



LIVING HIS DREAM

Marco Saviozzi, founder and CEO of DIFC brokerage firm GMG, has been in Dubai long enough to know what can make money and where the gaps in the market can be found.

BY ALI KHALED

AS A CHILD GROWING UP IN ITALY, Marco Saviozzi would walk every morning by a motorcycle shop on his way to school. An MV Agusta was the object of his desire. One day, he promised himself, he would be able to afford his own.

Today, a sleek, modern version sits in the corner of his office at the DIFC. It is a constant reminder of ambitions fulfilled.

Saviozzi is the founder and CEO of GMG, a brokerage firm that covers a number of markets, including equities, options, FX, futures, derivatives and bonds.

"We provide service for institutional banks and hedge funds from Hong Kong, Singapore, New York, London and the Middle East," he says. "We have around 200 clients at the moment worldwide. From small banks in Saudi to the biggest banks in the world — HSBC, Standard Chartered, Goldman Sachs, JP Morgan, all the major institutions."

Saviozzi, the son of an Italian father and French mother, first came to Dubai in 1999, for a stopover on his way to a holiday in the Maldives. He returned

every year until 2004, when he met his future wife here. They then moved to New York, where Saviozzi headed the Equity Derivates team for ICAP, the firm he had worked for in London for the previous ten years.

"Then my wife got pregnant and she wanted to move back here," he says. "She had lived in Dubai with her family from when she was ten. It's now been our home for ten years."

In 2007, he opened the brokerage firm Newedge, and two years later he founded GMG. Since then, he has seen his business and his industry thrive in Dubai.

"We were the first tenant in this building, with a tiny office," Saviozzi says. "Now we're moving to a bigger one. I think the vision of Sheikh Mohammed Bin Rashid Al Maktoum [Ruler of Dubai] to create a financial platform was amazing. For many years, Bahrain was the main financial hub, but with issues there and the growth of Abu Dhabi and Dubai, well, when Sheikh Mohammed decided to set up a financial platform for all the funds... it was a great idea."

Geographically, setting up an office in Dubai made sense for Saviozzi, allowing GMG to cover all the big markets in Europe, and the emerging ones in India, Russia and Africa.

"DIFC chose as well a very strong legal frame[work], they copied the FCA legal structure which is very, very solid," Saviozzi says. "And being a free zone you're allowed a lot of outside investors and to have 100 percent ownership. It's a key tool for a country like the UAE to have such a strong legal framework because investors will not invest their money — and they will not send resources and families — to places where the regulation can change every day."

It's not just the set up at DIFC that has improved confidence, Saviozzi says. The companies themselves have increasingly implemented best practices, which

wasn't always the case in the past.

Despite political tensions in the region, Saviozzi believes that as long as the UAE stays stable, it will continue to grow. With more instability and tension affecting Europe and the US, he sees the UAE emerging as a safe haven to invest money and live. He also sees positive signs from the East.

"Before, the west was running the show, then it went more centre and now East," he says. "You see China is stronger in the financial markets, they have big institutions, the size of the banks is enormous. India is opening up slowly. In Africa, there is bit of instability in Nigeria, but overall we are bullish."

Saviozzi is a huge fan of motorsports and sees parallels between GMG's success and that of a certain Formula 1 team.

"We are a small fish in a big pond," he says. "I always compare us with a Formula 1 team from the old days called Minardi. They had good spirit and hard workers, but they were fighting against McLaren and Ferrari and Renault, and slowly they grew the team. And it's exactly the same here. Our competitors are at least 50 times bigger than us. We really are the smallest one."

GMG started with a team of seven, and not many expected it to survive. Eight years on, and with a staff of 35, the firm continues to grow.

"We're expanding in different markets, we started in Russia and we have a very strong South African market," Saviozzi says. "We go to niche markets where we believe we have an added value and because we have demand from the banks as well. We don't compete on the big markets like the euro, dollar or yen. We go for specific small markets, and there is enough business to be made there."

Though he used to race cars (he competed in Le Mans 24), he sees himself running a different type of well-oiled machine at GMG.

"When you are entrepreneur, it's important to have shareholders who believe in you, and to have a team that believes in you," he says. "At the end of the day we are a service provider, and the biggest asset of a firm like GMG is the people that work for it. It's easy to say it's a family, but we feel it is a family, we've worked together for years."

DIFC's next big challenge: hedge funds



Despite GMG's successes over the past eight years, CEO Marco Saviozzi says there is still one major market waiting to be tapped in Dubai, and it's one that he is doing his best to promote.

"I try and get involved more and more with DIFC," he says. "Not to help them, that would be too arrogant to say, but to guide them, because there is a lack of hedge funds. I think it's a big, big part of the business that at the moment DIFC is not reaching as well."

It is an area that Dubai lags behind compared to other major cities.

"In the big financial markets worldwide, like Hong Kong, Tokyo, New York and London, the driving force are the hedge funds, and there are no real big hedge funds here," he says. "I think it's time now for DIFC to really promote the platform because at the end of the day a hedge fund is a company, and you need to convince the CEO, and usually the wife, that it's the right place to move, because it's safe, there are good schools, hospitals, everything is great and you can travel all around the world easily."

The long-term benefits of hedge funds for DIFC — and the UAE's economy at large — are hard to ignore for the Italian businessman.

"I think that is the next step, because as of today DIFC has all the biggest banks in the world, now they need to have the hedge funds. And when they have the hedge funds, it brings a lot of wealth. Families with good salaries come here and they rent houses, go to restaurants and spend money in the shops, so it brings money into the country."

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