

scooping up COMPLEMENTARY MARKETS

For those looking to grow in a slightly saturated market, international diversification is key to expansion and providing regional solutions to economies of scale.



Farid Chedid
CHAIRMAN & GROUP CEO,
CHEDID CAPITAL

What have been the main accomplishments for Chedid Capital?

In September 2018, we celebrated 20 years for the first company in the group, Chedid Re. We started as a reinsurance broker and soon became a major player in the region. In the last few years, Chedid Re has become the largest reinsurance broker in MENA and one of the top 20 in the world. In June 2015, we were registered as a Lloyd's broker—an important accomplishment and seal of approval to our longstanding collaboration with Lloyd's. Aside from the reinsurance business, in 2010 we launched our insurance and insurance brokerage business, developing them along the regional footprint of Chedid Re. International diversification is another key to success, as the best strategy for expansion comes from providing regional solutions to economies of scale. Our group today comprises 45 countries, from Pakistan to the UK, and employs over 500 people. We provide reinsurance solutions for all lines of business across the whole region, counting on a highly qualified team in all sectors, from legal to economists, engineers, and actuaries. The insurance brokerage side is focused on the Gulf, Levant, Mauritius (a recently opened location from which we cover East Africa), as well as supporting our clients wherever they develop through our network and alliances.

How have opportunities evolved in your 20 years of existence? What is your outlook on the future?

Between 2004 and 2014, insurance markets in the region grew quickly. While this brought a huge amount of opportunities to reinsurance companies, it also meant increased competition, with a number of new companies claiming a share of the pie. This was not problematic as long as the market kept growing, but things have turned around in the last four years. Due to the economic and

political situation in the region, the insurance industry is not growing, and we find ourselves with an excess of reinsurance. For this reason, the industry's near future will be quite challenging until it reaches a higher degree of consolidation. Today, the priority for any reinsurance company in the region is to be the most resilient and the most agile to adapt to the dynamic regional situation. We are doing so by upgrading resources and capabilities through new recruitments and trainings and by raising the bar when it comes to customer services, risk management, corporate governance, and running all our operations with transparency and ethics.

How can Lebanon compete with Dubai as a reinsurance hub?

Lebanon can hardly be compared to the much larger economies in the Gulf. Nevertheless, opportunities are there. In my opinion, instead of rivaling Dubai as a reinsurance hub, Beirut and the broader Levant should be seen as complementary markets to the Gulf. Both Dubai and Beirut can play a role as international centers of excellence, and companies like ours can capitalize on and develop both. The relationship between Dubai and Beirut should also be seen as a mutual synergy. If Beirut grows, Dubai does too. In terms of the benefits we derive from our hub in Lebanon, one of the key factors of our success is that we can rely on the highly skilled workforce in Lebanon. Lebanese youth are multilingual, multinational, multicultural, and resilient and adept at crisis management. We have arrangements with Lebanese universities, as well as with other territories where we have a strong presence, which allow us to draw from their vast pool of promising talent, train them, and assimilate them into the group. This model has worked well for us. ✕

Largest reinsurance broker in MENA and one of the top 20 in the world

Registered as a Lloyd's broker in June 2015

BIO

Farid Chedid is the Chairman and Group CEO of Chedid Capital, an investment group holding investments in the insurance and reinsurance sectors across 45 countries in Africa, Asia, Europe, and the Middle East. He is an FCII and holds a MS in risk management from the NYU Stern School of Business and a MS in finance from ESCP Europe. He is a member of the board of trustees at Notre Dame University, Lebanon, a member of the Beirut Committee of Human Rights Watch and a UNDP Goodwill Ambassador.