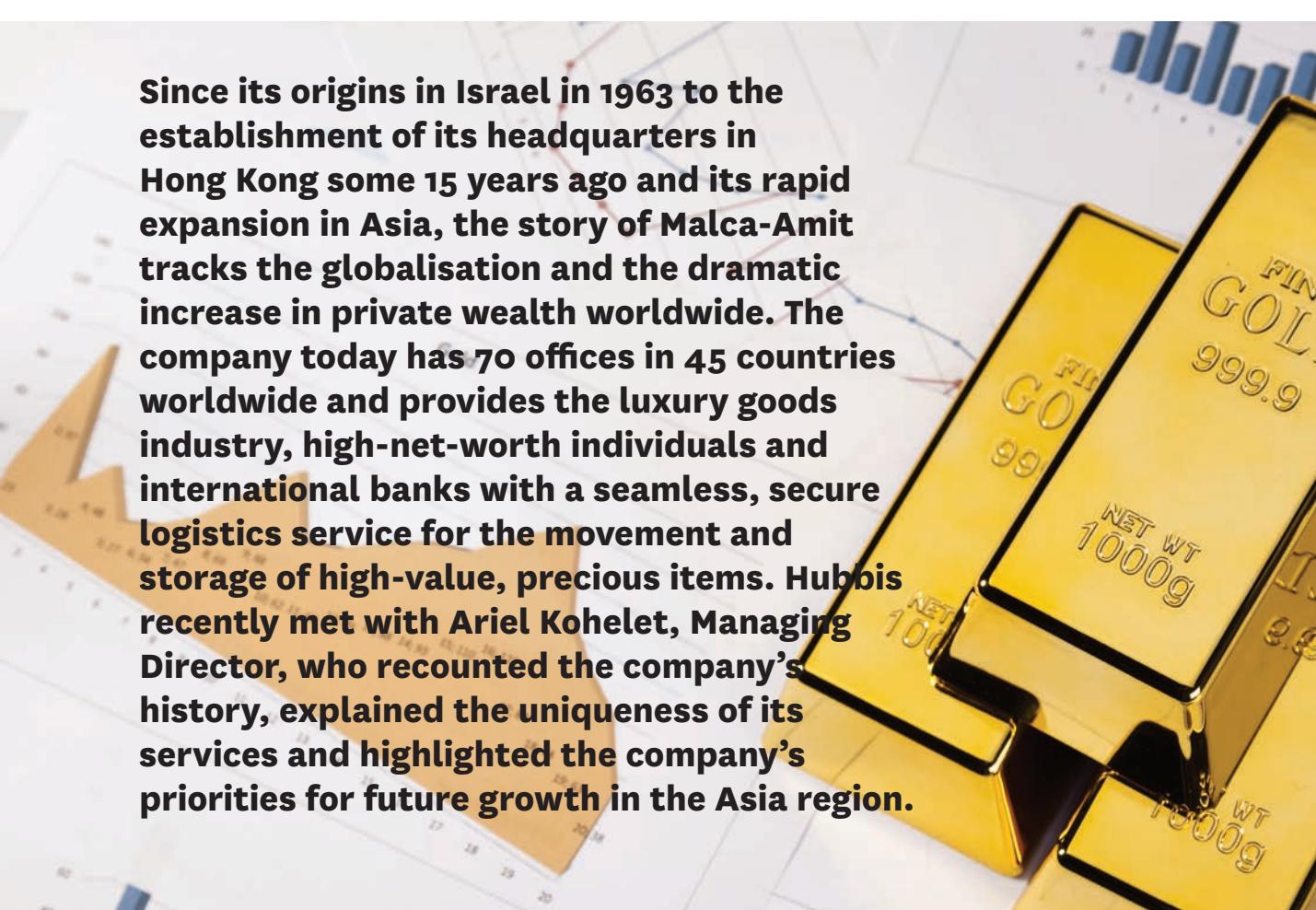


# Malca-Amit: Growth Reflects the Multi-Decade Globalisation of Wealth and Asia's Economic Miracle

Since its origins in Israel in 1963 to the establishment of its headquarters in Hong Kong some 15 years ago and its rapid expansion in Asia, the story of Malca-Amit tracks the globalisation and the dramatic increase in private wealth worldwide. The company today has 70 offices in 45 countries worldwide and provides the luxury goods industry, high-net-worth individuals and international banks with a seamless, secure logistics service for the movement and storage of high-value, precious items. Hubbis recently met with Ariel Kohelet, Managing Director, who recounted the company's history, explained the uniqueness of its services and highlighted the company's priorities for future growth in the Asia region.



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OF MIND  
FOR our

clients,” reports Kohelet. “The assets we handle for them are items that people have worked a lifetime for, their collections. They are immensely precious to them, both sentimentally and in monetary value. They need us to keep the assets for them, to move them and to preserve them, so that is why we are also deeply involved in the whole business of wealth preservation.”

Malca Amit clients, he explains, own anything from diamonds, jewellery, to art, or precious metals, basically anything

tions and needs for the expert, efficient, secure movement of their highly valuable assets.

Malca-Amit has offices and affiliates around the world and states on its website that it is committed to an “unsurpassed level of excellence” in customer service and reports that the assets for which the company is best-known include diamonds and jewellery, watches, precious metals, fine art.

The company is also involved in the planning of special events. “We offer absolute peace of mind when it comes to the security, logistics and operational execution for special events worldwide,” the website recounts. “Our team of international security and special

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that has a price tag. “Some of them keep these items for wealth preservation,” he explains, “some keep it because they want to put them away somewhere for a rainy day, some for risk allocation, diversification of portfolios, in short for many varied reasons.”

Malca-Amit offers a global team of experts, including logistics, security, customs house and special operations professionals. The company provides a smooth, expedient and professional service tailored to precise specifica-

operational experts enables us to provide unparalleled discretionary service, with luxury and security remaining at the forefront of every operation.”

Malca-Amit’s highly-secured, strategically located storage facilities are recognised as market leaders, Kohelet reports. Numerous facilities are located in free trade zones and others are strategically positioned around the globe in locations including Bangkok, Hong Kong, London, New York, Shanghai, Singapore, Toronto and Zurich.

## Key Priorities

"This year we are focusing on building our presence in Southeast Asia, in countries such as Vietnam, Myanmar, Indonesia, the emerging nations. Take Vietnam, for example, it is a rapidly growing economy, it is opening up to business, the middle class is growing, the rich are getting richer."

The second core priority is to grow the local market in Singapore. "It appears that the banks are slowly shying away from the custodian business, from safety deposit boxes, partly because of regulation, partly because it is not a core business of the banks." And Kohelet's third priority is to expand into Australia and beyond.

"The founding values of the company are as paramount today as they were when the first office opened its doors in 1963," Kohelet says on concluding the interview. "We offer flexibility, innovation, efficiency, commitment, and professionalism. These are the guiding principles that shape everything we do."

## Pure logistics

Kohelet clarifies the lines of demarcation between different providers. "We are not a trading company, we are purely a logistics company. In the storage space, for example, we might have large banks working with us, and we



ARIEL KOHELET  
Malca-Amit

operate the big vaults for them. And we also have individual clients, investors that have safe deposit boxes. So, the spectrum that we cater to is quite broad. We work, for example, with numerous retailers, wholesalers, and others to store and ship, we provide liability coverage, the whole array of logistics services."

For the wealth management community, this is a vital element in the big picture of their assets and wealth preservation. "We have a very extensive network of offices," he reports, "so, for example we can collect assets from anywhere. A client might walk in to one office in New York, deposit the goods, we then ship those to Singapore, we place them in a safe deposit box or a vault, ship them the keys, without them having ever to have to step into our facilities after they have originally passed the assets to us."

Liability coverage is essential. "The banks do not do this," he reports. "If you have a safe deposit box in the banks, the banks won't cover, they won't be liable for the loss or damage of the goods. We are. We are outside the banking system."

### Getting Personal

Kohelet was born in Kfar Saba, which he explains can be translated as "grandfather's village". The town is located near Tel Aviv in Israel and was educated there through to university, where he studied economics.

He explains that to some extent the business of Malca Amit is in his blood. "My great grandfather was a dentist in pre-war Poland, and the fact that he had gold for his fillings basically saved him and the family in the Second World War. He ran away and he would either fix the teeth of the Polish farmers that would give them a meal and shelter, so he can go on the next day, him and his family, or sell them gold fillings."

Kohelet has worked with Malca Amit for around 15 years. He moved to Singapore in 2009 when Malca Amit decided to go into the storage business. "Our core business was the diamond and jewellery business, which today is still the core business for the Malca Amit group but following the 2008 global crisis we had decided to diversify our business lines and I was sent to Asia to start up the operations. Our first facility for storage was at Singapore Freeport and we have expanded from there."

Married with three children of seven years old and younger, Kohelet enjoys the life in Singapore. When not absorbed in family life with his young family at weekends, Kohelet enjoys exercise in the gym, watching his favourite football team, Liverpool, or resting with a good book.

### Calming nerves

He observes that looking at today's global situation, a lot of people are nervous. "In the US, for example, "we see the government shutdowns, new tax policies, we see China-America trade wars, growth plummeting in Europe, geopolitical tensions and crises and so forth. When people get nervous, they traditionally fall back on tangible assets, and they need safe space to keep these tangible assets for them, and ideally needs to be out of the banking

system, as people have less trust in banks, at least not as much as they used to."

The clients, he elucidates, benefit from security and peace of mind, including what Kohelet terms as a "seamless end-to-end offering" that includes the liability in case the client loses the item or misplaces it.

"We are not the ones connecting directly with the end client," he explains, "but we do deal with a variety of intermediaries. We work with some companies on a refer-

ral basis, but for example, if you are a family office and you run the wealth of a family, you are getting paid for finding solutions and we are one of those expert solutions. It would be in the best interest of a family office to work with a company like us because we believe that we provide the best solution outside the financial system.

### **Your choice...**

As to the exact choice of location, Kohelet observes that the client selects. "Here in Singapore is considered a safe haven," he comments, "as it is politically stable, it is very safe, and very stable economically. It offers a big service centre with excellent infrastructure, certainly the best location in Southeast Asia and perhaps in the whole of Asia. Hong Kong is the most comparable location, but it is still China, so for example, an American investor would rather not have money in China."

"The reasons might not be entirely rational," he observes, "the client decisions might be driven by human psychology that says that if something happens, they want to have something tangible. Would stocks or bonds help if someone needed to pack up, run away and feed the family? But gold and diamonds have historically always been traded as tangible assets that retain value. Gold is a core hedge against the worst possible scenarios."

But Kohelet also notes that for countries such as Malaysia and others that have tight capital controls Malca Amit will not transgress the rules of the day and the company performs its own KYC on clients, to ensure they are bona fide and that they act in accordance with the regulatory environment. "We do that because at the end of the day reputation is all you really have in a business like ours and people trust us enough to pass us millions and millions of dollars, whether be it to ship or to store."

### **Delivering Peace of Mind since 1963**

Kohelet explains that Malca Amit was formed in 1963 by two families that are still in the business today. "The company is a privately held business and began by shipping diamonds from Tel Aviv to Hong Kong. Today and we have a presence in 45 countries through 70 offices. While the company was originally Israel-based the holding-company moved to Hong Kong around 15 years ago. We employ about 1800 people globally and the company remains privately held to this day."

The story of Malca-Amit, in fact, tracks globalisation and the dramatic increase in private wealth worldwide in the past 50 or more years. In 1963, Raphael Amit established a small office in Tel Aviv, Israel, providing typing

services for export papers. At the time, valuables exported from Israel were simply sent by regular mail accompanied by export documents. The office was run by his wife, Rachel Amit, and her sister, Malca Tykocinski. When the diamond business moved from Tel Aviv and made its home in Ramat-Gan, the office began shipping valuable airfreight shipments. That was the company's first step into the world of international freight forwarding.

In 1979, the Israeli government prohibited diamond shipments via mail because many diamonds were disappearing in transit. Amit, along with his wife and sister-in-law, formally defined Malca-Amit as a shipping company and opened the first Malca-Amit office outside Israel in Hong Kong. They began shipping diamonds and other valuables in a safe and secure manner. The company's rapid international growth ensued.

Offices were opened one after the other as the demand for secure, professional and expedient logistical solutions grew in tandem with the growing scope of the international diamond, jewellery, and precious cargo industries. New York, Antwerp, Los Angeles, and London, soon saw the opening of new Malca-Amit offices. Today, the company's network spans the globe. ■

