOT ABOUT GROWTH. THEY WERE ABOUT DEFINITION.

- Who is the customer?
- What are we selling them?
- Why would they buy it?
- How do we reach them?
- And when they finally pay us, is there enough margin left to make the whole exercise worthwhile?

These questions can sound embarrassingly basic when an organisation already has employees and an office. They are less embarrassing before the employees and office exist.

A business model was eventually defined.

The target customer became specific.

A route to revenue was built around numbers rather than possibilities.

Partnerships were established to give the company access it could not easily create alone.

Then came the uncomfortable part.

Once the operating process was clear, much of the work people had been hired to perform turned out not to require people at all.

Processes were automated.

Roles disappeared.

A large part of the original team was let go.

It would be convenient to call this efficiency.

It was really the cost of getting the order wrong.

> Speed has an interesting side effect. It allows you to make expensive decisions before you have answered inexpensive questions.

A year after the intervention began, the company was smaller.

There were fewer people, fewer vague possibilities and considerably less activity for activity's sake.

There was also, for the first time, repeatable revenue.

The company finally knew what it did, who it did it for and how that work became money.

I think this story matters in Dubai because the city makes starting a company feel wonderfully possible.

The infrastructure is sophisticated.

Things can happen quickly.

Capital can put an impressive organisation around an idea in surprisingly little time. But speed has an interesting side effect. It allows you to make expensive decisions before you have answered inexpensive questions.

An office, licences, salaries and beautifully printed business cards all cost money. Asking who the customer is costs nothing but time — and that time is always cheaper spent before the organisation is built than after.

The humbling truth is that the business model has to be found before the investment is made, not after it. This company found it a year later than it needed to, and paid for that year in people, time and capital it did not have to spend.